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Labour Market Bulletin 20

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Editorial

"Without knowledge action is useless and knowledge without action is futile"
Abu Bakr, 573-634.

The Labour Market Bulletin is built on this premise. We need to know what we are doing and why we are doing it: the link between theory and practice, if you like. Only this way, as the philosopher A C Grayling puts it, comes understanding[1]. My intention as editor of the LMB is not just that you find the articles within it merely "interesting" (although – I hope that you do!), but that they go some small way in stimulating thought and debate about issues pertinent to the Northern Ireland labour market.

And never were these issues so pertinent as they are at the moment. Why? For two reasons. Complacency (yes, complacency about the NI labour market) and Change.

First, complacency. It is almost as easy to get complacent about the NI labour market as it was to be despondent a decade or so ago. Yes, it is true that the past 10-15 years have seen unparalleled growth to the point where employment and unemployment are at record levels: employment at a record high; unemployment at a record low. Our employment rate is now touching 70% - and our unemployment rate is amongst Europe's lowest. Good.

But we still have many problems: low productivity and wages (recent figures suggest that the median NI private sector wage is only 83% of that of the UK as a whole); a heavy dependence on the public sector – I do not want to get into the mantra of "private sector good: public sector bad" – but at 32% of employees our proportion of public sector employment is too high; high rates of economic inactivity; and skills gaps in the NI working age population. To name but a few.

Second, change. Oh but the world would stay the same so that we could think things through as if we were in suspended animation. But it doesn't. To give but one example – demographics. It has been obvious for some time that population change was going to shape the NI labour market for years to come: most obviously, in the steeply falling fertility rates in NI which will transform a still young population structure over a period of only a decade or so to a distinctly ageing one. We already knew this (whether we have fully acted on it is another matter). However what we did not foresee is the massive change in immigration to NI. Articles in this issue of the Bulletin outline the changes that have happened over the past year or so and indicate our first attempts to harness that knowledge to direct both policy and service delivery in response to these changes.

There are the issues that face us. These are also the issues that this Bulletin addresses. I hope that you find the articles both interesting – and relevant.

But enough from me. I would like to hear from you. For this reason we are repeating our readership survey this year: alternatively you could complete the online version of the questionnaire which will be available on the DEL website (**www.delni.gov.uk**) until the end of January 2007 – or feel free to e-mail us (**reb@delni.gov.uk**) at any time.

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 without whom there would be no Bulletin for me to edit or for you to read: 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. Last – and certainly not least – I would like to offer a huge "thank you" to members of the administrative team in Research and Evaluation Branch in DEL – Etta Wilson, Chris Lawless, Karen Algie, and Nicola McGarrigle. My debt to them is immense.

Dave Rogers
Editor – Labour Market Bulletin

1 Grayling, A C (2005) "The Heart of Things" Phoenix Books p96. Grayling chooses to illustrate his point with a quote from Charlemagne: "Right action is better than knowledge, but in order to do what is right, we must know what is right", but I defer to Abu Bakr for reasons of precedence, brevity, and reciprocity.

Skills and the Northern Ireland Labour Market – an Overview

Dave Rogers, Analytical Services, DEL

Over the past year the Northern Ireland labour market has continued to improve and build on the advances of the past decade or so: but many challenges remain. This article gives a brief overview of the NI labour market and the issues to be faced; how the content of the Bulletin informs the debate in this area; and also points to what is being done – particularity by the Department for Employment and Learning (DEL) in relation to these challenges.

Background

The NI labour market has improved considerably over the past few years: employment is up; unemployment is down; and wealth (as measured by GVA per head) has risen by more than in any other region of the UK. On the other hand, levels of economic inactivity have remained stubbornly high and NI has a weak private sector with a concomitant over-reliance on the public sector: and skills levels in the working age population are somewhat lower than in the UK as a whole. The NI labour market was reviewed in depth in last year's Labour Market Bulletin[1]. 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)[2] and Chapter 4 by Terry Morahan details the extent of this change.

Key Recent Labour Market Characteristics

- **Continuing Employment Growth.** Employment, which has been growing strongly for many years, has continued to grow in 2006 and the most recent data show that there are now 768,000 people in employment in NI – the highest on record. Moreover the employment rate[3] is approaching 70%, and has been consistently reporting figures in excess of 69% quarter after quarter.

- **Low unemployment.** Unemployment has been below 5% for the past two years despite rises elsewhere in the UK. The ILO[4] unemployment rate is now around $4\frac{1}{2}$%, and is lower than the EU average; the UK average; and than almost every other UK region. NI is now a low unemployment economy.

- **Economic inactivity remains high.** The most recently published figures on economic inactivity in NI show a rate of 27%: this is within the range of 27%-30% that has characterised the last 20 years[5]. But just perhaps there is the first sign that rates may be on a downward trend: data from LFS show that three of the lowest inactivity figures recorded in recent years have been in the last four years (**Figure 1**).

- **Low, but rising wages.** Recent data confirm that median private sector earnings in NI are substantially lower (16%) than in the UK as a whole. This is partially a reflection of a weaker private sector here. On the other hand growth in private sector earnings, albeit from a much lower base, was

1 Labour Market Bulletin 19 Chapter 1 **www.delni.gov.uk/labour-market-bulletin-19.pdf**
2 Detailed statistical reports on the NI labour market are published regularly by DETI **www.detini.gov.uk**
3 The employment rate quoted here is that for people of working age, ie the percentage of working age people who are in employment
4 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. Using the ILO definition, just over 3% of the working age population are unemployed
5 For a full discussion see LMB #18, Chapter 8

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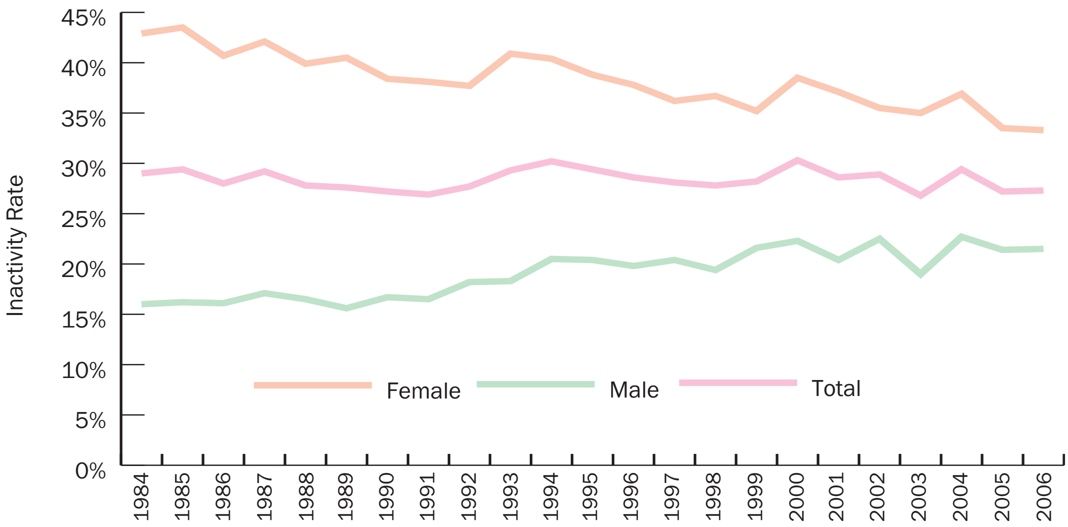
higher in NI in 2005/6 (=7%) than in the UK as a whole (+4.5%)[6].

- **High dependence on the public sector.** Recent figures from DETI show that some 32% of employees in NI are employed in the public sector. This is an increase from the situation a few years ago which suggests that recently the public sector has been growing faster than the private sector (the reverse was true for much of the 1990s and the early part of this decade). Although figures for the UK are 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[7].

- **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 what constitutes a good proxy for skills. One proxy is qualifications – or the lack of them. Data from Regional Trends show that in 2005 some 24% of the NI working age population were without a qualification: this was some 10 percentage points higher than the UK average and 7 percentage points higher than the next "worst" region/county (Wales, 17%)[8]. The position is improving though: ten years ago one in three working age adults didn't have a qualification; today the figure is around one in four.

- **Increased in-migration to NI.** The last couple of years has seen a marked shift in NI in terms of migration – we now have substantial numbers of people coming here to work after decades (if not longer) of economic out-migration. This issue is dealt with in detail in Chapters 29 and 30 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[9].

Figure 1: Economic Inactivity in NI 1984-2006



Source: DETI (note 2006 figures to August)

6 Source: Annual Survey of Hours and Earnings (ASHE), DETI **www.detini.gov.uk**
7 Source for NI figures – DETI Monthly Report **www.detini.gov.uk**. NI figure relates to employees in employment. The equivalent UK figure (19%) is taken from Labour Market Trends (**www.statistics.gov.uk**) but is calculated on different basis ie all those in employment, and will therefore include the self employed
8 Source: Regional Trends 39 (2006) **www.statistics.gov.uk**
9 See Labour Market Bulletin #19 Chapter 15 for more information **www.delni.gov.uk/labour-market-bulletin-19.pdf**

Figure 2: Selected Key Strengths and Weaknesses in relation to the NI Labour Market

	Strengths	Weaknesses
Economy	• Continuing economic growth underpinning labour market successes of recent years • Relatively low interest rates • Substantial investment in infrastructure through the Investment Strategy for NI	• High dependence on public sector • Possibly rising interest rates? • GVA per head still significantly below UK average and most other regions • Lower forward growth in public spending expected – particularly hits NI given dependence on public sector
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 young relatively well educated young people entering the workforce with high participation in education and training • Inmigration of migrant workers to fill labour shortages	• Increase in labour supply is also a potential weakness as number of jobs has to grow rapidly simply for NI to "stand still" • 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: a quarter of working age adults have no qualifications • Outmigration of young people for HE • Some evidence of skills shortages recruitment difficulties in some occupational areas • Low levels of training in NI workplaces • Relative lack of childcare restricting access to labour market
Labour Demand	• Strongly rising employment - job growth has more than absorbed population growth recently • Low labour costs – making people easier to employ • Increasing productivity: faster than in UK as a whole over recent years • Private sector wages, although lower than UK, growing at faster rate	• Although rising labour demand throughout most of NI there are areas with proportionately fewer job opportunities • Low pay – can depress the attractiveness of jobs to potential employees. • High dependence on public sector (around 32% of NI jobs cf 19% in GB) • NI productivity still lags behind UK average.
Non-employment	• Falling unemployment and smaller proportion of working age people than ever before not working	• Pockets of high unemployment and non-employment especially in certain areas • Persistently high levels of economic inactivity • Some groups (eg disabled people, older workers) disproportionately excluded from the labour market
Wider factors	• Relative normalisation of political situation • Global economy and shocks (eg oil prices, geo-political situation)	• Lack of devolved administration/political uncertainty • Global economy and shocks (eg oil prices, geo-political situation)

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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 2**, updated from last year's Bulletin. 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 the 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 (although these have dropped recently). For example in the past decade, the NI working age population has grown by more than 100,000, and this growth is expected to continue over the medium term, although projections show that by the end of the second decade of the century, numbers in the young adult labour-market entry age groups will begin to fall: indeed, the working age population itself is due to shrink from around 2020 onwards[10]. Also, as mentioned above, the situation is being affected by the in-migration of a large number of migrant workers.

On the whole, young people in NI perform well in terms of qualifications attained, for example compared to their counterparts in the rest of the UK, and this is underlined by their performance in internationally-standardised assessments of literacy and numeracy, as reported in last year's Bulletin[11]. However, although NI fares well compared to GB, there remains a "tail" of poorly performing young people who leave school with no or poor qualifications[12]. This year's Bulletin contains a summary of completed research carried out by Rosemary Kilpatrick and colleagues at QUB (Chapter 26) on Alternative Education Provision in NI which targets those pupils who are difficult to help under normal arrangements. Another key element here is the provision of education and training opportunities especially through Further Education Colleges and Jobskills provision, and in this regard DEL have recently reviewed the Jobskills programme: this review was informed by an external evaluation of the programme carried out by Peer Consulting, the main findings of which are summarised in Chapter 21.

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. It is to better understand the journey that these young people undertake that DEL has agreed to commission a Youth Cohort Study in NI for the first time: this study will begin by following young people in their final year of statutory education until they are aged 23/24: details are given in Chapter 15.

Encouraging young people to engage in education or training is a key area to help upskill the young people themselves and also to improve the stock of skills in the working age population in the future. Widening access to Further and Higher Education for students from disadvantaged backgrounds is thus a key priority – and this is discussed by Alison Brown in Chapter 11. Getting students to college or university is one thing: keeping them there is another. Mark Bailey and Vani Borooah from UU cover this in their article on first year students at UU (Chapter 14). The finances of university students is also another key piece of information here, and in Chapter 13 Jim Hillage from IES and Steven Finch from NatCen report on the

10 See NI Abstract of Statistics Online, NISRA (**www.nisra.gov.uk**)
11 See LMB #19 Chapter 13
12 Figures from Regional Trends 39 (available at **www.statistics.gov.uk**) show that for the most comparable year available (2001/02), NI had the highest proportion of candidates attaining 2 or more A Levels (79.8%) of any UK region some five percentage points higher than the next highest region, the South East. At the other end, NI also performs reasonably well with 5.2% of students in their last year of compulsory education failing to attain a graded qualification, broadly in line with the UK average (5.3%). On the downside, figures from the Department of Education (**www.deni.gov.uk**) show that this percentage has been increasing in recent years

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findings from the 2004/5 Student Income and Expenditure Survey.

Young people of course only represent only part of the story – the other part is the stock of people of working age: both those inside and those outside the labour market. As we have seen above, there is an issue here with a high proportion of people here with no or poor qualifications. In relation to people who experience problems with skills such as literacy and numeracy – and it is worth remembering that the 1996 International Adult Literacy Survey (IALS) showed that around quarter of NI working age adults were operating at the lowest level of literacy – DEL have put into place the Essential Skills for Living Strategy[13]. Research on the delivery of the strategy is reported by Helen Highley from Frontline Consultants jointly with Locus Management in Chapter 10.

Non-Employment

As has been noted above, unemployment levels have been falling in NI for many years and are currently at historically low. Lower unemployment has followed on in part from the better 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 that have been carried out.

There have also been other interventions for example the rolling introduction of integrated Jobs and Benefits Offices, combining the role of employment search and benefit support, over recent years. Duncan McVicar from QUB reports the findings of an investigation into the impact on benefit numbers of the introduction of this service in Chapter 17.

One issue that has come to the fore recently are people who have been though New Deal previously and have retuned to the programme for a second time or more. In an attempt to determine what factors are associated with an increased propensity to return – and more importantly how services could be adjusted to better meet the needs of this group – is the focus of research being carried out for the Department by the Centre for Social *Inclusion*. This research is due to complete in the new year, and Dave Simmonds from *Inclusion* gives an update of progress so far in Chapter 16.

Another key issue remains economic inactivity – this is true at a UK level, but perhaps more so in NI with our higher rates of inactivity and claims for Incapacity Benefit[14]. If we want to increase employment we will need to attract people away from inactivity into work. This area is the focus of a considerable programme of research currently being carried out by the Department as outlined by Wendy Lecky in Chapter 5. Ian Shuttleworth from QUB and Anne Green from the Institute for Employment Research have been commissioned to examine issues around helping those in receipt of Incapacity Benefit into work and their preliminary findings are summarised in Chapter 19. Evaluation finding from a current DEL intervention with this group – Targeted Initiatives – is reported by Stephanie Morrow from PwC in Chapter 18. Finally, helping those at some distance from the labour market will depend on a conjoined effort from statutory and non-statutory bodies – Ronald McQuaid and Colin Lindsay of Napier University and Martin McCracken from UU review the evidence on interagency cooperation to improve employability from the UK and wider afield, in Chapter 20.

Finally, we turn to the unfortunate experience of those who have a job but lose it through redundancy. These instances throw up a specific set of circumstances where a number of people with similar skill sets are placed in the position of looking for work in often quite a localised labour market at the same time. When this happens in an industry that has experienced considerable decline (textiles) in an area of low employment (Strabane), then the challenges for these workers and the services put in place to assist them are particularly acute. In Chapter 23 where Eric Hanvey of Peer Consulting looks at what happened to former employees of the Adria company based in Strabane.

13 See LMB #18, Chapter 13
14 In NI, 10.6% of the working age population claim IB: the rate for the UK as a whole is 6.8% Date - February 2006. Source: DSD (**www.dsdni.gov.uk**)

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Skills

If one thread runs through the articles in this Bulletin it is that of skills and the requirement for people to have appropriate skills for them to be able to function optimally in the modern labour market. From young people in alternative education through Jobskills and FE and HE; those for whom a lack of essential skills hinders their progress in the labour market (not to mention personal and social barriers that they encounter); through unemployed and inactive people whose skills may need refreshing or who may need to develop them in a different occupational area; to people who had skills to do their job – a job that suddenly disappears from underneath them: for all of these the importance of having the right skills is evident, and it is this Department's job to try and maximise the potential of people to attain the skills that they require. Of course, skills are not everything: personal characteristics and attributes; the availability of other services (eg transport, childcare); and, of course, the demand side are also important. But skills are our starting point.

It follows then that understanding of what is happening on the skills front is a prerequisite to action. Building on information on occupational forecasts contained in last year's Bulletin[15], DEL commissioned work on replacement demand (ie, jobs that need to be filled due to "turnover" rather than expansion) and the results of this work are reported by Andrew Webb, Neil Gibson, and Graham Gudgin in Chapter 7. Both sets of forecasts show that the need for workers in low skills occupations will decline, whilst job growth will be in areas of higher skills. The skills of workers currently in work – and potential shortfalls for employers in terms of difficulties in recruiting (skills shortages) and in the skills that their existing employees have (skills gaps) – are the focus of Chapter 6 of the Bulletin by Helen McCartney and Gayle Kennedy which gives headline results from the 2005 NI Skills Monitoring Survey. These data will be vital to the Department and to the Skills Expert Group which has been set up by DEL under its new Skills Strategy (see below). This work is further complemented by results from the Executive Skills Recruitment Watch Survey as recounted by Herb Castillo from PA Consulting in Chapter 8.

The DEL Skills Strategy – "Success Through Skills"

The rationale behind and shape of the DEL Skills Strategy was described in last year's Bulletin[16] and in this year's Economic Bulletin[17]. The Strategy was launched in February 2006. The overall aim of the Skills Strategy will be to help people in NI to progress up the skills ladder in order to:

- lift the skills levels of the whole workforce;
- raise productivity;
- improve competitiveness; and
- enhance the employability of those currently excluded from the labour market.

Broadly speaking, the Skills Strategy targets three groups:

- those **entering** the workforce, to ensure that they have the appropriate skills to be able to compete in the labour market and to enhance the workforce when they join it. This group comprises young people and DEL will work with partners such as the Department of Education; FE Colleges and HE institutions; and Training Organisations in configuring its services for this group. The evaluation of the Jobskills programme discussed in this bulletin has contributed to the review of provision in this area;

- those already **in** the workforce to help them upskill or re-skill where that is appropriate. With this group the Department will work closely with employers and their representatives, but also with others such as trades unions, and training providers. Also part of this group are those who are temporarily unemployed: DEL will continue to work with this group through interventions such as New Deal; and

- those **furthest away** from the workforce, such as many of those who are economically inactive and who have been

15 See LMB #19 Chapter 11
16 LMB#19 Chapter 8
17 Stevens, H "Success Through Skills: the Northern Ireland Skills Strategy" Economic Bulletin #2, Article 22 **www.detini.gov.uk**

out of work for a long time – or perhaps who have never worked. DEL will build on its experience with long-term unemployed people to develop provision for this group.

Full detail on the strategy is contained in the Programme for Implementation published by DEL and readers are referred to this and the articles mentioned above for a full description[18]. However a number of projects and actions carried out under the auspices of the Skills Strategy are particularly relevant here.

Establishment of Skills Expert Group and Development of a Regional Employment and Skills Action Plan

A **Skills Expert Group** has been established comprising relevant experts from the public and private sectors. This group has wide representation from NI, the RoI, GB, and overseas. Its role is to advise and make recommendations to DEL and other government departments and agencies on matters affecting the Skills Strategy for Northern Ireland; and to develop a **Regional Employment and Skills Action Plan.** It will also advise government on projected requirements and international opportunities for Northern Ireland and make recommendations on the steps required to meet identified need. The Group will have responsibility not only for steering the process of identifying skills needs, but also for reviewing follow-up action taken by way of policy and operational responses. In complex labour markets, skills supply decisions cannot be taken in isolation. Demand and supply forecasts must be grounded in an overall analysis of the dynamic forces of the labour market, both at the macro and micro levels. The Group will play a key role in guiding information requirements and in sifting and analysing available information, and it will also examine labour market studies to share information within the Group and to advise future actions; and where appropriate it will commission studies where there is a need for additional information and it will develop proposals to deal with identified shortages.

Much research has already been completed and is described in this Bulletin; other work (for example work on redefining and identifying priority skills areas; the Employee skills survey referred to in Chapter 6) is under way. There will be an ongoing interaction here with work carried out under the banner of the DEL Research Agenda (see Chapter 5).

Labour Market Information Project.

This project is reviewing how labour market information can be better used to understand the demand for skills in Northern Ireland and improve the planning of provision. Details of progress so far are contained in Victor Dukelow's article (Chapter 27)

Workforce Development Forums

A key initiative within the Skills Strategy is the establishment of six employer-led Workforce Development Forums (WDFs) which will focus on skill needs in their local areas and see what actions are required, for example by way of developing tailored local education or training provision through FE Colleges or Training Organisations. WDFs are currently in the process of being set up, and their geographical footprint will be coterminous with that of the six new regional Further Education Colleges which will come into being in 2007[19]. As well as employers, education and training providers and other stakeholders including councils and representatives of the voluntary and community sectors will be represented on WDFs, and there will be a link between the WDFs and the Skills Expert Group.

One of the key needs of WDFs will be for relevant data on the local labour market, both the supply and demand side, to inform their deliberations. Much local information is produced already by the DETI, but a key focus of the LMI review (see above) will be the demand from the WDFs. Work has already started to better define and satisfy the labour market information needs of the WDFs.

18 Available at **www.delni.gov.uk/skills_strategy_2006.pdf**

19 For information on the new FE arrangements, see **www.delni.gov.uk/fe_means_business_implementation_plan_-_june_06.pdf**

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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 as detailed by Wendy Lecky in Chapter 5. Research commissioned under the Agenda is already beginning to bear fruit – as article in this Bulletin demonstrate – and by the time of next year's issue more evidence will be available. The challenge now, as ever, will be to best assimilate the lessons from research to improve both the development of policy and the delivery of services.

The Northern Ireland Labour Market ‘At a Glance’

Statistics Research Branch, Department of Enterprise, Trade and Investment

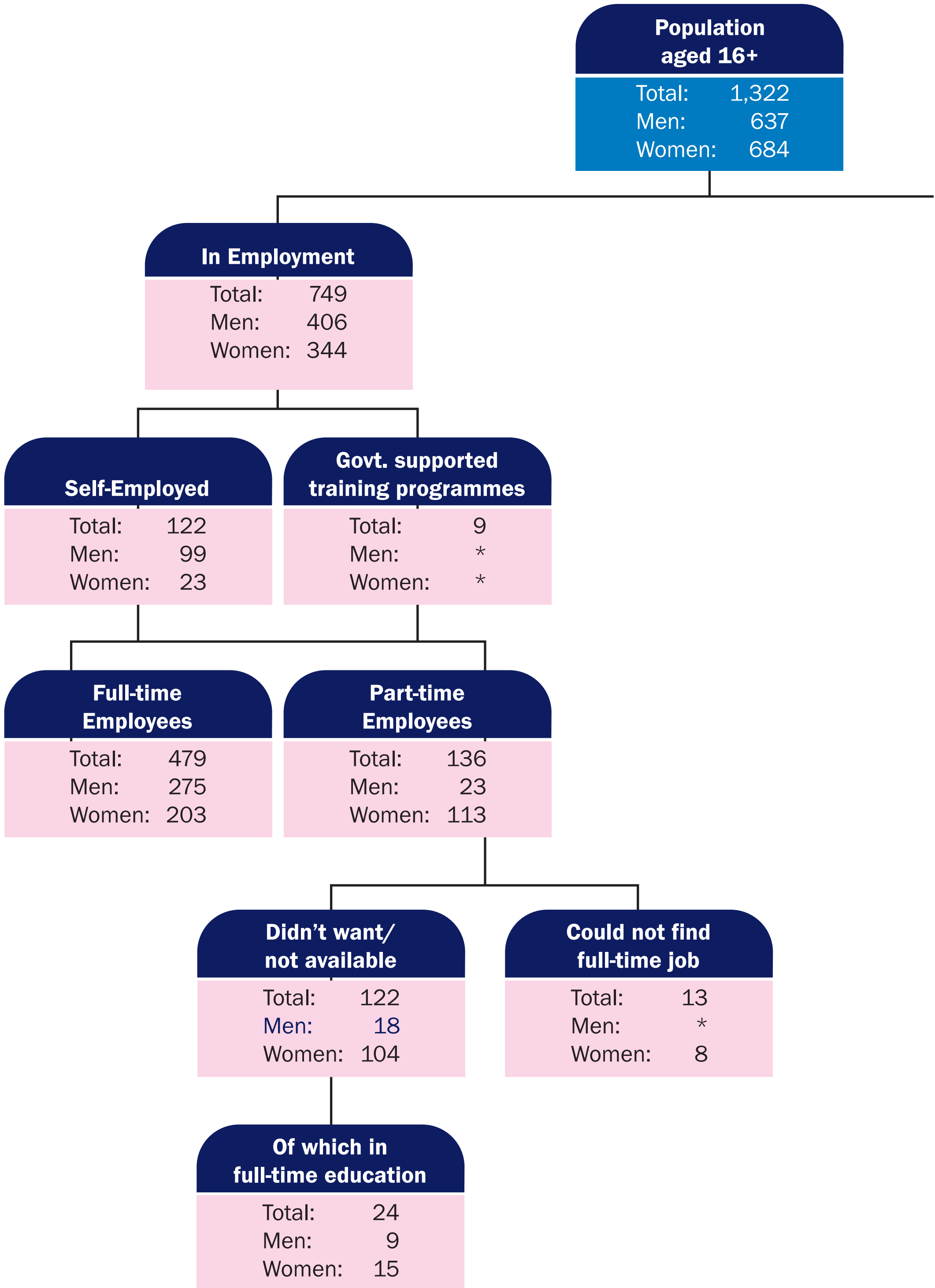
The Labour Force Survey (LFS) is a quarterly sample survey whereby some 4,000 individuals aged 16 and over are asked about their personal circumstances and work. It is the largest regular household survey in NI and provides a rich source of information about the labour force using internationally agreed 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.

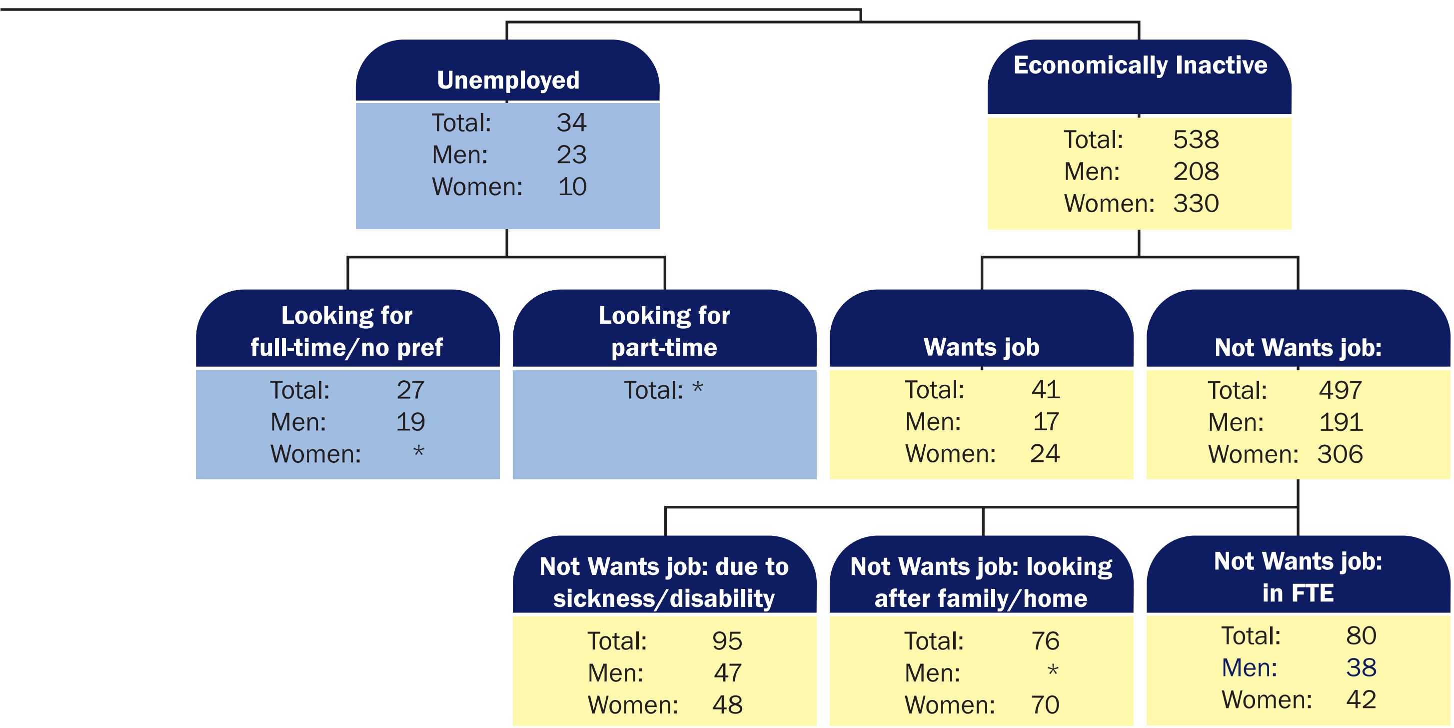
The chart shows how each of these three major categories may be further sub-divided to produce LFS estimates for an entire spectrum of non-overlapping labour market groups ranging from full-time employee to economically inactive people who do not want a job. The results are for Spring 2006.

Figure 1: Overall Labour Market Structure (16+ Population), Spring 2006.



The Northern Ireland Labour Market 'At a Glance'

Statistics Research Branch, Department of Enterprise, Trade and Investment



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).

FTE = Full-time education

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 9437 [Fax (028) 9052 9459]
Textphone:	Belfast (028) 9052 9304
Visiting the web site:	www.statistics.detini.gov.uk

Labour Market Statistics: 2006 Update

Statistics Research Branch, Department of Enterprise, Trade and Investment

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. For consistency with previously published articles, LFS estimates for spring 2006 have been used – that is, the 3 month period March to May 2006.

Table 1 provides a seasonally adjusted summary of the NI labour market position at March-May 2006 and an indication of change over the previous year. The figures show that there has been an increase of 17,000 in the seasonally adjusted employment and a decrease in seasonally adjusted unemployment of 2,000, while the numbers of seasonally adjusted economically active increased by 14,000.

Unadjusted Employment

The total number of persons in employment at March-May 2006 was 749,000. Of these 479,000 (64%) were full-time employees, 136,000 (18%) were part-time employees, 122,000 (16%) were self-employed and 12,000 (2%) were on government employment and training programmes or unpaid family workers.

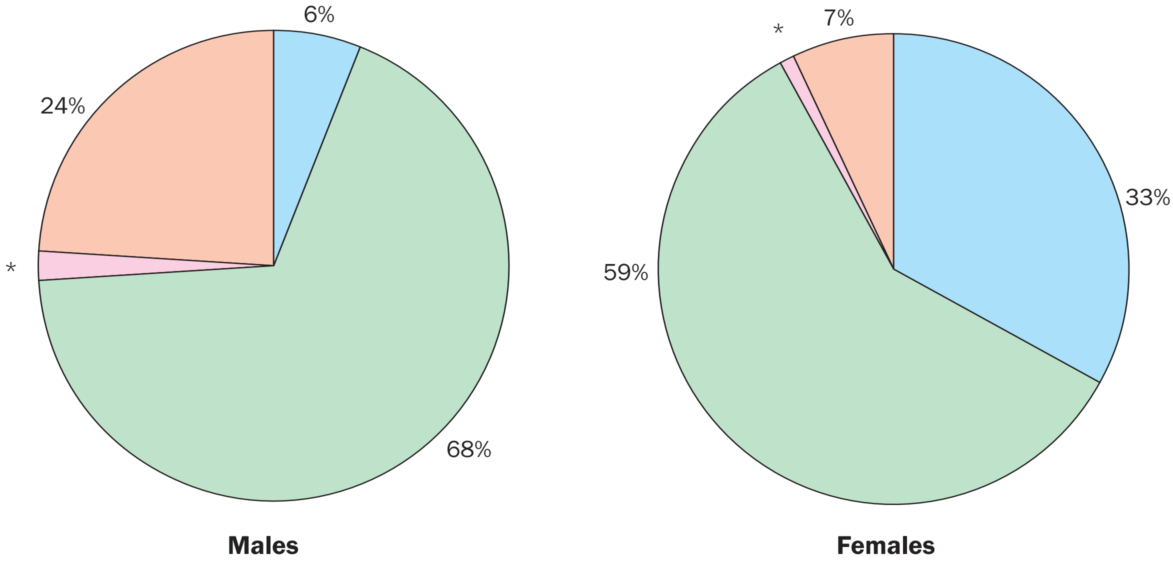
Figure 1 shows how the relative size of these categories differs for men and women. While self-employment accounts for 24% of the total number of male jobs, it makes up just 7% of female employment. Another feature of the NI labour market is the significant contribution which part-time work makes to female employment. 33% of all females in employment are part-time employees compared with just 6% of males.

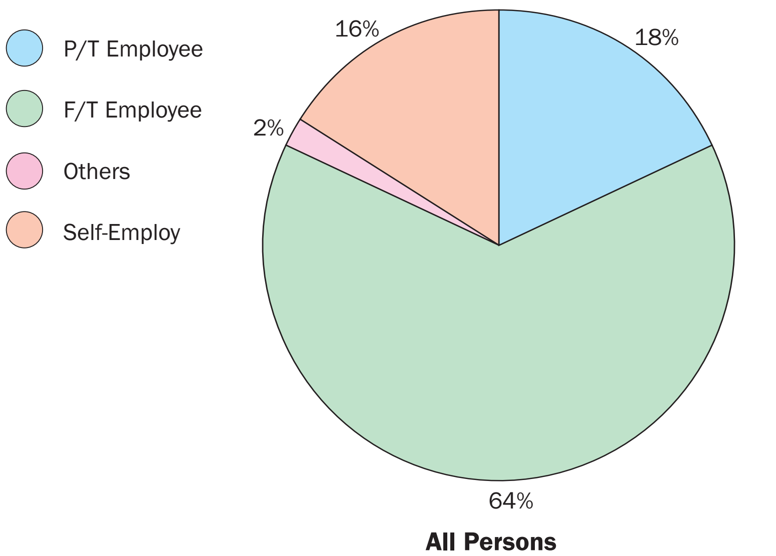
Table 1: Summary of Labour Market Statistics March to May 2006 (seasonally adjusted)

	Level	Sampling Variability of level +/-[1]	Change over Year	Sampling Variability of change +/-[1]
ILO* employment	757,000	20,000	17,000	26,000
ILO* unemployment	36,000	7,000	-2,000	10,000
Economically active	793,000	19,000	14,000	23,000
Economically inactive	535,000	18,000	0,000	23,000
ILO*unemployment rate	4.5%	1.0%	-0.4pp**	1.2%
Economic activity rate working age	59.7%	1.6%	0.4pp**	1.3%

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

Figure 1: Categories of Employment



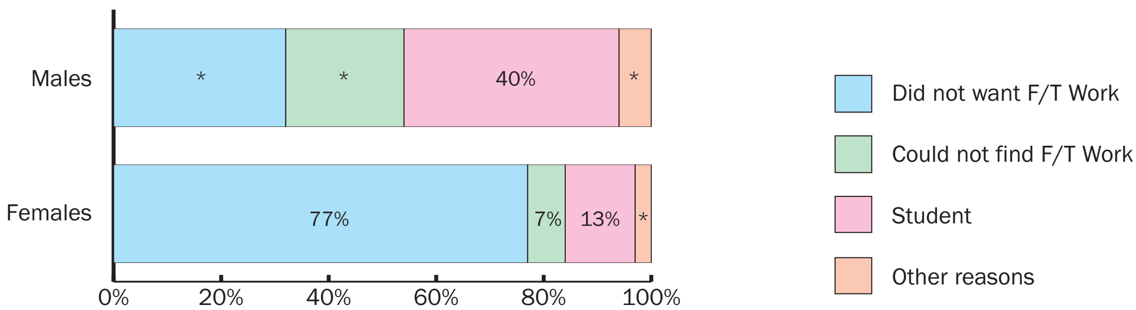


"Others" comprise those on government training and employment schemes and unpaid family workers.
* Too small for a reliable estimate.

Reasons for Part-time Work

Figure 2 shows that the reasons for part-time working also differ for men and women. While the majority of males (62%) worked part-time because they were students or were unable to find full-time work, the main reason given by females was that they did not want a full-time job (77%).

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, June 2006

	Male		Female		Total	% change in total	
	Full Time	Part Time	Full Time	Part Time		since last quarter	since last year
Manufacturing	64,590	1,810	15,370	3,620	85,380	-0.7%	-1.1%
Construction	33,340	1,350	2,650	1,460	38,800	0.5%	3.2%
Services	171,650	49,120	164,250	169,570	554,590	0.0%	0.8%
Other[1]	6,790	8,830	970	1,190	17,780	-0.2%	0.4%
Total	**276,370**	**61,110**	**183,240**	**175,840**	**696,550**	**-0.1%**	**0.7%**

[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 June 2006. Substantially more male employees are working full-time (276,370) compared to part-time (61,110), whereas the female split in employee jobs is more evenly spread (183,240 working full-time compared to 175,840 working part-time). In June 2006 the total number of female employee jobs accounted for just over half (51.6%) of the NI total.

Figure 3 shows that, although there was a decrease in Manufacturing over the quarter and past year respectively, the increase in Services has resulted in an overall net increase in the number of employee jobs. There was an overall decrease of 0.1% over the quarter and an increase of 0.7% over the year.

Figure 3: Annual and Quarterly Changes in Employee Jobs

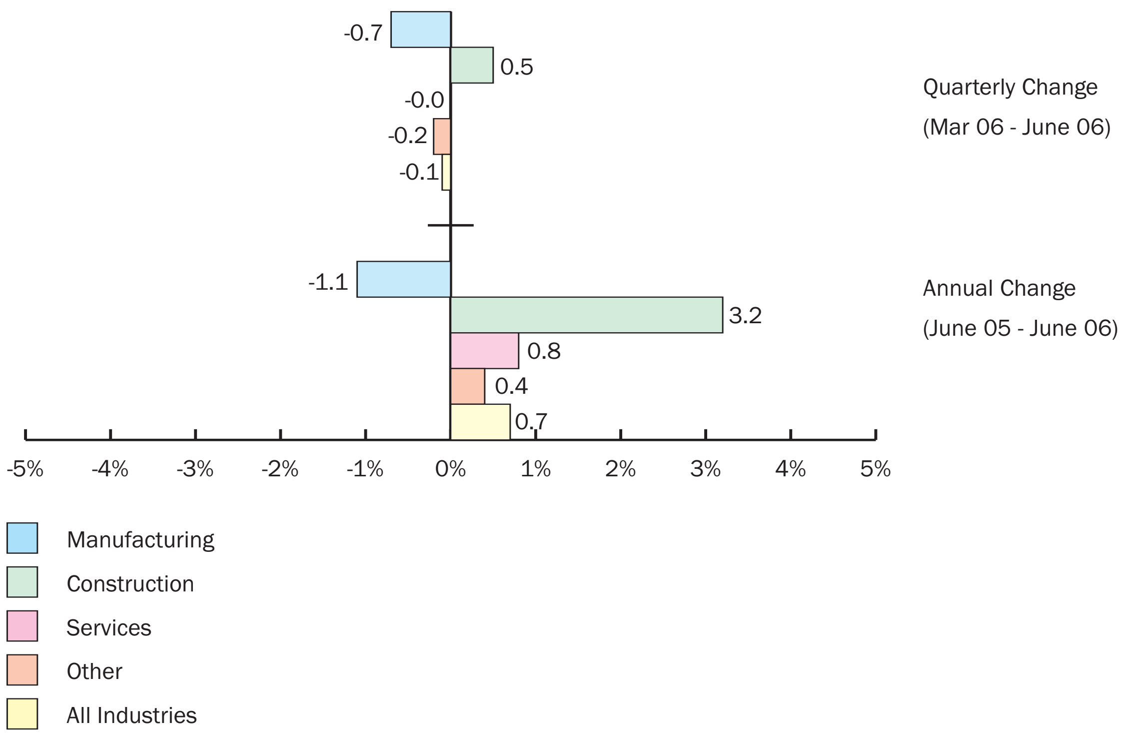
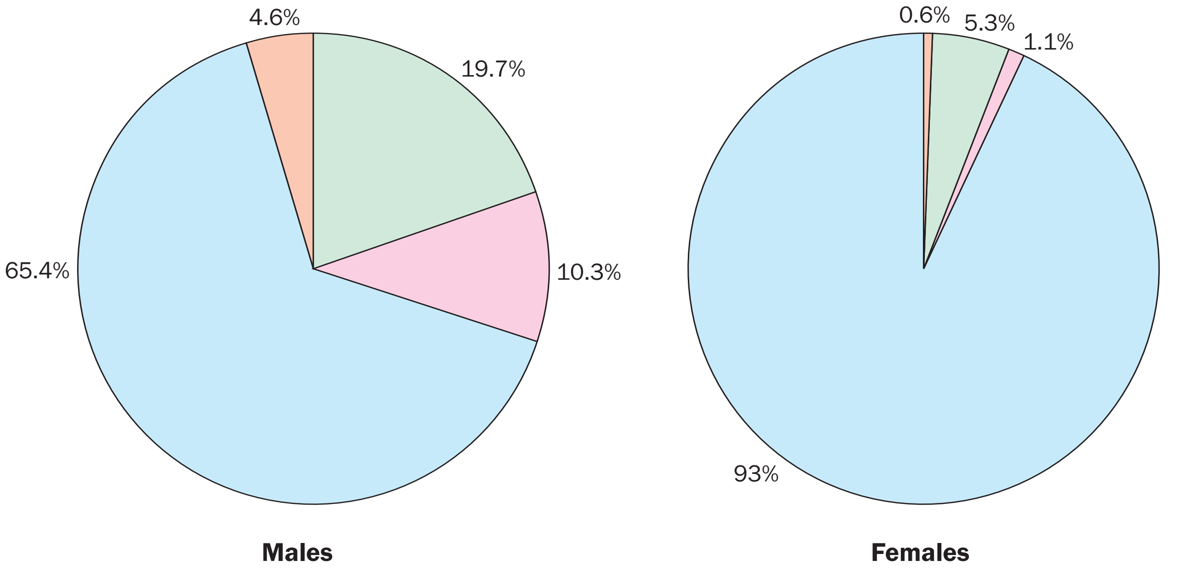
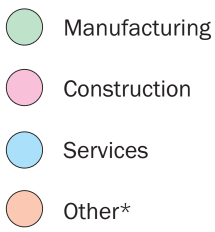
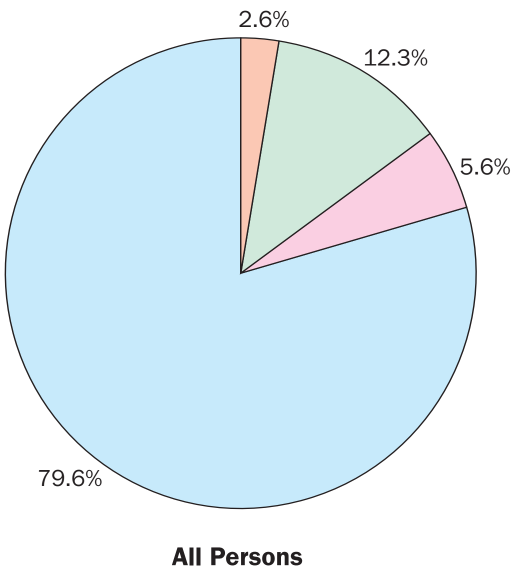


Figure 4: NI Employee Jobs by Broad Industry Sector





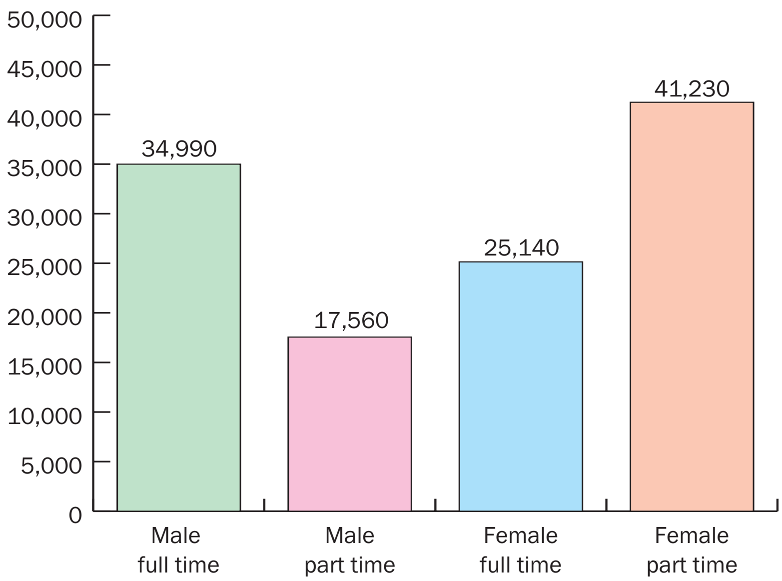


* Other industries includes Agriculture, Hunting, Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply.

Figure 4 above shows the breakdown of male and female employee jobs by Broad Industry Sector as at June 2006. There are notable differences in the distribution of male and female employees across the broad sectors. Whilst some 65.4% of male employee jobs are in the service sector, males are still well represented in Manufacturing (19.7%) and Construction (10.3%). Female employee jobs however are more concentrated in the Service sector (93.0%), with only 5.3% involved in Manufacturing and 1.1% in Construction.

Figure 5 shows the rise in employee jobs between June 1996 and June 2006 for male and female, full-time and part-time jobs. The largest increase occurred in female part-time jobs, with an increase of 41,230. The second largest rise occurred in male full-time jobs (34,990).

Figure 5: Change in NI Employee Jobs, June 1996 – June 2006



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 March-May 2006 there were 34,000 persons unemployed in NI, 4.3% of the total workforce. **Figure 6** shows that unemployment rates have been on a downward trend for a number of years. The unemployment rate for males is considerably higher than that for females and this differential has remained relatively constant over time.

Duration of Unemployment

In the period March-May 2006, 13,000 (38%) of the unemployed had been out of work and seeking employment for one year or more. Over one-third (36%) of unemployed males had been unemployed for one year or more. Similarly, over two-fifths (43%) of women had been unemployed for one year or more.

Figure 6: Unemployment Rates

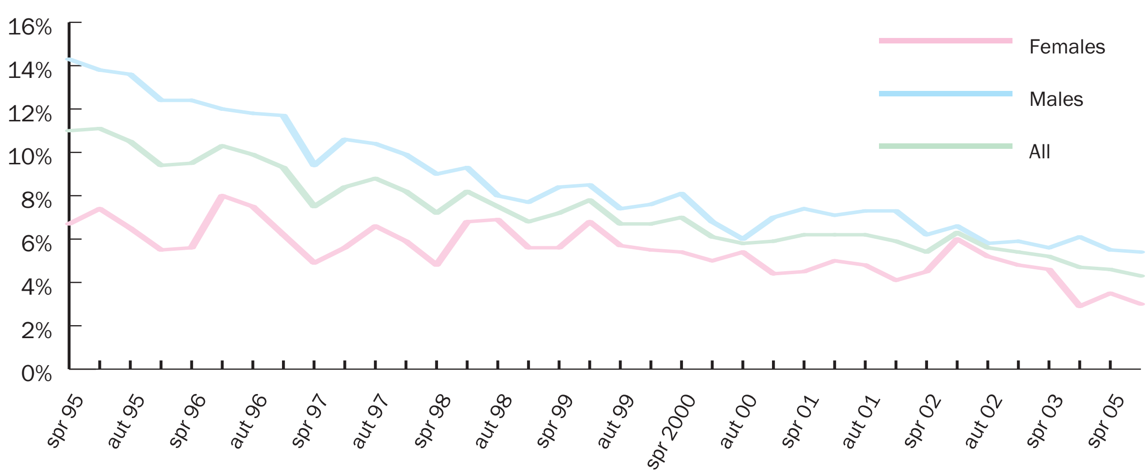
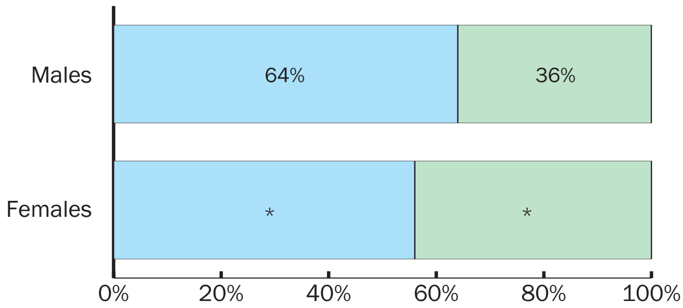


Figure 7: Duration of Unemployment



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

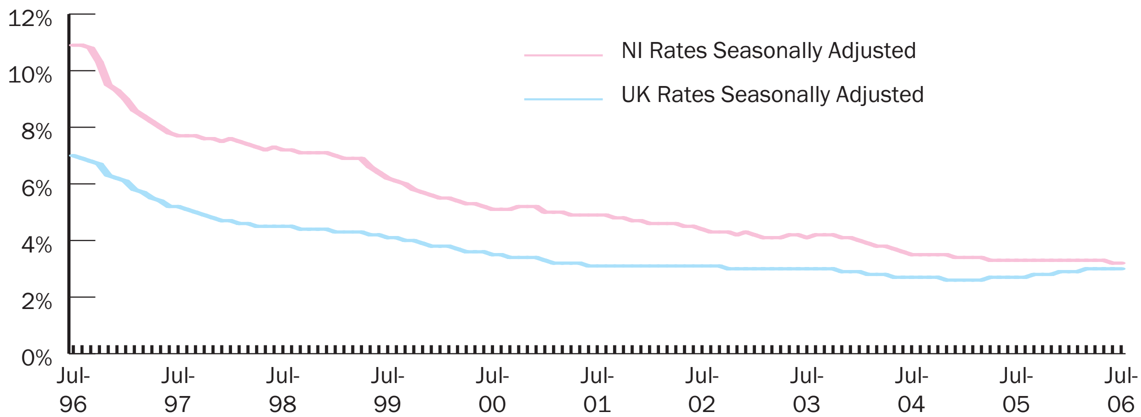
Claimant Count Unemployment

The seasonally adjusted claimant count rate as a percentage of the workforce for NI in July 2006, 3.2%, was the lowest seen since the seasonally adjusted series began in January 1971. The claimant count rate for NI has been consistently higher than the UK rate throughout the past ten years while maintaining a similar pattern to that of the UK. However the gap between the UK rate and the NI rate has narrowed considerably in the last ten years and is currently (July 2006) at its lowest, 0.2 percentage points. The greatest differential between NI and the UK in this period was seen in August and September 1996 when the difference was 4.0 percentage points. (**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 west of the region and lower in the centre of NI. The highest rate was 5.1% in Strabane, and the lowest in Mid-Ulster and Dungannon at 1.7%. The rate for Belfast TTWA (2.7%) which comprises about one half of the working age population in NI, was the same as for NI as a whole. (**Figure 9**)

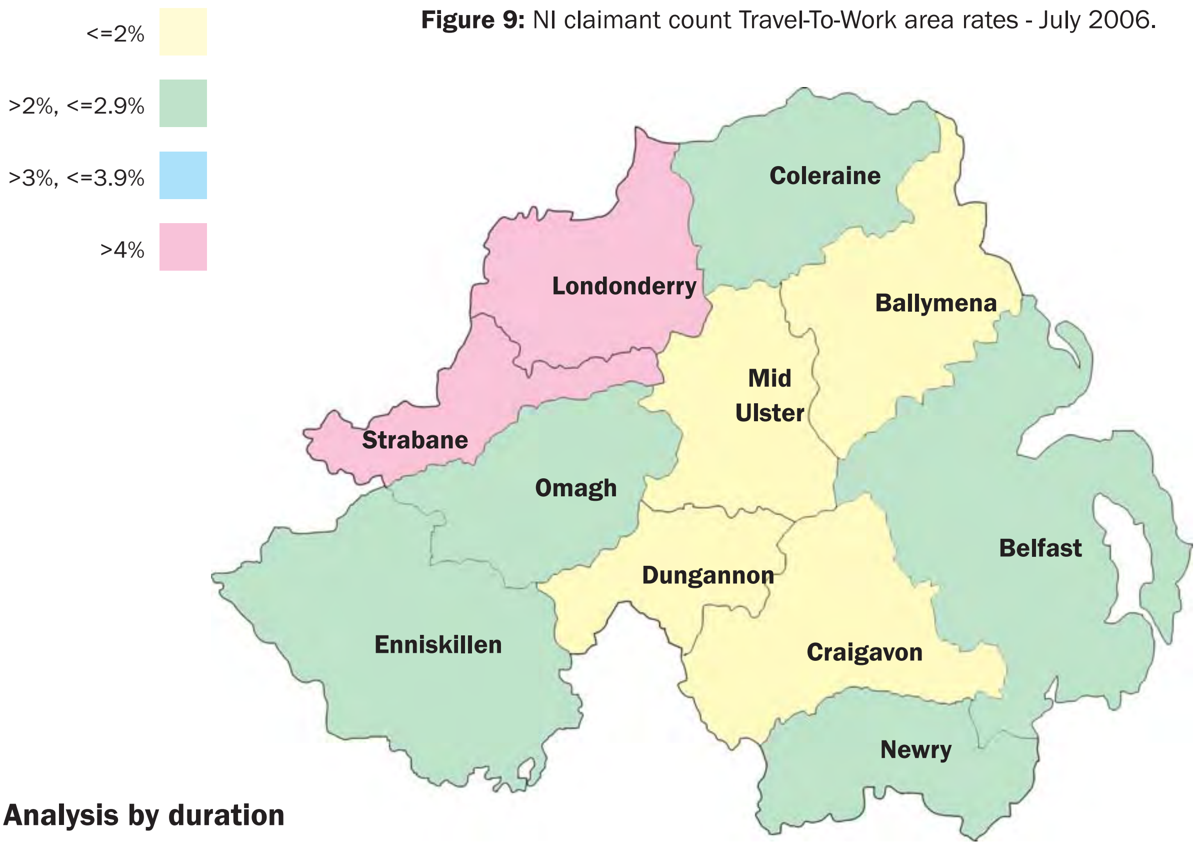
Figure 8: Seasonally adjusted claimant count rates for NI and the UK, July 1996 to July 2006.



Labour Market Statistics: 2006 Update

Statistics Research Branch, Department of Enterprise, Trade and Investment

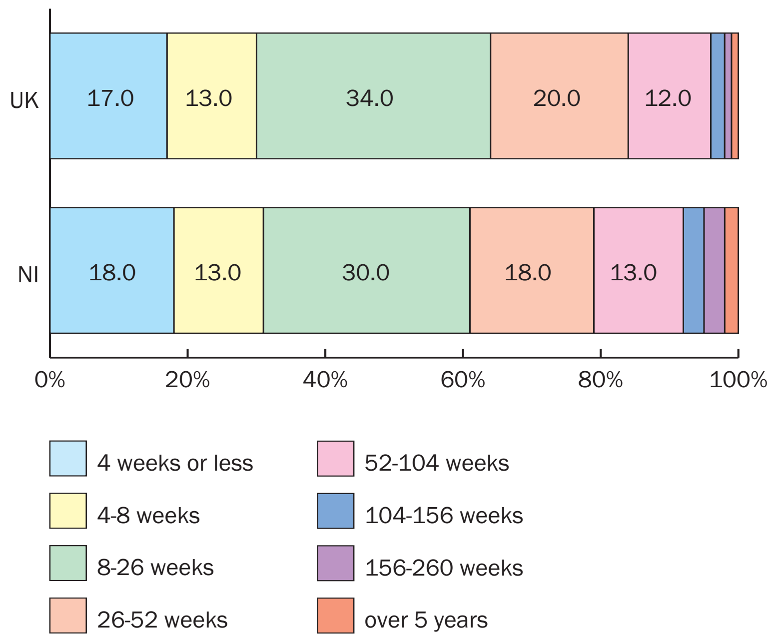
Figure 9: NI claimant count Travel-To-Work area rates - July 2006.



Analysis by duration

In July 2006, the structure of long-term claimants in NI was slightly different from that of the UK. There were two marked differences. In NI 79.6% of claimants were short-term unemployed (claiming unemployment related benefits for less than one year) compared to 83.9% in the UK. NI had over twice the proportion of claimants who had been claiming for over five years than the UK, 2.0% and 0.9% respectively. (**Figure 10**)

Figure 10: Proportion of claimants by duration; July 2006



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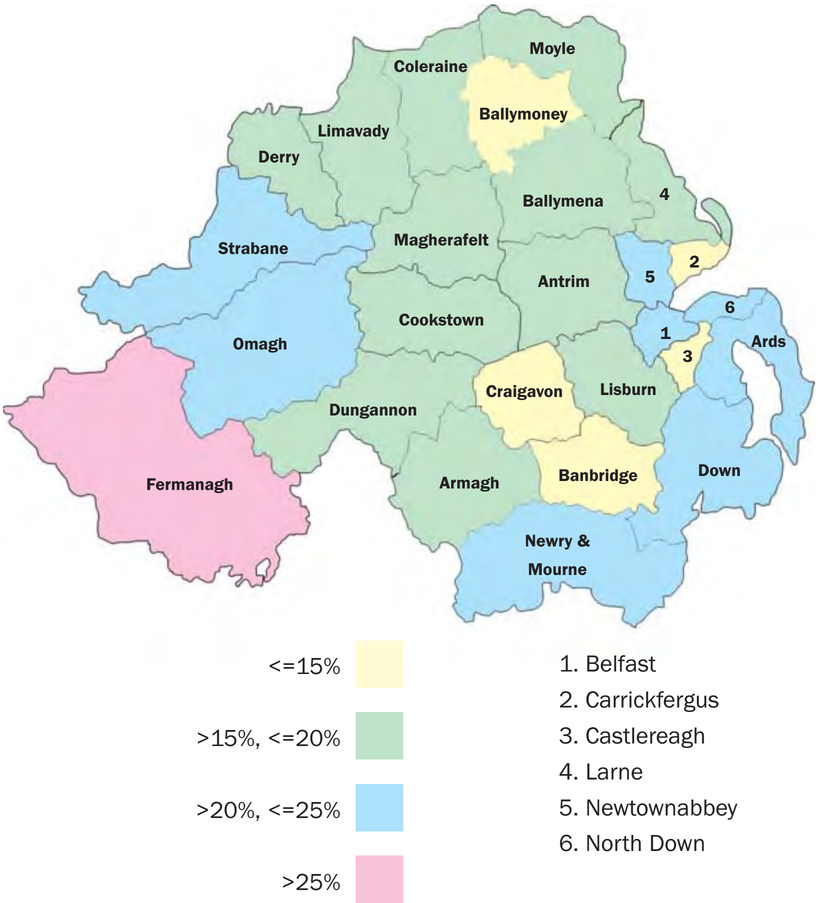
The highest concentration of long term claimants (those individuals who have been claiming unemployment related benefits for over a year) occurred in the south of NI. Specifically, 28.0% of claimants in Fermanagh and 24.3% in Omagh were long-term claimants at July 2006 whilst Ballymoney and Castlereagh have the lowest incidence of long term unemployment with 13.5% and 14.0% claiming for one year or more. Of the 26 District Council Areas, 17 had less than 20% long term unemployed. This was the same one year previously in July 2005.

Figure 11: Concentration of long-term claimants by District Council Area; July 2006



Developments in claimant count statistics

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 regions and estimates of job densities were published in September 2003 for Parliamentary Constituency Areas (PCAs) and Travel-to-Work Areas (TTWAs). New estimates for 2004 were published in April 2006. Whilst employee data is available for these areas, data for the other components (see below) are not readily available.

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.

Box 1

Employee jobs
By far the largest component, employee jobs accounts for 83 per cent 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.

Self-employed jobs
The second largest component accounting for 14 per cent of the NI total, although it ranges from 12 per cent to 16 per cent in the NUTS 3 areas of NI. Self-employment data are from the annual local area Labour Force Survey (LFS). Data are for the summer period of each year.

Government-supported trainees
The Department for Employment and Learning provides this data, at June of each year.

HM Forces
Accounts for 1 per cent of the NI total. 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.

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.

Key Points

2004 estimates show there are 0.79 jobs per person of working age in NI compared to a figure of 0.83 for GB.

Of the 12 UK regions NI has the fourth lowest Jobs Density, higher than East Midlands (0.78), Wales (0.76) and the North East (0.71).

London and the South East were the only two regions to show a decrease between 2001 and 2004, falling from 0.95 jobs to 0.93 jobs per person of working age, and 0.87 to 0.86 respectively. Despite this, London still has the highest JDI of all UK regions.

Table 3: Jobs Density Indicator (JDI) by Government Office Region 2001-2004

Government Office Region	2001	2002	2003	2004
North East	0.69	0.71	0.71	0.71
North West	0.79	0.80	0.80	0.81
Yorkshire & The Humber	0.79	0.80	0.81	0.82
East Midlands	0.78	0.78	0.78	0.78
West Midlands	0.81	0.81	0.81	0.82
Eastern	0.81	0.82	0.82	0.81
London	0.95	0.92	0.93	0.93
South East	0.87	0.88	0.87	0.86
South West	0.86	0.87	0.87	0.87
England	0.83	0.84	0.84	0.84
Wales	0.73	0.73	0.74	0.76
Scotland	0.82	0.82	0.82	0.83
GB	0.83	0.83	0.83	0.83
NI	0.76	0.77	0.78	0.79
UK	0.83	0.83	0.83	0.83

The only District Council Area (DCA) in NI to have a JDI greater than 1.00 in 2004 was Belfast DCA (1.38), indicating that a considerable amount of the workforce commutes in from other DCAs.

Carrickfergus DCA had the lowest JDI (0.40) in 2004 suggesting that residents in Carrickfergus travel out of the DCA to work.

Two of the four DCAs with a JDI of less than 0.50 are within easy commuting distance of the Belfast DCA.

Table 4: Jobs Density Indicator by District Council Area 2001 – 2004

District Count Area (DCA)	2001	2002	2003	2004
Antrim	0.85	0.87	0.90	0.91
Ards	0.46	0.46	0.46	0.47
Armagh	0.67	0.67	0.68	0.71
Ballymena	0.93	0.97	0.97	0.99
Ballymoney	0.55	0.54	0.55	0.56
Banbridge	0.47	0.47	0.49	0.49
Belfast	1.28	1.31	1.34	1.38
Carrickfergus	0.42	0.42	0.39	0.40
Castlereagh	0.76	0.77	0.75	0.77
Coleraine	0.74	0.76	0.80	0.82
Cookstown	0.61	0.60	0.64	0.65
Craigavon	0.83	0.83	0.83	0.83
Derry	0.73	0.73	0.73	0.73
Down	0.56	0.57	0.55	0.54
Dungannon	0.78	0.78	0.80	0.81
Fermanagh	0.73	0.73	0.73	0.73
Larne	0.53	0.54	0.51	0.53
Limavady	0.53	0.53	0.54	0.54
Lisburn	0.64	0.65	0.65	0.66
Magherafelt	0.66	0.66	0.66	0.66
Moyle	0.47	0.47	0.45	0.46
Newry & Mourne	0.67	0.67	0.68	0.68
Newtownabbey	0.73	0.75	0.70	0.71
North Down	0.49	0.50	0.51	0.52
Omagh	0.72	0.71	0.74	0.74
Strabane	0.55	0.55	0.53	0.54
NI	**0.76**	**0.77**	**0.78**	**0.79**

Figure 12: Jobs Density Indicator by District Council Area 2004

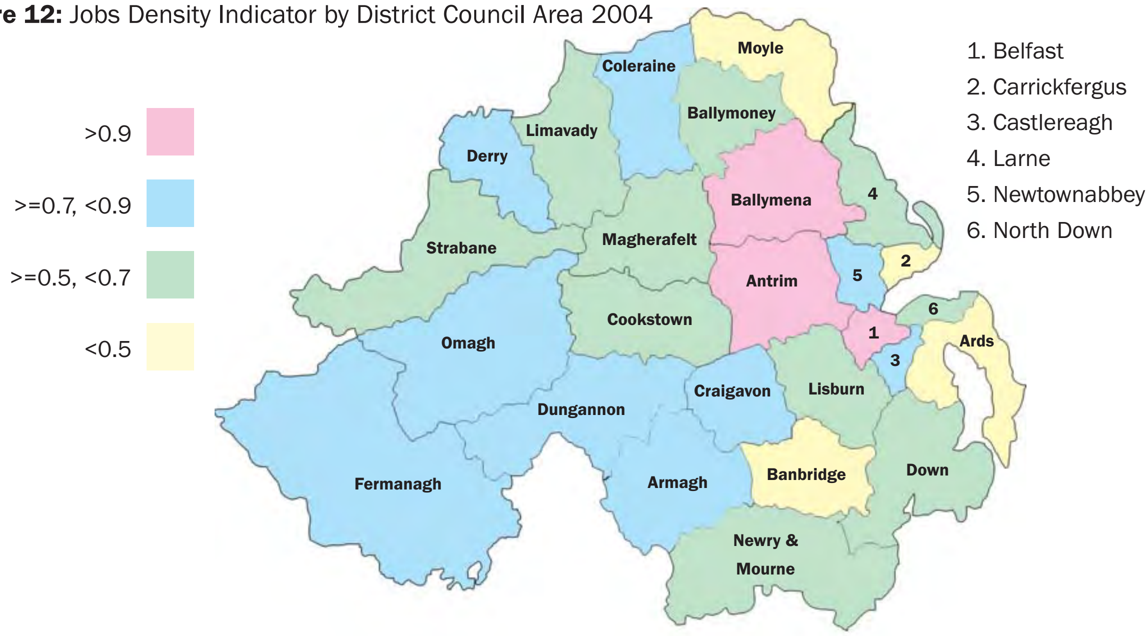


Table 5: Jobs Density Indicator by Parliamentary Constituency Area 2001 - 2004

Parliamentary Constituency Area (PCA)	2001	2002	2003	2004
Belfast East	1.03	1.05	1.04	1.06
Belfast North	1.46	1.51	1.10	1.13
Belfast South	1.37	1.40	1.75	1.82
Belfast West	0.56	0.56	0.79	0.80
East Antrim	0.68	0.68	0.47	0.48
East Londonderry	0.66	0.67	0.70	0.71
Fermanagh & South Tyrone	0.79	0.78	0.80	0.81
Foyle	0.73	0.73	0.73	0.73
Lagan Valley	0.70	0.71	0.70	0.71
Mid-Ulster	0.61	0.62	0.63	0.63
Newry & Armagh	0.74	0.75	0.77	0.79
North Antrim	0.76	0.78	0.78	0.79
North Down	0.48	0.49	0.50	0.50
South Antrim	0.75	0.76	0.76	0.78
South Down	0.52	0.51	0.51	0.51
Strangford	0.54	0.54	0.55	0.57
Upper Bann	0.77	0.78	0.77	0.77
West Tyrone	0.65	0.64	0.64	0.65
NI	**0.76**	**0.77**	**0.78**	**0.79**

JDI ranged from about 0.5 to about 1.8 across the parliamentary constituency areas, with East Antrim (0.48) and North Down (0.50) having the lowest JDI and Belfast South (1.82) the highest. Belfast North and Belfast East 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 contrast Belfast West had a JDI of 0.80 indicating that the residents travel out of this PCA to work.

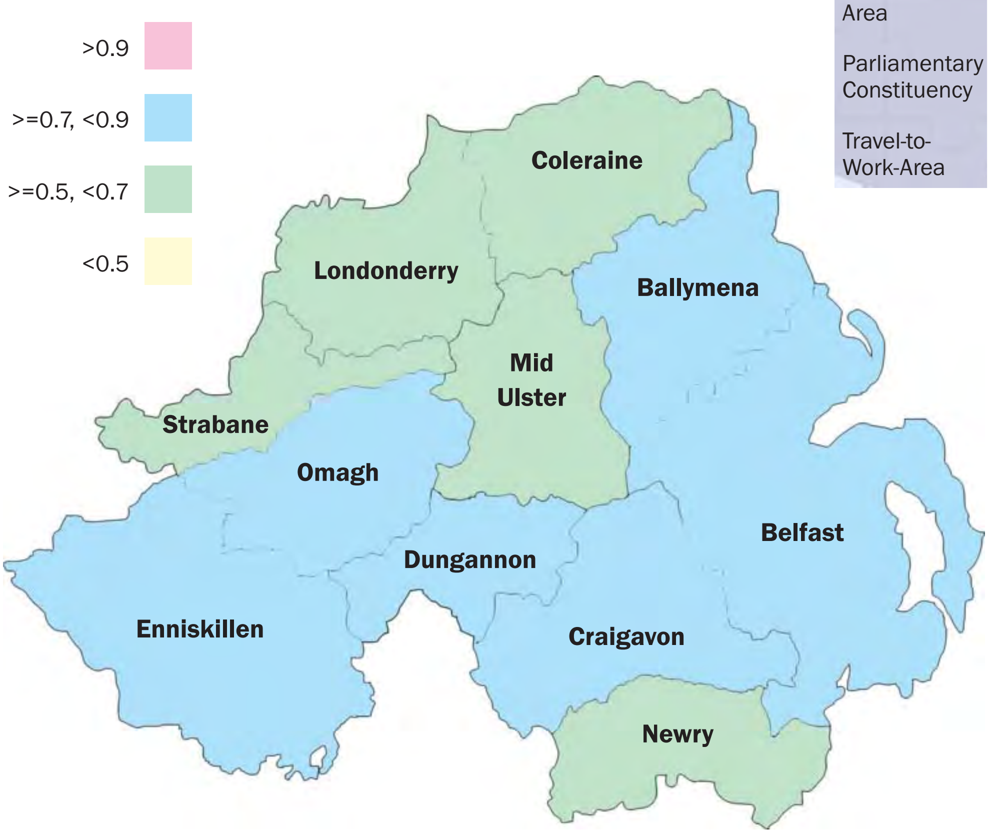
Figure 13: Jobs Density Indicator by Parliamentary Constituency Area 2004

The range of JDI across the TTWA's was smaller than for DCA's and PCA's, as expected. 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 2003 and 2004.

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	**0.76**	**0.77**	**0.78**	**0.79**

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



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 per cent (i.e. the number of people who both live and work in the area should be at least 75 per cent of both the total number of people who work in the area and the total number of workers who live in the area). Thus the spread of job densities should be more even than for other geographies, as can be seen from the figures below.

Geography	Low	High	Range
District Council Area	0.40	1.38	0.98
Parliamentary Constituency	0.48	1.82	1.34
Travel-to-Work-Area	0.59	0.87	0.28

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, 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 Area.

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**.

The highest CAS ward claimant count rates are in Derry, Strabane, and Belfast DCAs. This is not surprising, as Derry, Strabane and Belfast had the highest DCA claimant count rates in July 2006. In these wards the claimant count rates for males were several times the rates for females. In the worst wards around 1 in 6 males of working age were claimants compared with 1 in 37 males in NI as a whole.

Table 7: The Ten Wards In NI with the Highest Proportion of Claimants in July 2006

Ward	District Council Area (DCA)	Number of Claimants			% Of Working Age		
		Male	Female	Total	Male	Female	Total
Westland	Derry	115	25	140	16.9	3.8	10.5
Victoria	Derry	114	35	149	14.0	4.5	9.4
Upper Springfield	Belfast	244	61	305	15.5	3.4	9.1
The Diamond	Derry	139	31	170	17.6	4.3	11.3
Strand	Derry	212	63	275	16.0	5.1	10.7
Shankill	Belfast	176	46	222	17.3	4.4	10.8
Rosemount	Derry	115	29	144	13.2	3.4	8.4
Falls	Belfast	221	57	278	16.9	3.9	10.0
East	Strabane	121	36	157	18.8	6.2	12.9
Clonard	Belfast	171	40	211	13.8	3.1	8.3

3

Table 8: The Ten Wards In NI with the Lowest Proportion of Claimants in July 2006

Ward	District Council Area (DCA)	Number of Claimants			% Of Working Age		
		Male	Female	Total	Male	Female	Total
Dundonald	Castlereagh	4	4	8	0.4	0.4	0.4
Cairnshill	Castlereagh	7	4	11	0.6	0.3	0.5
Carryduff West	Castlereagh	6	4	10	0.6	0.4	0.5
Hillsborough	Lisburn	6	4	10	0.6	0.4	0.5
Crawfordsburn	North Down	3	5	8	0.4	0.7	0.5
Cultra	North Down	4	3	7	0.5	0.4	0.5
Aldergrove	Antrim	11	11	22	0.5	0.8	0.6
Templepatrick	Antrim	4	5	9	0.5	0.7	0.6
Knockbracken	Castlereagh	5	6	11	0.5	0.6	0.6
Wallace Park	Lisburn	10	6	16	0.6	0.5	0.6

The lowest CAS ward claimant count rates are in Lisburn, Antrim, Castlereagh, and North Down DCAs. In all these wards less than 1 in 100 persons of working age were claiming and male and female claimant rates were closer than in the wards with the highest overall rates.

Rural – Urban Comparisons

Here, rural areas were defined as all parts of NI outside the Belfast Metropolitan Area, the city of Derry/Londonderry and towns with populations greater 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 July 2005, the rural CAS wards had an average claimant count rate of 2.1%[1], while the 316 urban CAS wards had a claimant count rate of 3.2%. This compares with an overall claimant count rate of 2.7% for NI. All of the ten wards listed earlier with the highest proportion of claimants are classified as urban wards.

The differential of 1.1 percentage points between urban and rural wards was higher than one year previously at 0.9 percentage points in July 2005.

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.

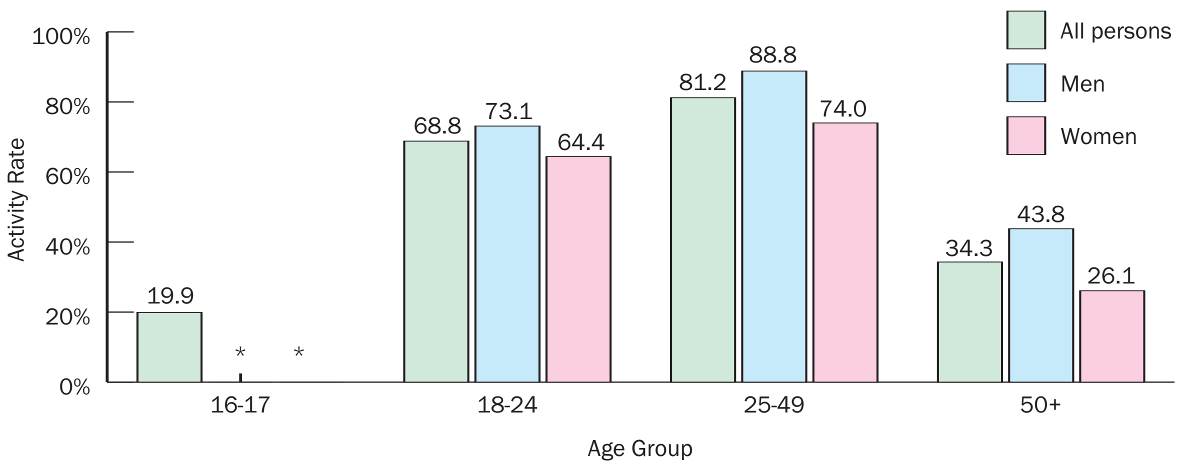
Economic Activity

The economically active (ILO employed plus the 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 March-May 2006, there were 783,000 economically active people in NI – an overall activity rate of 59.3%.

Activity rates

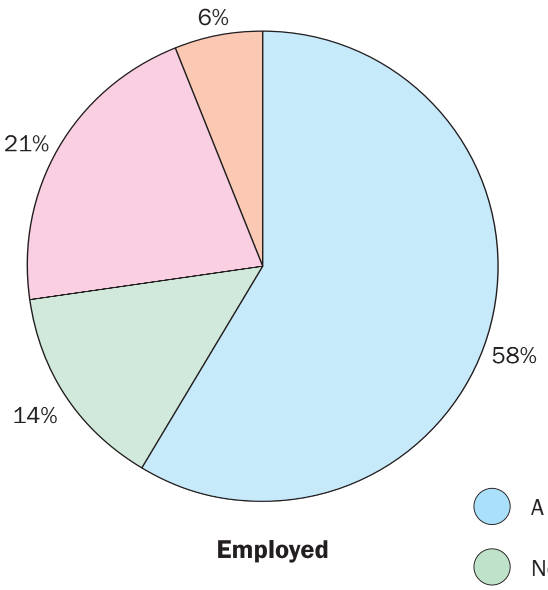
Figure 15 shows how economic activity rates are relatively low during the ages associated with full-time education, rise during the 'prime' working years (18-49 years of age) and begin to drop again near retirement age. For women this trend is slightly more mute, largely because many females of working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

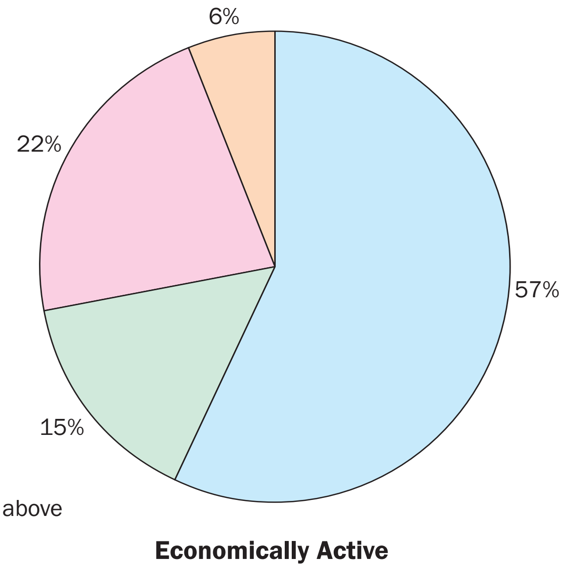
Figure 15: Economic Activity Rates by Age



* Estimated numbers too small for a reliable estimate of activity rates

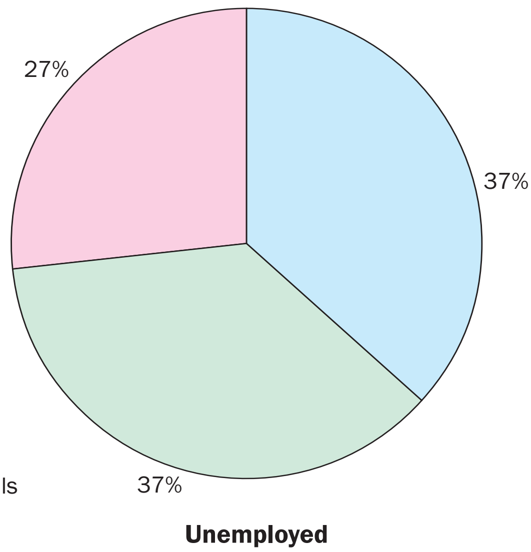
Figure 16: Qualification Levels of the Economically Active

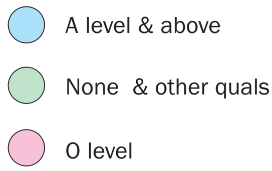




Qualification Levels

Figure 16 shows the qualification levels of the workforce at March-May 2006, with separate estimates for the employed and the unemployed. Overall 57% of the economically active were qualified to GCE'A' level or above, while 15% had no formal qualifications. Comparing the position of the employed and unemployed 58% of those in employment were qualified to GCE'A' level or above compared with 37% of those unemployed.





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 March-May 2006 there were 538,000 economically inactive persons in NI – a decrease of 1,000 from one year earlier.

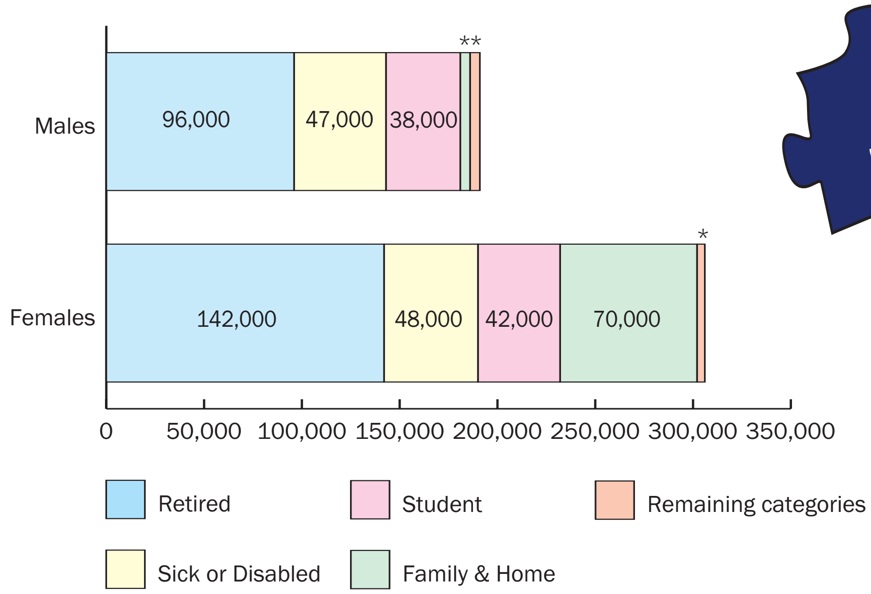
The economically inactive can be divided into two main groups; those who do not want a job (92%) and those who do want a job but fail to satisfy the ILO unemployment requirement for active job-search (8%). A breakdown of the former category is shown at **Figure 17**. Overall, the main reason for not wanting work was retirement; 50% 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 (25%) as their reason and women domestic commitments. Indeed, 23% of women gave 'looking after family home' as their reason.

At March-May 2006 there were 41,000 economically inactive who did want a job, but for a variety of reasons were not actively seeking work. The majority (59%) of this group are women and the main reason given for their inactivity was family commitments (48%). In contrast, for males the main reason for economic inactivity was sickness or disability (63%).

Households

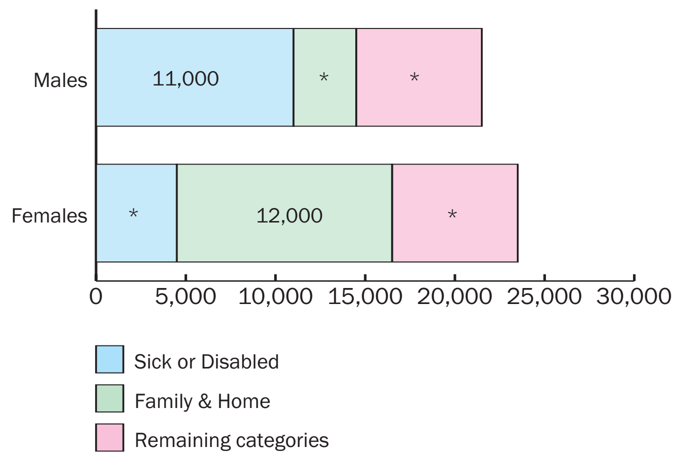
Separate datasets specifically designed for analyses at the household level are also available from the LFS. At Autumn 2005 there were 663,000 private households in NI. There were 1,692,000 persons living in these households, giving an average of 2.55 persons per household.

Figure 17: Reason for not Wanting Work



* Remaining categories too small for a reliable estimate.

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

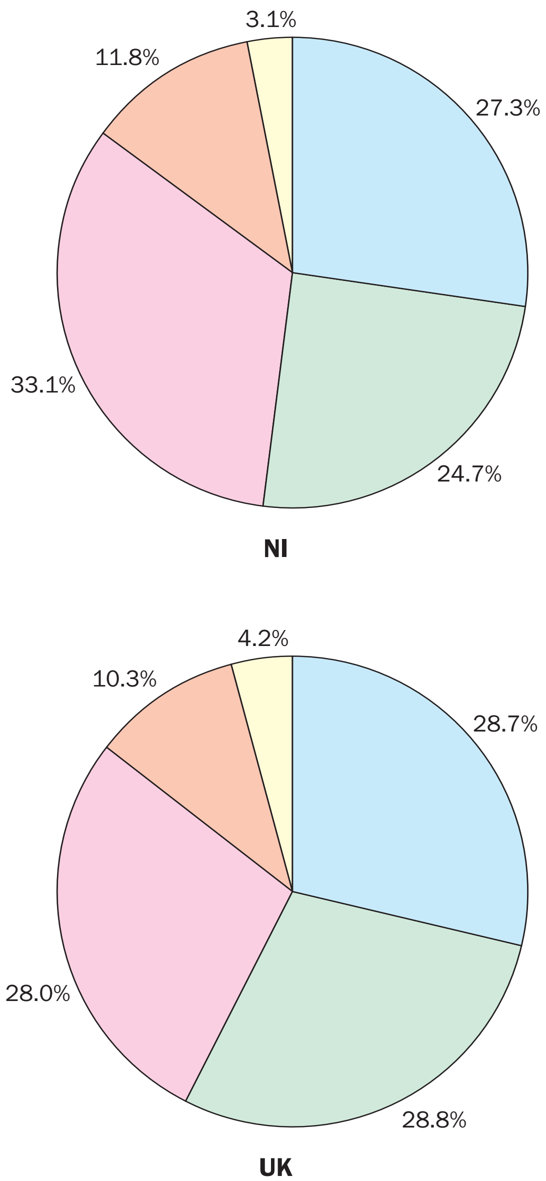


* Remaining categories too small for a reliable estimate.

This compared with a UK average of 2.36 as a whole. Indeed, NI was the region with the highest number of persons per household.

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 33.1% of all households. The other two main household types were one person households (27.3%), followed by couples with no children (24.7%). Lone parents amounted to 11.8% (78,000) 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 (33.1% compared with 28.0%). This is balanced by a lower proportion of households composed of couples with no children in NI (24.7% compared with 28.8%). There were proportionally more lone parent households in NI than in the UK (11.8% compared with 10.3%).

Figure 19: Household Types, NI and UK, Autumn 2005



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

- One Person
- Couple no children
- Couple with children
- Lone Parent
- Others

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 48% 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 10 percentage point difference between the proportion of workrich working age households in NI and the UK. 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 (29%) and those where all persons were economically inactive (17%). Both of these proportions were higher than the equivalent figures for the UK as a whole.

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 Autumn 2005, there were 99,000 workless working age households, or 19.6% of all working age households, in NI. This compared with 16.2% in the UK as a whole and was the third highest proportion among the UK regions, with only the North East (21.8%) and London (20.1%) 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.

Table 9: Working age Households by Combined Economic Activity, Autumn 2005

Type of Economic Activity	NI	UK
1) All Employed	48%	58%
2) Employed and Economically Inactive	29%	22%
3) All Economically Inactive	17%	13%
4) Employed and Unemployed	3%	3%
5) All Unemployed	*	2%
6) Unemployed and Economically Inactive	*	1%
7) Employed, Unemployed and Econ. Inactive	*	1%
All households[1] (100%)	503,000	17,617,000

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

3

Regional and International Comparisons

One of the strengths of the LFS 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 March-May 2006.

This shows that the NI economic activity rate for those of working age (72.6%) is lower than any of the other UK regions. The unemployment rate in NI (4.5%) is the equal second lowest of the UK regions, with the highest rate (7.9%) occurring in London. It is perhaps more significant to note that long-term unemployment (lasting 1 year or more) is much worse in NI than in any other region of the UK.

Table 10: Regional Summary (seasonally adjusted) Spring 2006

	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	2,060	76.3%	74	6.0%	22.0%	71.6%
North West & Merseyside	5,465	77.5%	173	5.1%	22.6%	73.4%
Yorkshire & The Humber	4,043	78.3%	138	5.5%	21.7%	74.0%
East Midlands	3,449	81.4%	124	5.5%	18.5%	76.8%
West Midlands	4,264	78.1%	141	5.3%	16.4%	73.8%
Eastern	4,407	81.2%	144	5.1%	20.7%	77.0%
London	6,031	75.4%	310	7.9%	27.4%	69.4%
South East	6,495	82.8%	195	4.5%	19.0%	79.0%
South West	4,073	81.1%	98	3.8%	13.5%	78.0%
Wales	2,377	75.0%	69	5.0%	23.0%	71.2%
Scotland	4,119	79.9%	147	5.6%	25.9%	75.3%
NI	1,328	72.6%	36	4.5%	38.4%	69.2%
UK	48,112	78.9%	1,648	5.4%	22.0%	74.6%

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

Figure 20: International Unemployment % (seasonally adjusted)

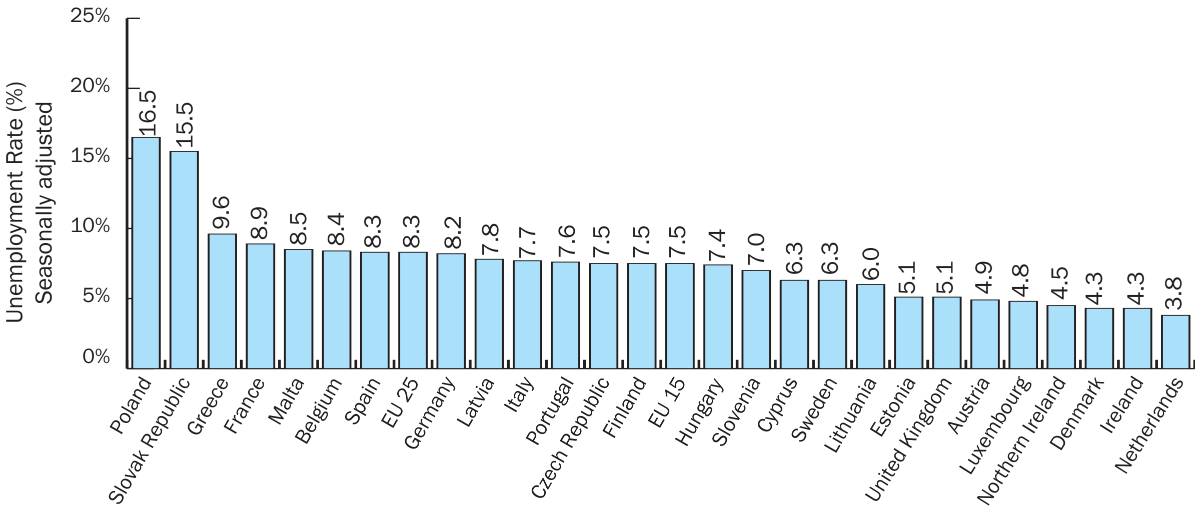


Figure 20 shows how the unemployment rate in NI compares to others in the European Union and beyond. The NI rate (4.5%) is 3.0 percentage points lower than the European Union 15 average (7.5%). It is 0.2 percentage points above the current rate in the RoI (4.3%).

FURTHER INFORMATION

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

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

The State of the Northern Ireland Economy: A UK Regional Comparison

Terry Morahan, Independent Consultant[1]

Taking as a base year 1990 – we have had the fastest improving economy of the twelve UK regions and while most of the catch-up occurred in the earlier years our growth continues at a slightly higher rate.

Performance Measures

The usual measures of the performance of an economy are:

- Growth in gross value added (GVA – formerly GDP): it is the sum of all the economic activity taking place in a particular territory, and reflects the numbers of people employed and their productivity (and other components such as profits) and is important because it broadly measures changes in the standard of living;

- Growth in employment: both as measured by an increase in jobs and by the increase in the employment rate - the proportion of the population of working age in employment; and

- Changes in numbers and percentage of the unemployed: This indicator tends to move in the opposite direction to employment but employment is not the only factor – it is also influenced strongly by growth in labour supply and the economic activity rate (the proportion of the population of working age who are in the labour force).

GVA – Gross Value Added

GVA measures **incomes** earned in a region. GVA is usually estimated by two further methods; **production** and **expenditure**, but these two latter methods cannot be used for the UK regions and so only the **incomes** method is used. At present, only current prices can be calculated – but GVA in real terms (i.e. taking out the effect of regional inflation) will be produced in the future by the Office for National Statistics.

It should be emphasised that regional GVA uses a five-period moving average – therefore the most recent data will be "smoothed out" by this process.

Table 1 shows that NI had the largest increase in GVA of all regions in money terms (i.e. including the effects of inflation) – more than doubling (+109%) in the period 1990 to 2004: The only region to come close was the South East (+107%) with the next highest being London (+99%). In 1990 we had the lowest GVA per head – now the North East and Wales are lower.

Another way of measuring this is in index form with UK = 100 (see **Table 2**). NI had easily the best performance. The only other regions to **relatively** improve were London and the South East. The figures also illustrate why there is growing concern over the North/South "divide" in the UK and the ever dominating "London City-State". Even taking account of the improvement we have shown GVA per head is barely 80% of the UK average.

It is also worth bearing in mind the difficulty NI has in closing "the gap" in GVA per head between our level and the national level. This is in part due

1 Terry Morahan was Editor of the Labour Market Bulletin from 1994 to 2004.

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Table 1: GVA per head (£) 1990-2004 at current prices – residence based

Region	1990	2004	% Change
London	11152	22204	99.1
South East	9409	19505	107.3
East	9450	18267	93.3
South West	7973	15611	95.8
North West	7854	14940	90.2
North East	7209	13433	86.3
Yorkshire & The Humber	7775	14928	92.0
West Midlands	7962	15325	92.5
East Midlands	8206	15368	87.3
England	8752	17188	96.4
Wales	7233	13292	83.8
Scotland	8460	16157	91.0
NI	6438	13482	109.4
UK (less Extra-Regio)	8585	16802	95.7

The GVA for Extra-Regio comprises compensation which cannot be assigned to regions.

Source: Regional Accounts

Table 2: GVA per head 1990-2004: UK = 100

Region	1990	2004	Absolute Change
London	130.3	132.2	1.9
South East	110.3	116.1	5.8
East	110.4	108.7	-1.7
South West	93.3	92.9	-0.4
North West	91.1	88.9	-2.2
North East	83.0	79.9	-3.1
Yorkshire & The Humber	90.5	88.8	-1.7
West Midlands	92.7	91.2	-1.5
East Midlands	95.3	91.5	-3.8
England	102.0	102.3	0.3
Wales	83.5	79.1	-4.4
Scotland	98.3	96.2	-2.1
NI	73.8	80.2	6.4

Source: Regional Accounts

Table 3: NI and UK GVA % Annual Change in real terms 1990-2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
NI	1.9%	1.7%	2.8%	4.2%	4.9%	4.4%	3.9%	3.3%	4.0%	2.7%	3.4%	1.8%	1.4%	2.5%	2.1%
UK	1.1%	-0.8%	0.7%	2.3%	4.4%	2.6%	2.5%	3.6%	3.9%	2.4%	3.1%	2.3%	1.7%	1.6%	1.7%

Source: Regional Accounts

Table 4: GVA Cumulative change in real terms 1990-2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
NI	100.0	101.7	104.5	108.9	114.2	119.3	124.0	128.0	133.1	136.6	141.3	143.9	146.0	149.7	152.8
UK	100.0	99.2	99.8	102.2	106.7	109.4	112.2	116.2	120.8	123.7	127.5	130.5	132.7	134.8	137.1

Source: Regional Accounts

to the age structure of our population. We have the youngest population structure in the UK; 22% of our population is aged under 16 compared with 19% in the UK as a whole. And of course a higher birth rate tends to reduce female participation in the labour market and hence in GVA. We thus have a slightly lower proportion of the population who are of working age, 62% v 63% for the UK.

Table 3 shows annual changes in NI GVA growth relative to the UK over the period 1990-2004.

Table 4 gives NI and UK GDP indexed to 100 in 1990 and shows the cumulative effect.

It can be seen that NI grew just under 1 percentage point per annum faster than the UK over the entire period 1990-2004; 2 percentage points faster in the period 1990-96, around half of a percentage point faster since then.

The UK's long term trend growth rate is estimated by HMT at 2.5%pa. This is composed of 2% labour productivity growth, plus 0.2% for a decline in the non-employment rate, plus 0.6% for the increase in working population – both indigenous and net in migration, less 0.1% for a decline in working hours. This comes to a net 2.7% increase, but 2.5% is chosen "in the interest of prudence" (HMT "Trend Growth" April 2002).

Note that the data in **Tables 3** and **4** are expressed in real terms, ie inflation effects have been excluded using UK GVA deflators and relate to total GVA rather than per head as in **Tables 1** and **2**.

Employment Growth

Table 5 shows the change in the number of employee jobs in NI and the UK by broad industrial sector for the period March 1990 to March 2006. Clearly in relative terms NI had a much greater growth than the UK with all sectors easily outperforming the UK's.

Table 5: Employee Jobs by Broad Industry Sector, March 1990 – March 2006

	Northern Ireland				United Kingdom			
	Mar-90 (000's)	Mar-06 (000's)	Absolute Change	% Change	Mar-90 (000's)	Mar-06 (000's)	Absolute Change	% Change
Manufacturing	104	86	-18	-17.3%	4,819	3,049	-1,770	-36.7%
Construction	29	39	10	34.5%	1,267	1,238	-29	-2.3%
Services	373	553	180	48.3%	17,298	22,029	4,731	27.3%
Other[2]	27	30	3	11.1%	721	1,404	683	94.7%
TOTAL	**532**	**696**	**175**	**30.8%**	**24,104**	**27,720**	**3615**	**15.0%**

Source: DETI and ONS

2 Other includes Agriculture, Forestry & Fishing, Mining & Quarrying, Electronics, Gas & Water supply.

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Unfortunately, **regional** comparisons for the whole of the period are not available due to the establishment of Government Office Regions (GOR) in 1996 (see LMB No 14, Chapter 5). GOR employment data are only currently available for the period starting March 1996 to March 2006 – see **Table 6**. NI out-performed all other regions – especially the 'northern' regions.

Employment Rate

Another way of looking at this is to take the percentage of those of working age who are in employment – this is known as the **employment rate**[3] and the results are shown in **Table 7**.

NI's performance was above average – but we retain the unenviable title of the region with the lowest employment rate (although London's is very close). The long distance NI has

Table 6: Employee Jobs by UK Region, March 1996 - March 2006

Region	1996 (000's)	2006 (000's)	Absolute Change	% Change
London	3,370	3,980	610	18.1%
South East	3,131	3,636	505	16.1%
East	2,012	2,273	261	13%
South West	1,848	2,188	340	18.4%
North East	924	1,017	93	10.1%
North West	2,647	3,026	379	14.3%
East Midlands	1,628	1,811	183	11.2%
West Midlands	2,206	2,303	97	4.4%
Yorkshire & The Humber	1,991	2,257	266	13.4%
Wales	998	1,181	183	18.3%
Scotland	2,116	2,339	223	10.5%
NI	578	696	118	20.4%
UK	23,449	26,705	3,256	13.9%

Source: DETI and ONS

Table 7: Employment Rates: Spring 1992 – Spring 2006

Region	1992	2006	Absolute Change
London	67.8	69.4	1.6
South East	75.9	78.8	2.9
East	75.7	77.4	1.7
South West	73.4	78.2	4.8
North West	69.1	73.7	4.6
North East	65.9	71.3	5.4
Yorkshire & The Humber	70.6	74.3	3.7
West Midlands	69.5	73.8	4.3
East Midlands	73.1	76.9	3.8
Wales	67.2	71.7	4.5
Scotland	71.0	75.5	4.5
NI	63.3	69.0	5.7
UK	71.0	74.7	3.7

Source: Labour Force Survey, DETI and ONS

3 Working age in the UK is defined as 16-64 for males, 16-59 for females (EU:OECD use different definitions).

to travel in this regard is exampled by the fact that the rate in the South East is almost 80% - rising in some areas to 90%! See DETI Economic Bulletin June 2005 Article 17 for labour supply implications.

NI's low employment rate – especially combined with low unemployment (see below) – indicates hidden labour market reserves (see LMB No 11, Chapter 7, LMB No 14, Chapter 3, LMB No 18, Chapter 6). However it is unlikely that NI will ever reach the level of the South East – if only because of our much higher birth rate (with mothers staying at home especially when more than one child and the children are young); higher numbers in education; lower **local** wages interacting with benefit levels paid at **national** rates; a higher proportion of long-term unemployed; poor accessibility and transport issues etc. A further analysis of variations in the employment rate was supplied in LMB No 17, Chapter 16.

Activating "the inactive" is the **biggest labour market challenge** for local economic policy makers - important for efficiency, equity, and intra-regional dimensions.

Change in Unemployment

Table 8 shows the numbers unemployed and the percentage change between Spring 1992 and Spring 2006. The NI performance has been very good with a fall of 54%; better than the fall in the UK as a whole (-41%) with only the South West as good; and better than Wales (-41%) and Scotland (-43%).

Hours Worked

Most labour market commentators use employment trends and unemployment rates as a measure of a strengthening (or weakening) labour market.

But perhaps the best measure of labour input is 'hours worked' (see LMB No18, Chapter 7 for a fuller discussion). It is possible - as has happened in the UK recently – for unemployment to fall, employment to rise, and for 'pundits' to wonder why wage inflation remains subdued. The answer to this apparent puzzle was that labour demand was not strengthening but was 'flat' as hours worked per employee were gently falling – these figures cancelling each other out. But this was not the case in NI as between March 2000 and March 2006 hours worked in NI rose 7.9% compared with only 3.6% in GB.

Table 8: Unemployed: Spring 1992 – Spring 2006

Region	1992 (000's)	2006 (000's)	Absolute Change	% Change
London	410	298	-112	-27
South East	309	200	-109	-35
East	204	138	-66	-32
South West	211	97	-114	-54
North West	326	163	-163	-50
North East	141	78	-63	-45
Yorkshire & The Humber	242	134	-108	-45
West Midlands	272	141	-131	-48
East Midlands	178	113	-65	-37
Wales	115	68	-47	-41
Scotland	240	138	-102	-43
NI	85	39	-46	-54
UK	2,734	1,605	-1129	-41

Source: Labour Force Survey, DETI and ONS

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Graph A shows the better performance of NI compared with all other UK regions with the exception of London and re-enforces the whole theme of this article.

Manufacturing Output

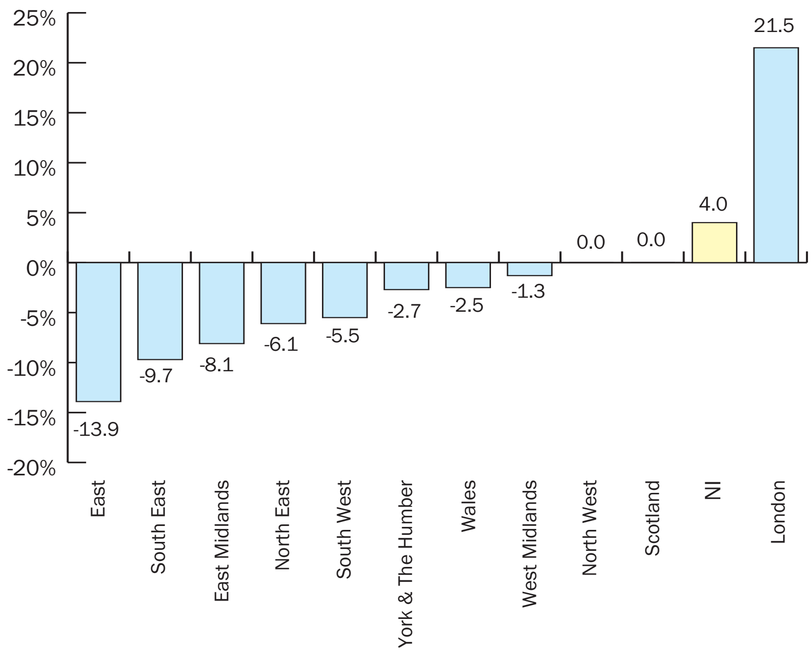
One final additional piece of evidence is the change in manufacturing output. **Table 9** shows the change in manufacturing output for NI and the UK over the past three years, indexed so that 2003 output = 100. Manufacturing output – despite all the woes of manufacturing industry – has actually grown by 7 points since 2003 in NI, whilst the UK as a whole has shown proportionately much less growth. More details are given in DETI's publication on the "Index of Production".

VAT Registrations

One would expect that those regions which are performing well, such as London and its neighbouring regions would also show a large increase in businesses registered for VAT, whereas under-performers, say the North-East of England and Wales, would do less well by this measure.

As **Table 10** shows there is a fair correlation between a good labour market performance and the change in the stock of VAT registered businesses. NI did better than Scotland, Wales and the more northerly English

Graph A: Hours worked % change 2000 - 2006 (March)



Source: Labour Force Survey

Table 9: Manufacturing Output NI and UK 2003 - 2006

	2003 (Q1)	2006 (Q2)	Change
NI Manufacturing Output	97.1	105.0	**+8.1**
UK Manufacturing Output	99.3	102.0	**+ 2.7**

Source: Index of Production DETI 2003=100

Table 10: VAT Registrations 1994 - 2005 Net Change

Region	% Increase
London	24.0%
South East	18.2%
East	14.3%
East Midlands	12.2%
West Midlands	10.4%
South West	9.6%
North West	6.6%
Yorkshire & The Humber	6.9%
North East	5.3%
Scotland	5.2%
Wales	0.0%
NI	11.2%
UK	12.3%

Source: DTI Small Business Service's Research Unit

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Table 11: Inward and Outward Migration 1991/92 to 2004/05

In	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05
England & Wales	11,785	11,397	9,666	9,765	12,993	9,430	9,148	9,798	9,237	8,986	9,907	8,737	9,889	10,761
Scotland	1,593	1,486	1,500	2,049	2,505	2,016	2,120	2,491	2,313	2,549	2,472	2,239	2,212	2,391
Rest of the World	5,143	4,661	4,257	4,301	8,700	5,476	5,643	5,144	6,198	6,845	6,628	7,360	8,203	13,749
TOTAL	**18,521**	**17,544**	**15,423**	**16,115**	**24,198**	**16,922**	**16,911**	**17,433**	**17,748**	**18,380**	**19,007**	**18,336**	**20,304**	**26,901**

Out	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05
England & Wales	8,539	9,320	10,056	10,281	10,157	10,975	10,711	10,198	10,094	9,668	9,419	9,130	9,944	9,208
Scotland	2,322	2,245	2,639	2,994	2,743	2,976	3,054	2,311	2,324	1,826	2,004	1,734	1,789	1,983
Rest of World	4,837	3,311	3,197	4,726	6,614	4,003	4,931	9,739	7,557	8,761	7,499	8,468	7,750	9,039
TOTAL	**15,698**	**14,876**	**15,892**	**18,001**	**19,514**	**17,954**	**18,696**	**22,248**	**19,975**	**20,255**	**18,922**	**19,332**	**19,483**	**20,230**
NET GAIN/LOSS	**2,823**	**2,668**	**-469**	**-1,886**	**4,684**	**-1,032**	**-1,785**	**-4,815**	**-2,227**	**-1,875**	**85**	**-996**	**821**	**6,671**

Source: NISRA

regions, and about the same as midland regions – but not as well as the southern English regions.

Effect on Migration Patterns

Prior to the 1990s there had been substantial emigration from NI for a variety of reasons for example – to avoid "the troubles", take up higher education places, seek better jobs. NI "lost" 82,000 people in the 1970s; 47,000 in the 1980s; and 4,000 in the 1990s. But in the period 2001/02 to 2004/05 we have experienced a net **gain** of around 6,500 – see **Table 11**. The earlier data on GVA growth, employment and unemployment help explain this dramatic improvement.

House Prices

The House Price Index – see **Table 12** – shows that although house prices have risen sharply in NI over the past four years, the rate of increase here is less than most other UK regions. Given our recent good economic performance this appears paradoxical but could well be explained in part by a much faster increase in supply – we have the highest increase in new dwellings as shown in **Graph B** which gives house completions per million population.

Table 12: House Prices: February 2002 = 100

Region	July 2006
North East	206
North West	193
Yorkshire & The Humber	196
East Midlands	177
West Midlands	172
South West	162
East	151
South East	146
London	144
Wales	200
Scotland	191
NI	183
UK	163

Source: Department of Communities and Local Government

The State of the Northern Ireland Economy: A UK Regional Comparison

Terry Morahan, Independent Consultant

In July 2006 London maintained its position of having the highest house price of any UK region at £285k: cheapest was Scotland at £140k: NI was sixth lowest at £158k.

Regional Prices

An examination of regional consumer prices has been undertaken by the Office of National Statistics. This is useful as lower income levels in say NI, may in fact be higher in real terms if the cost of living is lower – as in fact it is as **Table 13** shows.

The survey was conducted in Spring 2004. However the methodology is still a long way from being perfect – as the authors readily acknowledge.

Table 13: Regional Price Comparison (UK = 100) 2004

London	109
South East	105
East	101
South West	101
West Midlands	97
East Midlands	97
North West	96
Yorkshire & The Humber	94
North East	93
Wales	92
Scotland	93
NI	95

ONS Relative Regional Consumer Price Levels in 2004 – Economic Trends February 2005 Regional Weight Basis
[NB no updated figures available]

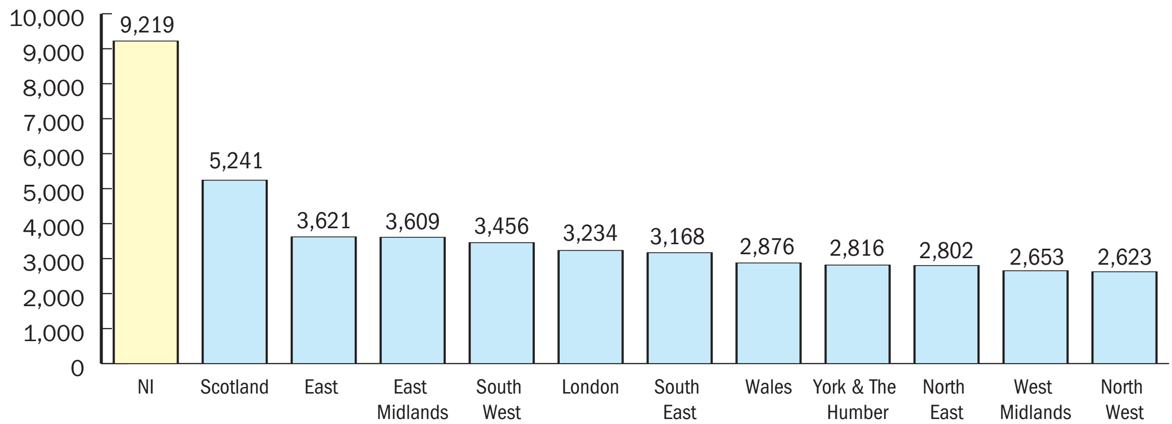
It may come as a surprise that the regional price differences are not larger – but due to the dominance of the large supermarkets, food prices vary little across the UK. London is not always the most expensive for everything; bus fares are lower than the national average. Housing costs (129) and various services are the main drivers of the higher cost of living in London.

Conclusion

It is clear that since 1990 we have had the fastest improving regional economy in the UK.

But it is also clear that most of the relative improvement took place in the first part of the period. As **Table 4** shows, in the

Graph B: Housing Completions by UK Regions per 1 Million Population 2004/2005



Source: Population data - Regional Trends 2006: Departmental Communities and Local Government, Statistical Release, House Building - January to March 2006 period 1990 to 1996 our GVA growth was 24.0% v 12.2% in the UK; but in the period 1996-2004 our growth was only slightly higher, up 28.8 points v 24.9 points for the UK as a whole.

However it should also be borne in mind that the strongest UK growth rates are in the large and affluent southern English regions (in particular London, South East, East and South West) – “the London City-state”. When compared to the other ‘northerly’ UK regions, our performance is considerably better.

The fact remains that it has been a period of substantial progress; we have lost our unenvied tag of being the UK region with the highest unemployment rate and the lowest GVA (several other regions are worse).

Unemployment is at its lowest for over a generation and for the first time on record at 4½% it is below the UK average (5%), and is well below the EU level (8%). And we no longer have a large population loss through emigration: in fact we are now net importers of migrants.

Outlook

There are over 40 economic forecasts produced for the UK national economy(!) and one official one by HMT* – which is quoted below in **Table 14**. There are many unofficial **regional** forecasts but no official one. We have used RF/OEF on this occasion. Looking further out will our economy continue to perform well?

At international and national level there are concerns over the effects of very high oil prices and the geopolitical situation: however at local level there is cause for optimism - for example -:

- the painful restructuring of the textile and clothing industry is largely complete;
- we do not have a housing price “bubble” – at least not to the same extent as other parts of the UK and especially RoI where at the time of writing up to 90% of houses were not selling at auction;
- on the political/security front the erratic progress continues;
- and with almost £20 billion to be spent on infrastructure in the period to 2015 there will be huge direct and indirect benefits to the economy.

Table 14: GDP Estimates/Forecasts % per annum

	2006	2007
UK*	2.5%	2.75% - 3.25%
NI**	1.9%	3.0%

Source *HMT Budget Statement 2006 **RF/OEF Economic Outlook Autumn 2006

* Note: See HMT “Forecasts for the UK Economy – A Comparison of Independent Forecasts” Monthly

Updating the Evidence: The DEL Research Agenda 2006-09

Wendy Lecky, Tertiary Education Analytical Services Branch

Research is an essential part of the policy development process, necessary to ensure that there is a robust evidence base supporting the decision-making. In light of its commitment to evidence based policy development, the Department for Employment and Learning published its first Research Agenda in November 2004. This article provides a summary in relation to the updated Research Agenda 2006-09, the newly identified DEL research needs as well as detail on how these will be delivered.

Introduction

The DEL Research Agenda 2004-07 set out, for the first time, a number of high level areas where the Department wished to strengthen the available evidence base. Since the launch of the first DEL Research Agenda, a significant volume of research has been commissioned. Given that the Department's research needs continue to evolve, for example, to support the implementation of the new NI Skills Strategy, "Success Through Skills", it commissioned an update of that Research Agenda in Spring 2006. The updated Research Agenda 2006-09 was published in late 2006 and reflects, as far as possible, the Department's research needs for the coming three-year period. A copy of this Agenda can be accessed on the DEL web-site **www.delni.gov.uk**.

Research Agenda 2006-09 Aims

While the research needs of the Department continue to evolve, the aims underpinning the original Research Agenda remain relevant. They are as follows:

- To strengthen further the link that exists between research, policy development and service delivery within DEL;
- To provide improved co-ordination between the Department's planned research and the Strategic and Business Planning process; and
- To enhance interest within the research community in the areas of research relevant to DEL.

The Expanding Evidence Base and Link to Policy

The Department's strong track record in supporting and commissioning research has been further enhanced by the work that has flowed from its first Research Agenda. This entire body of research is presented in the Research Agenda update and full research reports are published on the Departmental web-site (**www.delni.gov.uk/index/statistics-and-research/stats-research.htm**). This Labour Market Bulletin is also an established vehicle for the publication of research which is well received by a wide audience of researchers, journalists, practitioners and policy colleagues. Summaries of the research findings to date are provided in the Labour Market Bulletin, and in some instances, dissemination also takes place through seminars and conferences. These mechanisms for dissemination, as well as others as appropriate, will be embraced going forward as the research base further expands.

As well as publishing and disseminating widely the research work it funds, DEL is also committed to ensuring that the work emanating from this Research Agenda will feed into policy development. Research findings are presented to the

Updating the Evidence: The DEL Research Agenda 2006-09

Wendy Lecky, Tertiary Education Analytical Services Branch

Department's Cross-Divisional Strategy Forum (the successor to the Department's Research Steering Group) and as research outcomes emerge the relevant Policy Division within DEL considers the findings and identifies, where appropriate, how these are intended to inform future policy development and decision making.

5

New Research Needs

In order to provide a clearer and direct link with policy and service delivery, the areas which were identified for further research are categorised under the Department's four key areas of activity: Skills; Research and Development; Helping People into Work; and Employment Rights, Responsibilities and Remedies. These research needs were prioritised by the Departmental Cross-Divisional Strategy Forum setting out those research projects which were required in 2006/07 to address immediate gaps in the evidence base, and then allocating those medium-term research needs to be commissioned in 2007/08-2008/09. The majority of projects scheduled to be commissioned in 2006/07 have commenced. Medium-term research needs will be reviewed prior to commissioning to ensure that the research need still stands and that it remains relevant to Departmental business at that time. The high level research needs have been set out below – further detail under each of these is provided in the Research Agenda 2006-09.

Immediate Priority: Scheduled to be commissioned in 2006/07

Skills

- Ensuring best use is made of Labour Market Information (LMI) to influence policy development and service delivery.
- Examination and identification of Priority Skills areas in NI.
- To understand better the impact of larger numbers of migrant workers arriving in NI as a result of the significant expansion of the EU in 2004.
- Understanding utilisation of skills from an employee perspective.
- To identify the extent and sources of variation in UK graduate earnings.
- To better understand the management and leadership practices within NI companies.
- Exploring employers' skill ugrading needs and local education and training provision in different parts of the UK.
- Better understand factors that determine participants rates in Further and Higher Education in NI by social background and Section75 categories.
- To identify over time the changes education and training policy have on different cohorts of young people and their experiences and outcomes in the labour market.
- To assess how education and training choices in the FE sector impact upon an individual's labour market outcomes.

Research and Development

- To better understand the key economic and social impacts generated by HEIs in relation to the UK regions of Scotland, Wales, NI and England.

Helping people into work

- Examination of issues contributing to low employment rates of older workers.
- Experiences and outcomes of participants on New Deal.

Employment rights, responsibilities and remedies

- An examination of employment-related tribunals and alternative dispute resolution procedures.

Updating the Evidence: The DEL Research Agenda 2006-09

Wendy Lecky, Tertiary Education Analytical Services Branch

- Examination of impact of Flexible Working Law.

Medium-Term Priority: Scheduled to be commissioned in 2007/08-2008/09

Skills

- Understanding better the skill needs of the NI economy.
- An assessment of the role of the FE Sector in promoting social cohesion.
- Identification of future demand and supply of FE and work-based learning provision.
- Identification of usage and impact of diagnostic and brokerage tools in NI firms.
- An examination of the impact of variable tuition fees in Higher Education.

Helping people into work

- An investigation into the barriers to work faced by the unemployed and inactive.
- Research to inform the roll-out of the Welfare Reform Agenda.
- Investigation into the barriers preventing women and lone parents from entering employment.
- Identification of employer attitudes towards DEL interventions.

Employment rights, responsibilities and remedies

- Understanding changing attitudes and perceptions for resolving employment rights disputes.

Delivering the Research Agenda 2006-09

The management of the delivery of the Agenda resides with the Departmental Cross-Divisional Strategy Forum. The Department's professional economists and statisticians within the Analytical Services Group also have a key role in supporting this Forum to take forward the Research Agenda.

The previous Research Agenda involved a process of public call for research proposals by asking the research community to come forward with ideas and proposals on how to answer the research questions identified within it. That procurement approach attracted significant interest from the research community and a large number of research proposals came forward and were selected as a result. However the need to commission a wide range of projects to implement the Research Agenda 2006-09 through an open procurement process is not as clear as the case several years ago. Procurement for the Research Agenda 2006-09 has therefore been underpinned by a project-by-project approach, that is, each research project is being procured and commissioned on an individual basis, working in conjunction with the Central Procurement Directorate, where appropriate.

The Department also consults and works in partnership with a number of other bodies in taking forward its research projects, such as the NI Skills Expert Group, the Expert Skills Group in Ireland, the Department of Enterprise, Trade and Investment, Invest NI, the Department of Education and the Department for Social Development. This ensures that research commissioned by all these bodies is complemented, rather than duplicated, and that where relevant cross-cutting research needs are taken forward on a co-ordinated and cooperative basis.

For further information contact:

Tertiary Education Analytical Services Branch
Department for Employment and Learning
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Telephone: 028 9025 7981
statistics@delni.gov.uk

Skills Monitoring in Northern Ireland: Key Findings from the 2005 Survey

Helen McCartney and Gayle Kennedy, Analytical Services, DEL

The NI Skills Monitoring Survey 2005 provides a comprehensive snapshot of the current skill needs of NI employers. The Survey provides an overview of current vacancies and skills needs across the economy and particularly focuses on those areas where recruitment difficulties are related to external skill shortages and which might therefore be amenable to a 'skills' solution. Other issues, such as skills gaps and training are also explored.

Background

The Department for Employment and Learning (DEL) is implementing 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 the Skills Strategy 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 2005 Survey

The 2005 SMS is the third in a 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 focused on private sector employers[2] and the 2002 survey was extended to include the public sector[3]. The primary purpose of the 2005 SMS is to update the findings of the survey conducted in 2002 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 and difficult to fill vacancies as an indication of demand for skills from all NI employers;
- To provide comparisons with the 2002 survey;
- To highlight areas of skill shortages and skill gaps which might be amenable to a 'skills' solution; and
- To highlight areas of concern that might merit more detailed investigation.

Methodology

The Survey was designed not only to provide robust estimates for all NI employers but also, where possible, to provide estimates for individual sectors. Responses were analysed by Standard **Industrial** (SIC2003) and **Occupational** (SOC2000) Classifications to allow for comparison of the results with other sources of data. When constructing the sample frame for the Survey, consideration was also given to the Sector Skills Councils (SSC) which the Sector Skills Development Agency (SSDA) have defined by a series of SIC footprints[4]. It is planned to re-analyse the Survey data according to these footprints and publish a series of SSC reports.

Most of the questionnaire was based on those used previously in the 2000 and 2002 Surveys which were structured to allow for comparison with similar Surveys carried out in other regions as well as earlier Surveys conducted in NI.

1 Success through Skills. The Skills Strategy for Northern Ireland is available online at **www.delni.gov.uk/skills_strategy_2006.pdf**
2 For summary of findings, see LMB #15, Chapter 11.
3 For summary of findings, see LMB #17, Chapter 10.
4 More detailed information is available online at **www.ssda.org.uk/**

Skills Monitoring in Northern Ireland: Key Findings from the 2005 Survey

Helen McCartney and Gayle Kennedy, Analytical Services, DEL

In 2003 DEL commissioned Economic Research and Evaluation (ERE) to undertake a comparative analysis of the findings from a selection of the Skills Surveys undertaken in each of the five 'home' countries (England, Scotland, Wales, RoI and NI)[5]. Following on from this research, ERE recommended a set of harmonised questions to be included in each of the regional Surveys[6]. Some of these recommendations were included in the questionnaire, including a section of questions on recruitment difficulties experienced by employers in the previous 12 months.

Central Survey Unit (CSU) of the NI Statistics and Research Agency (NISRA) was commissioned to conduct the 2005 Skills Monitoring Survey. The sample was randomly selected from NI businesses listed in the British Telecom Business Database. The sample was stratified to provide comprehensive coverage of businesses both by sector and company size. It was also necessary to re-weight the results to reflect the composition of the Business Database as a whole. A total of 6,822 businesses were contacted by CSU during June to November 2005. The interviews were conducted by telephone using computer assisted telephone interviewing (CATI). Valid responses were received from 4,126 employers giving a response rate of 70%. This is an excellent response rate which not only underlines the quality of the information received but also reflects the high level of interest shown by employers.

Key Findings

This section provides a summary of some of the key findings from the 2005 SMS and where applicable, compares these findings to the earlier survey conducted in 2002. In addition, there are some comparisons with findings from similar skill surveys conducted in England[7] (2005), Wales[8] (2005) and Scotland[9] (2004). Where relevant data are available figures are quoted by way of comparison. Because of the limitations of space a selection of the key headline findings are presented. More detailed breakdowns in responses are contained in the full Report.

Table 1 presents some of the key findings from the Survey analyses by Industrial sector. As can be seen, employee turnover for 2004/2005 was estimated at 13% for all employers with the Hotels and Restaurants sector having the highest level (21%).

The vast majority of employers did not have a vacancy at the time of the survey: overall, 11% of employers reported having at least one current vacancy. For those sectors where reliable estimates can be made, the highest level of vacancies was reported in the Health and Social Care sector (16%). The level in Financial Services (15%), Education (15%), Hotels and Restaurants (14%), Transport and Communications (13%) and Manufacturing (12%) were above average. The lowest proportion of employers reporting current vacancies were in Construction (8%) and Other Services (8%).

There is particular interest in vacancies that are proving difficult to fill and those that are due to external skill shortages. Recruitment difficulties may be due to 'internal' company factors such as low pay or unattractive working conditions and therefore the solution is unlikely to lie in the supply of skills available. Excluding those sectors with small numbers in the survey, the proportion of employers reporting difficult to fill vacancies ranged from 3% in Other Services to 9% in Financial Services. Overall, the main reasons given for difficulties in filling vacancies included 'lack of skills the company demands' and 'not enough people interested in this type of work'. The reported effects of these difficulties included 'difficulties meeting customer service objectives', 'loss of business or orders to competitors' and 'difficulties meeting required quality standards'.

Overall, 34% of difficult to fill vacancies were considered by employers to be due to external skill shortages (that is where the reasons given for difficulties included either a lack of skills; qualifications required; or work experience). By implication, a larger proportion of difficult to fill vacancies were **not** considered by employers to be due to a shortage of skills. Of these external skill shortage vacancies

5 A summary of findings from this project is available online at **www.delni.gov.uk/lmb2004.pdf**
6 Towards a Harmonised Skills Monitoring Survey. Feedback Report. Economic Research and Evaluation. February 2005. (**www.delni.gov.uk/harmonisedfeedbackreport**).
7 Comparisons with England are taken from the publication, National Employers Skills Survey 2005: Key Findings. Learning and Skills Council. June 2006. (**www.lsc.gov.uk**)
8 Comparisons with Wales are taken from Future Skills Wales 2005 Sector Skills Survey. Main Report. March 2006 (**www.futureskillswales.com**)
9 Scottish data are quoted from the publication, Skills in Scotland 2004. Futureskills Scotland. January 2005 (**www.futureskillsscotland.org.uk**)

Skills Monitoring in Northern Ireland: Key Findings from the 2005 Survey

Helen McCartney and Gayle Kennedy, Analytical Services, DEL

Table 1: Key Findings by Industrial Sector

Industrial Sector	Employee Turnover** %	Current Vacancies	Difficult to Fill Vacancies %	External Skill Shortages (% of Difficult to Fill Vacancies)	Skills Gaps %
All Employers	13	11	6	34	9
Mining & Quarrying*	7	5	2	-	3
Manufacturing	11	12	7	35	8
Utilities*	3	15	15	24	12
Construction	11	8	7	53	8
Wholesale & Retail	16	9	5	24	7
Hotels & Restaurants	21	14	7	19	12
Transport & Communications	11	13	5	63	8
Financial Services	15	15	9	46	14
Business Services	13	9	6	51	7
Public Administration*	8	36	13	75	22
Education	7	15	5	13	12
Health & Social Care	12	16	8	19	14
Other Services	14	8	3	42	14
Base (unweighted) = 100%	**4,072**	**4,126**	**4,114**	**4,114**	**4,115**

* Caution: Based on a small number of responses
** Bases exclude those who did not have an employee one year prior to interview

the most common skills that were found difficult to obtain from applicants were other technical and practical skills, communication skills and customer handling skills. The proportion of difficult to fill vacancies with external skill shortages was highest in the Transport and Communications sector (63%), followed by Construction (53%) and Business Services (51%). The lowest proportion was in Education, where 13% of difficult to fill vacancies were considered to be due to external skill shortages.

Skill gaps exist where there is a gap between a current employee's skill level and what is needed to meet work objectives. Only 9% of employers indicated that there was some gap between the types of skills that their current employees had, and those that the organisation needed to meet their business objectives, at the time of the interview. The vast majority of employers (91%) said that their staff already possessed the skills needed to help the business meet its objectives. Employers in Financial Services, Health and Social Care as well as Other Services (all 14%) reported the highest level of skill gaps. Wholesale and Retail and Business Services (both 7%) reported the lowest level of skill gaps. The most common measures taken in order to overcome skill gaps were to provide further training/ development and to increase/expand trainee programme. Overall, 16% of employers said no particular measures had been taken to overcome skill gaps.

Table 2 presents the main findings from the training section, which includes both off-the-job training[10] and on-the-job training[11]. Overall, 34% of employers had organised some off-the-job training for their employees in the previous 12 months. The highest level of off-the-job training was provided by employers in Education and Health and Social Care (both 63%). The lowest level of off-the-job training was for employees in Hotels and Restaurants (17%). It can be seen from **Table 2** that a higher proportion of employers offered on-the-job training (60%) to their employees, with the highest level in Education (78%). The lowest level of on-the-job training was for employees in Construction (52%) and Business Services (52%). It is notable that across all industrial sectors, where reliable estimates can be made, a higher level of on-the-job training was provided by employers than off-the-job training.

Table 2: Training Activity by Industrial Sector

Industrial Sector	Off-the-job training %	On-the-job training %
All Employers	34	60
Mining and Quarrying*	48	69
Manufacturing	26	53
Utilities*	71	61
Construction	37	52
Wholesale & Retail	27	63
Hotels & Restaurants	17	64
Transport & Communications	29	61
Financial Services	47	68
Business Services	37	52
Public Administration*	81	87
Education	63	78
Health & Social Care	63	71
Other Services	37	53
Base (unweighted) = 100%	**4,071**	**4,062**

* Caution: Based on a small number of responses

Table 3 compares the findings from the 2005 Skills Monitoring Survey and the survey conducted in 2002. The most notable changes between the two surveys are the reduction in:

- the percentage of employers reporting at least one current vacancy (16% in 2002 to 11% in 2005);
- the percentage of employers who said they had at least one vacancy that was proving difficult to fill (10% in 2002 to 6% in 2005);
- the percentage of employers who said they have skill gaps (13% in 2002 to 9% in 2005).

It should also be noted that the proportion of difficult to fill vacancies that were due to external skills shortages has risen from 32% in 2002 to 34%

Table 3: Key Findings from NI Skills Monitoring Surveys

Survey	Labour Turnover	Current Vacancies %	DTF Vacancies %	External Skill Shortages (% of Difficult to Fill Vacancies)	Skills Gaps %
NI Skills Monitoring Survey 2005	13	11	6	34	9
NI Skills Monitoring Survey 2002	16	16	10	32	13

10 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.

11 On-the-job training was defined as ‘training given at the desk or place where the staff usually work’.

Helen McCartney and Gayle Kennedy, Analytical Services, DEL

Table 4: Key Findings by Occupational Group

Occupational Group	Current Vacancies %	Difficult to Fill Vacancies %	External Skills Shortages (% of Difficult to Fill Vacancies)
Managers & Senior Officials	4	6	67
Professionals	8	6	42
Associate Professionals	9	11	42
Administrative & Secretarial	14	10	45
Skilled Trades	10	14	42
Personal Service	24	20	10
Sales	7	6	72
Operatives	7	8	29
Elementary Occupations	17	20	20
Base (unweighted) = 100%	**2,727**	**1,302**	**1,302**

in 2005. Although this proportion has increased, the actual number of difficult to fill vacancies due to external skills shortages has in fact decreased, due to the lower percentage of difficult to fill vacancies reported in 2005.

Table 4 provides a breakdown by major occupational group of the key findings of the Survey. For each of the measures there was considerable variation between the occupational groups. The proportion of current vacancies ranged between 4% and 24%. Personal Service jobs accounted for 24% of all vacancies, with 17% being Elementary Occupations and Administrative and Secretarial posts accounting for 14% of vacancies. The highest level of difficult to fill vacancies was also reported for Personal Service and Elementary Occupations (both 20%). In contrast Personal Service (10%) represents a lower proportion of difficult to fill vacancies which were considered to be due to external skills shortages. The highest proportion is for Sales occupations with 72% of difficult to fill vacancies due to external skills shortages.

Table 5 compares the key findings from the 2005 Skills Monitoring Survey in NI with results from similar Surveys conducted in England, Scotland and Wales. In comparison, the proportion of NI employers reporting at least one vacancy (11%) is lower than employers in England (17%), Scotland (20%) and Wales (21%). **Table 5** shows

Table 5: Comparison of Key Findings

	Current Vacancies %	Difficult to Fill Vacancies [12] %	External Skill Shortages (% of Difficult to Fill Vacancies)	Skill Gaps %
Northern Ireland	11	6	34	9
England	17	7	70*	16
Scotland	20	Not available	55	21
Wales	21	10	41	18

* Figures for England relate to unprompted and prompted skill shortage vacancies

12 Reports for England, Scotland and Wales refer to hard-to-fill vacancies. Information on the number of employers reporting difficult to fill vacancies is not available for Scotland.

that 6% of NI employers considered their current vacancies as being difficult to fill. This is slightly lower than employers in both England (7%) and Wales (10%). The proportion of difficult to fill vacancies that employers considered to be due to external skill shortages in NI (34%) is much lower than England (70%), Scotland (55%) and Wales (41%).

SUMMARY

Once again the Survey provides a robust analysis of the current skill needs of NI employers. The Report presents an overview of issues connected with skills shortages, skill gaps and training from an employer's perspective. Useful comparisons have been made with the Skills Monitoring Survey 2002. In addition, the findings of the NI Skills Monitoring Survey 2005 have been compared with other countries, as similar monitoring Surveys have been conducted in England, Scotland and Wales.

In the past three years, there has been a decrease in the proportion of NI employers reporting vacancies and recruitment difficulties – which would suggest a more 'slack' labour market. Although those employers who reported recruitment difficulties are in the minority, they are experiencing problems which they believe to have a detrimental effect on their business.

Occupation Forecasts and Replacement Demand in Northern Ireland 2005-2015

Andrew Webb, Neil Gibson and Graham Gudgin, Regional Forecasts

As part of the Department for Employment and Learning's (DEL) research agenda, Regional Forecasts Limited (RFL) were commissioned to provide occupational forecasts and undertake replacement demand forecasts for NI. These forecasts are based on a new model of the NI economy developed by RFL which provides annual employment projections for 24 separate occupation groups for each year until 2015. To enhance the system further, and assist DEL in planning training needs, RFL have developed replacement demand forecasts for NI.

Introduction

Replacement demand is a measure of the likely requirement for employees in each occupation over time and is driven by factors such as retirements, people temporarily leaving the labour force, inter-occupational movements and migration. Added to the expansion or contraction of demand for each occupation this provides estimates of the likely number of vacancies between 2005 and 2015 for each occupation. This differs from traditionally quoted forecast estimates which are purely expansion demand.

The chief potential benefit of these forecasts is that they provide a framework within which DEL's Skills Strategy can be viewed. They do this partly through acting as an early warning system for potential changes in NI's occupational structure which may forewarn of impending skills shortages or potential mis-matches in supply and demand when viewed alongside training and education outputs. They also provide a measure of the scale of likely job vacancies in each occupation caused by labour turnover as well as by the expansion or contraction of demand for particular occupations.

Replacement demand is increasingly used in examining the scale of needs due to both expansion and turnover. The results of the analysis show that vacancies created by people retiring, moving to another occupation, migrating or moving into unemployment or inactivity dwarf the vacancies created through an occupation's expansion. In fact even in occupations where a contraction in overall employment is projected replacement demand often proves sufficient to suggest additional labour will be required despite the overall decline. This report is a summary of a more detailed report submitted to DEL in May 2006. Copies of the full report are available from DEL[1].

1 www.delno.gov.uk/index/publications/pubs-stats/research-reports-2/occ-forecasts-for-ni-2005-2015.htm

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The Macro Labour Market Environment

The NI economy has been characterised by strong labour market growth since the early 1990's but has made little progress on closing the wealth gap with the UK. The charts below (**Figs 1, 2**) show this. Employee growth has been much stronger in NI than in the UK since the beginning of the 1990's but GVA per head remains around 80% of the UK level. We expect these trends to continue in future.

The strong growth in employment has been partly due to 'catch-up' in retailing (as the multi national retails chains expanded into NI) and business services (the well documented increases in call centre employment plus increases in other elements of the sector),

Figure 1: GVA per head in NI, UK=100

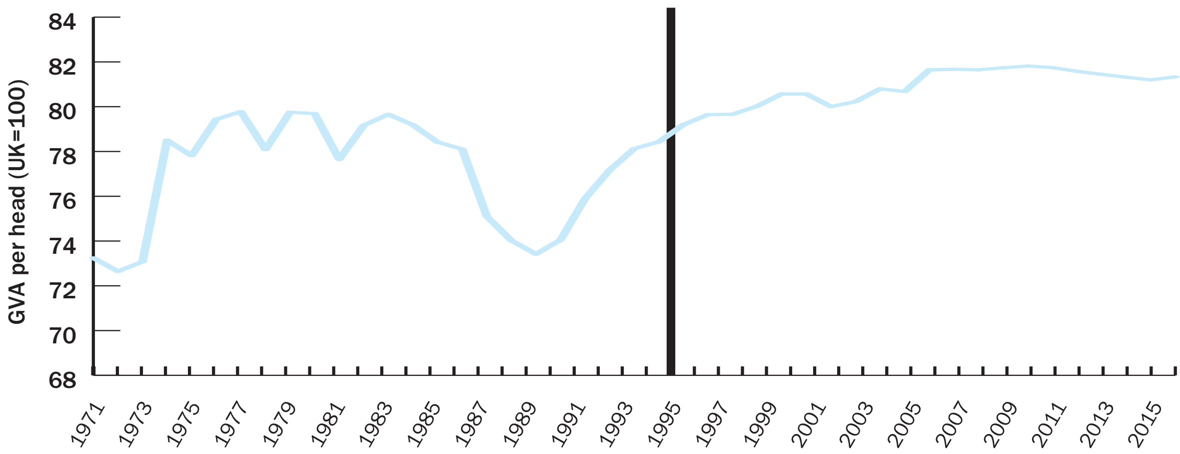
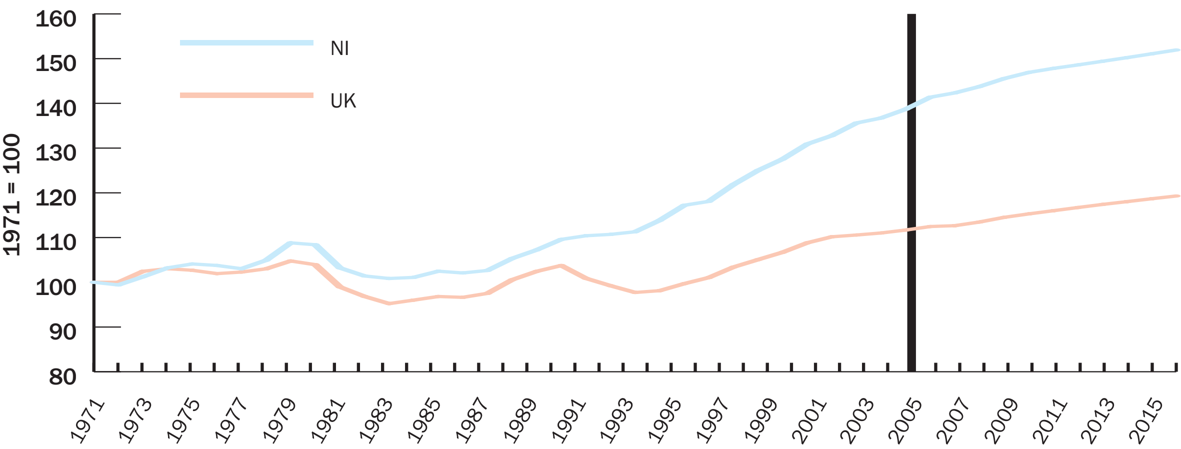


Figure 2: Employee growth, NI & UK, 1971=100



and partly due to growth in public services, particularly health. The impressive headline employee growth does however mask the marked decline in manufacturing employment, although it should be noted that this decline was less severe in NI than in the UK as a whole (**Table 1**).

Looking forward, the switch from manufacturing to private services employment is likely to continue although the recent slow-down in consumer spending is likely to impact on the prospects for retail employment. In addition, there is little evidence to suggest that the public sector will decline in importance as a provider of employment, although this position will become clearer when the full implications of the Review of Public Administration are known. The trend in migration will be a crucially important factor in the employment prospects for public services and the distribution and business services sectors.

Table 1: Average annual % growth in employees by sector, NI and UK, 1995-2005

	1995-2005 average annual growth	
	NI	UK
Agriculture	-1.6	-2.1
Extraction	0.3	-0.9
Electricity	-5.6	-3.5
Construction	4.6	3.3
Manufacturing	-1.8	-2.4
Distribution	3.1	1.3
Hotels	4.5	2.3
Transport & Comms	2.7	1.4
Financial intermediation	2.4	0.6
Business services	7.4	3.2
Public Admin	0.7	0.7
Education	1.4	2.0
Health	1.9	1.7
Other Services	1.5	2.6
Total	**1.9**	**1.2**

Occupations: Past Trends and Forecasts

Context and data overview

The occupation forecasts have been developed within the existing NI Policy Simulation (NIPS) model recently developed by RFL to provide monitoring and forecasting of the Economic Development Forum targets for the NI economy[2]. This model is itself nested in the bi-annual UK Multi-Regional-Model produced by RFL/Oxford Economic Forecasting (OEF) and consequently the hierarchy of macro forecasts produced by OEF.

This hierarchy provides a robust framework for the occupation forecasts produced in this report and ensures that they are consistent with, and responsive to, changes in OEF's macro and sectoral forecasts.

As part of this project, the NIPS model has been developed so that the employment forecasts are estimates of numbers of people employed and self employed rather than the number of jobs (of which a person can have more than one). One drawback of this approach is that NI's employment by occupation will not be comparable to other regions as their occupation forecasts remain based on employee jobs.

There are two data sources to draw upon for occupation employment data – the Census of Population and the Labour Force Survey. LFS data provides proportions of 25 occupations within 14 employment sectors for 2002 to 2005 (three year moving averages are used to smooth data volatility). Prior to 2002, Census information is used and inter census years are interpolated. We use University of Warwick Institute of Employment Research figures for 1971-91, and have constructed our data from census and LFS sources for 1991-2005. A full

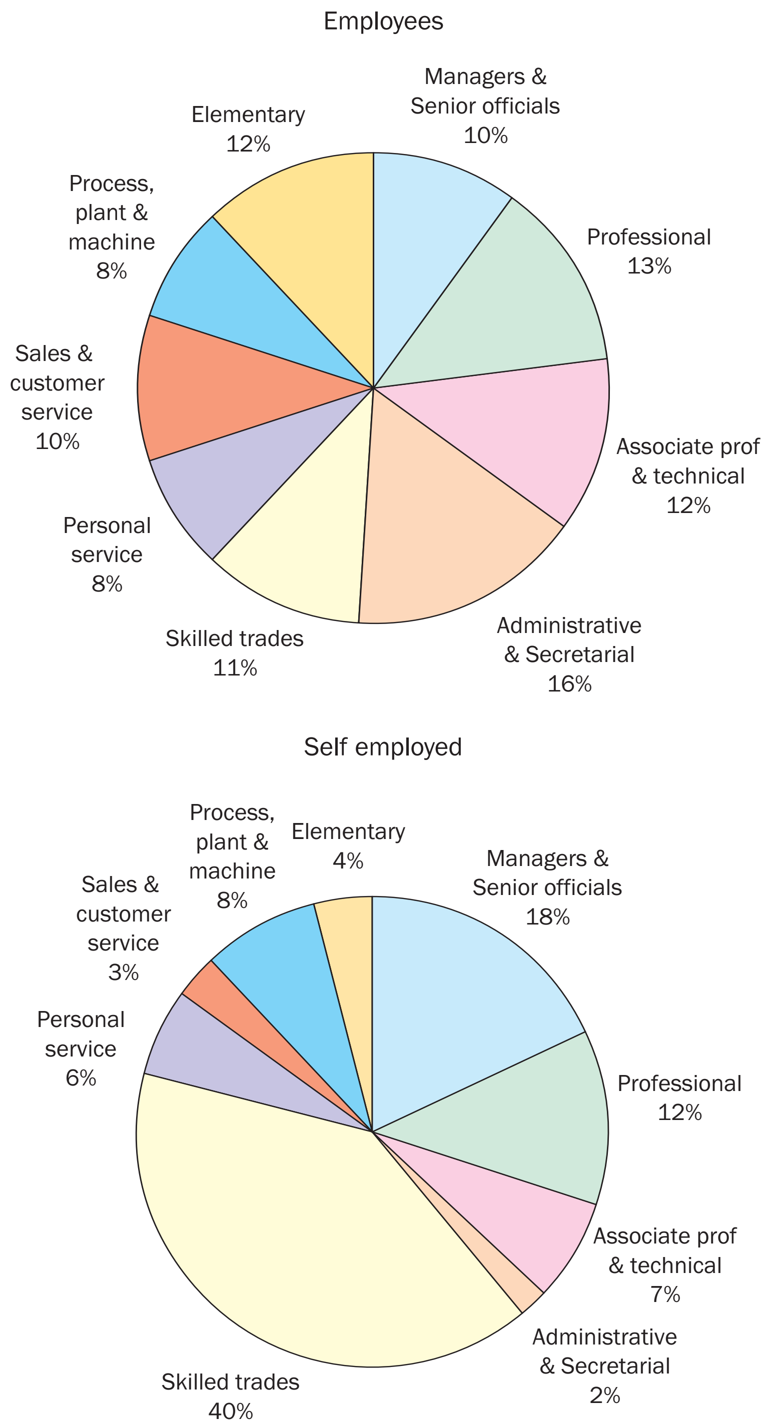
2 Details of the Economic Development Forum can be found on the website of the Department of Enterprise, Trade and Investment **www.detini.gov.uk**

description of the steps taken to generate occupation forecasts are presented in Annex 1 of the main report.

Current Occupation Structure

NI's broad (9 occupations) occupation structure is shown in **Figure 3**. The largest occupation group among employees is administrative and secretarial occupations, reflecting NI's reliance on public sector employment. The structure of self employed occupations is significantly different than that for employees with 40% of the self employed in skilled trades occupations. There is also a much higher proportion of managers (18%) amongst the self employed.

Figure 3: Broad occupation structure, employees and self employment (2005)



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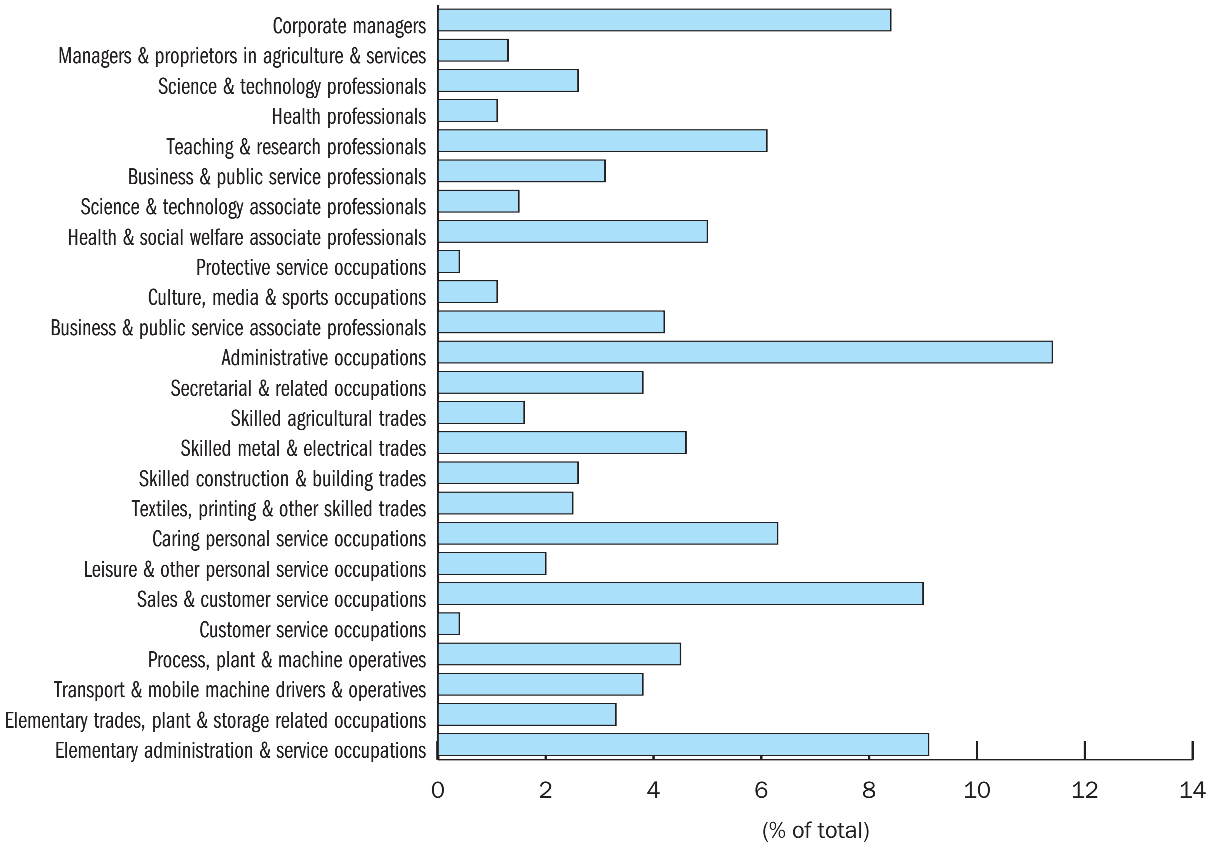
NI's reliance on public sector employment becomes even more apparent when the occupation structure is disaggregated into 25 occupation groups (**Figure 4**) with administrative occupations, teaching occupations and elementary administration services contributing to roughly one quarter of the employee total.

Figure 4: Detailed occupation structure, employees (2005)



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Recent Occupation Changes

NI's impressive job creation record is well documented, with record employee levels following 19 years of consecutive growth in employee jobs – the longest uninterrupted period of growth in the UK. The chart below (**Figure 5**) focuses on the last ten years and show that the majority of occupations have expanded. The largest recorded expansion over the last ten years was in sales occupations (21,000), closely followed by corporate managers (15,500) and caring personal service occupations (14,500). This pattern is expected given the trends in sectoral employment outlined above.

Not all occupations experienced growth in the last decade. The most notable job losses came in process, plant and machine operatives which lost 11,000 jobs. These patterns of expansion and contraction reflect the decline in manufacturing and the rise of the service sectors as a source of employment.

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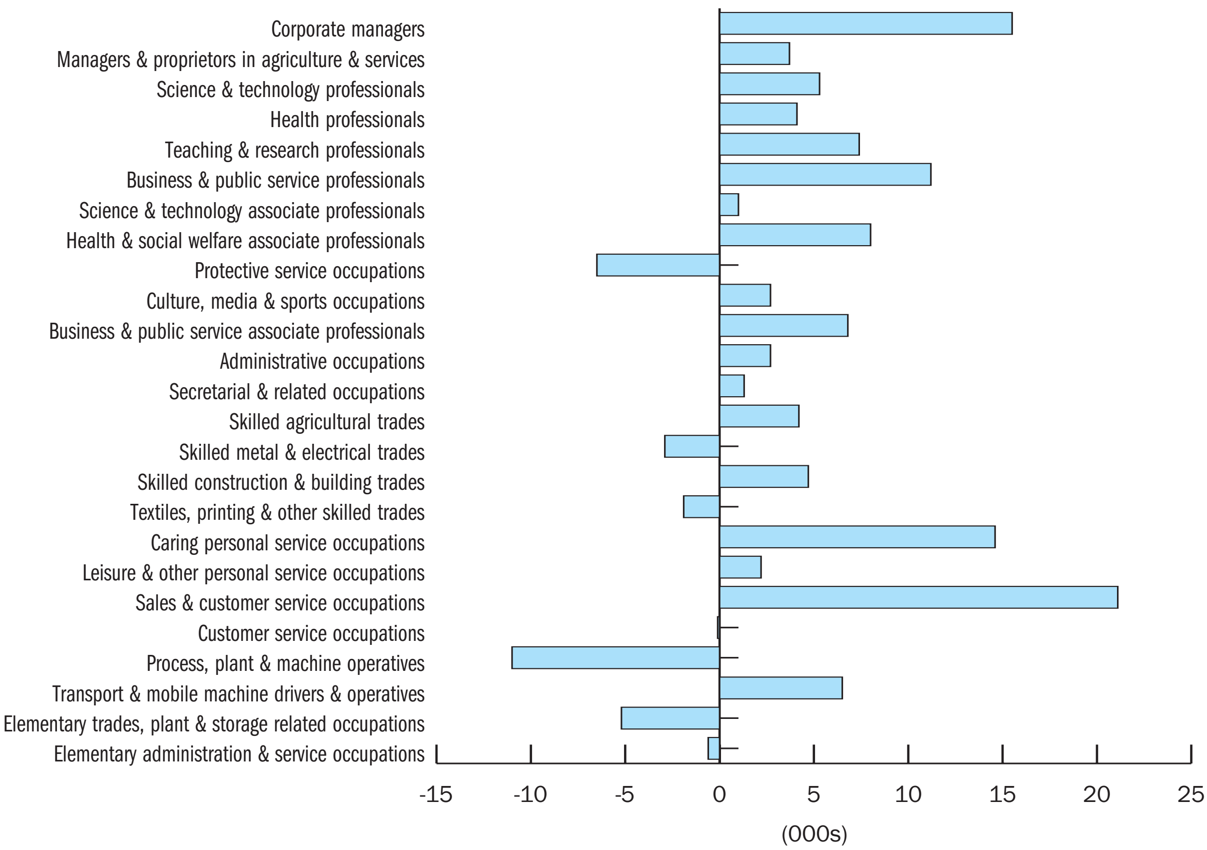
Figure 5: Change in employees 1995-2005



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In percentage terms (**Table 2**) total employment growth has averaged 1.5% per annum chiefly driven by the expansion of the number of employees rather than the self employed. Business and public service professionals have experienced the fastest growth in total employment over the last decade (8.6% per annum). Caring and sales occupations have also enjoyed strong annual average growth since 1995. The largest decline has been in protective occupations, although as almost all this decline occurred in 2001, this may reflect changes or mistakes in the recording of occupations as well as some element of real decline.

Table 2: Average annual growth in occupations (% per annum) 1995-2005

	Employees	Self Employed	Total Employment
Corporate managers	3.7	2.0	3.5
Managers & proprietors in agriculture & services	6.3	-0.3	1.8
Science & technology professionals	4.2	0.0	3.7
Health professionals	10.6	0.6	6.3
Teaching & research professionals	2.2	-4.1	2.1
Business & public service professionals	9.6	6.6	8.6
Science & technology associate professionals	1.1	-3.0	1.0
Health & social welfare associate professionals	3.1	7.0	3.3
Protective service occupations	-11.7	0.0	-11.8
Culture, media & sports occupations	5.3	0.5	3.9
Business & public service associate professionals	3.2	0.0	2.7
Administrative occupations	0.4	0.1	0.4
Secretarial & related occupations	0.6	-0.4	0.6
Skilled agricultural trades	5.9	-1.4	0.7
Skilled metal & electrical trades	-1.0	-4.4	-1.5
Skilled construction & building trades	3.7	2.3	2.9
Textiles, printing & other skilled trades	-1.2	-5.1	-1.7
Caring personal service occupations	4.9	7.8	5.2
Leisure & other personal service occupations	2.1	2.2	2.1
Sales & customer service occupations	5.0	2.8	4.9
Customer service occupations	-0.3	-16.4	-0.4
Process, plant & machine operatives	-3.3	-4.8	-3.4
Transport & mobile machine drivers & operatives	3.4	4.1	3.5
Elementary trades, plant & storage related occupations	-2.3	-1.7	-2.2
Elementary administration & service occupations	-0.1	-4.7	-0.2
Total	**1.7**	**0.6**	**1.5**

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Occupation Forecasts

The recent growth trends in occupations are generally expected to continue over the forecast period although growth will be slower than in the recent past. The main reasons for the projected slowdown in growth include the end of rapid growth in retail employment after a period in which NI caught up with national trends following earlier periods of low investment during the 'troubles'. A second factor is an anticipated slowdown in public expenditure and hence slower growth in public sector employment. Growth in total employment is expected to be driven by growth in both employees and self employment (**Figure 6**).

Professional occupations are expected to increase most - by 15,500 in total employment (**Table 3**). Personal service occupations are also expected to show large increases as recent growth in child care and residential care for the elderly continues. Significant declines are again evident in the skilled trades occupations and process plant and machine occupations, reflecting the continuing shift away from lower value added manufacturing.

Figure 6: Trends in employment 1981-2015

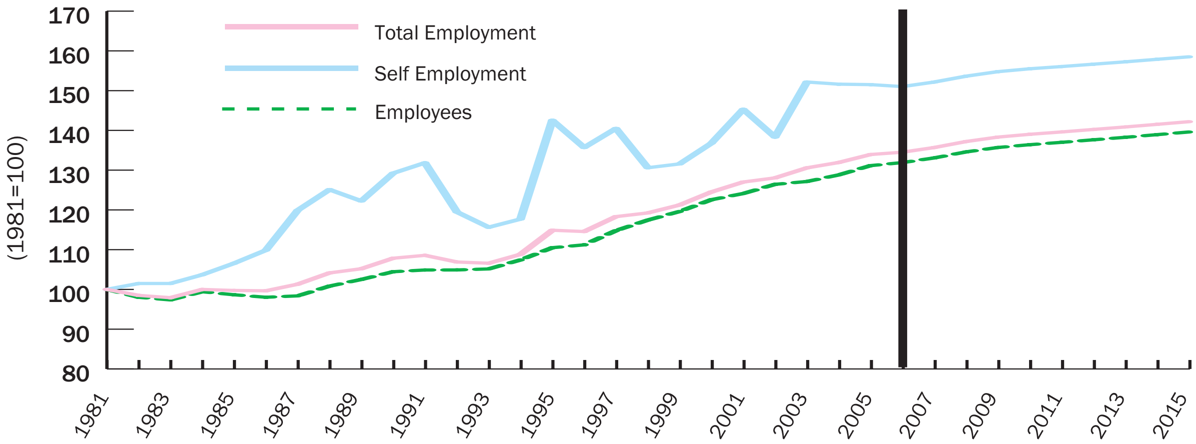

Table 3: Forecast changes in broad occupations 2005-2015

	Employees		Self Employed		Total Employed	
	Change (000's)	**Annual average % change**	**Change (000's)**	**Annual average % change**	**Change (000's)**	**Annual average % change**
Managers & Senior officials	9.3	1.5	1.5	0.7	10.8	1.3
Professional	12.1	1.5	3.4	2.3	15.5	1.6
Associate prof & technical	4.9	0.6	1.2	1.4	6.1	0.7
Administrative & Secretarial	4.2	0.4	0.3	1.3	4.5	0.5
Skilled trades	-6.1	-0.9	-2.1	-0.5	-8.2	-0.8
Personal service	10.7	2.0	1.0	1.4	11.8	1.9
Sales & customer service	4.5	0.8	0.4	1.1	4.9	0.8
Process, plant & machine	-4.1	-0.9	0.0	0.0	-4.2	-0.7
Elementary	3.3	0.4	-0.5	-1.3	2.8	0.3
Total	**38.8**	**0.6**	**5.1**	**0.5**	**43.9**	**0.6**

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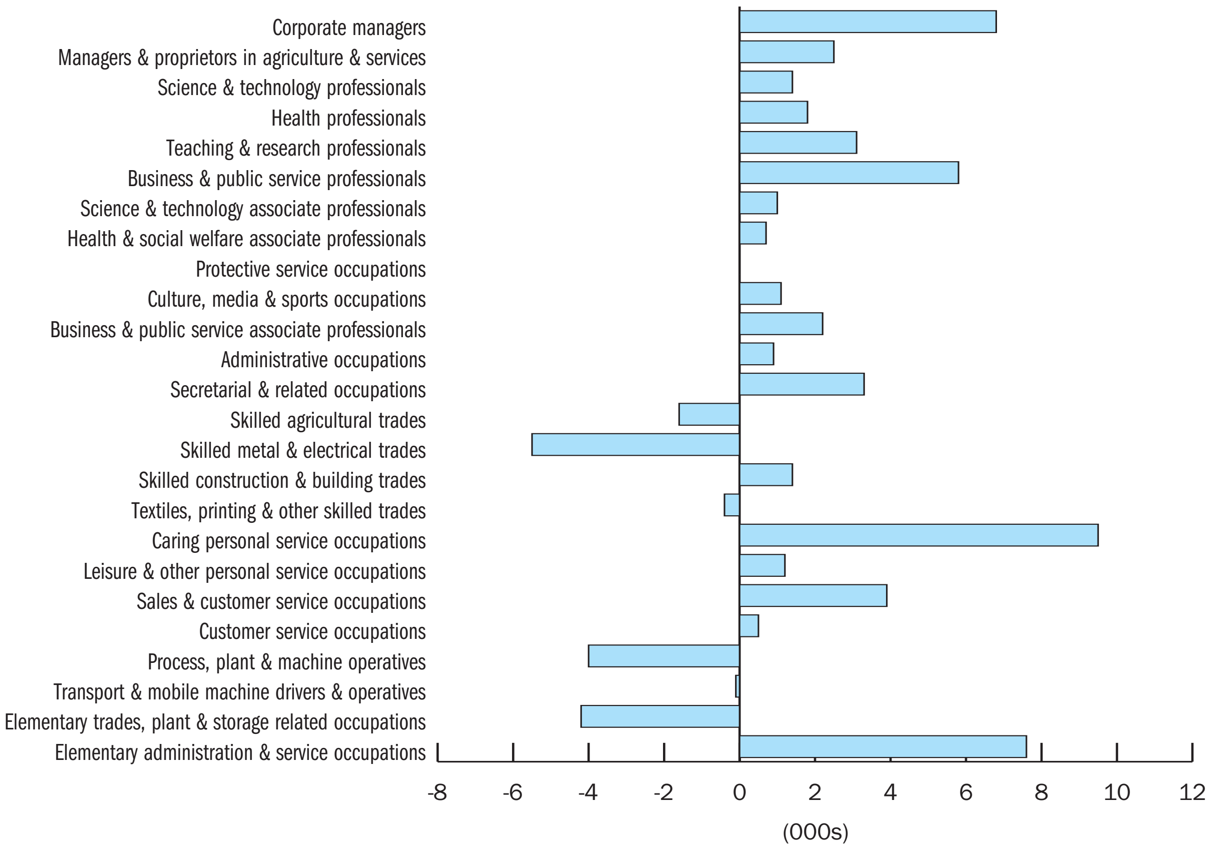
The chart below (**Figure 7**) shows more detailed occupation forecasts for employees. Within the personal service occupations, caring occupations rather than leisure occupations are expected to create the vast majority of the extra jobs. In fact, caring occupations are forecast to grow by 10,000 employees over the next decade.

Figure 7: Forecast change in employees 2005-2015



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Average annual growth in employment over the next decade at less than 1% (**Table 4**) is not expected to be as strong as in the previous decade. Business and public service professionals, which has experienced close to 10% per annum growth in total employment over the last decade is expected to grow by an average of 3% over the next 10 years. Caring occupations, which are forecast to create the most jobs for employees over the next decade, are expected to grow by around 2.2% per annum, as the recent strong crèche and care home provision continues. Protective occupations, which experienced an exceptional decline in employment in 2001 is expected to return to slight growth over the next decade, although this is expected to average only 0.1% per annum.

Table 4: Average annual % forecast growth in occupations 2005-2015

	Employees	Self Employed	Total Employment
Corporate managers	1.3	1.3	1.3
Managers & proprietors in agriculture & services	2.8	0.4	1.4
Science & technology professionals	0.8	1.9	0.9
Health professionals	2.4	-0.3	1.6
Teaching & research professionals	0.8	0.9	0.8
Business & public service professionals	2.8	3.3	2.9
Science & technology associate professionals	1.0	0.5	1.0
Health & social welfare associate professionals	0.2	0.6	0.2
Protective service occupations	0.1	0.0	0.1
Culture, media & sports occupations	1.5	0.3	1.2
Business & public service associate professionals	0.8	2.4	1.0
Administrative occupations	0.1	1.0	0.2
Secretarial & related occupations	1.3	2.0	1.4
Skilled agricultural trades	-1.8	-1.9	-1.9
Skilled metal & electrical trades	-2.2	-1.6	-2.1
Skilled construction & building trades	0.9	0.7	0.8
Textiles, printing & other skilled trades	-0.3	-0.9	-0.3
Caring personal service occupations	2.2	2.1	2.2
Leisure & other personal service occupations	1.0	-0.6	0.8
Sales & customer service occupations	0.7	1.1	0.7
Customer service occupations	1.9	-4.0	1.9
Process, plant & machine operatives	-1.6	-1.8	-1.6
Transport & mobile machine drivers & operatives	0.0	0.5	0.1
Elementary trades, plant & storage related occupations	-2.4	-2.3	-2.3
Elementary administration & service occupations	1.3	0.7	1.3
Total	**0.6**	**0.5**	**0.6**

Occupation Forecasts and Replacement Demand in Northern Ireland 2005-2015

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Key Findings: Occupational trends and forecasts

The key findings from this section can be summarised as follows;

Past trends

- Over the last decade, an additional 101,000 people have gained employment.
- The largest expansion of employees over the last decade (21,000) was sales occupations, closely followed by corporate managers (15,500) and caring personal service occupations (14,600).
- The largest occupation group in 2005 among employees is administrative and secretarial occupations, reflecting NI's reliance on public sector employment and expanding service sector.

Future trends

- An additional 44,000 people are expected to be in employment in 2015.
- Average annual growth in employment over the next decade is predicted to be around 1% – lower than in the previous decade – due largely to our view that retail employment has 'caught up' with the UK (thus leaving less scope for growth, although potentially higher population levels are an upside risk) and that public spending increases will be more modest than in the recent past.
- Business and public service professionals, which have experienced close to 10% per annum growth in total employment over the last decade are expected to grow by an average of 2.9% over the next 10 years.
- Caring occupations, which are forecast to create the most jobs for employees over the next decade, are expected to grow by around 2.2% per annum.
- Professional occupations are expected to increase by over 15,500 in total employment terms.
- Significant declines are again evident in the skilled trades occupations (except in construction) and process plant and machine occupations.

Replacement Demand

The projections presented in the previous section provide estimates of the numbers of people likely to be employed in each occupation. While these estimates provide a useful indication of which occupations gain or lose from employment change, they do not provide an indication of the wider need for employers to recruit in order to replace people lost through migration, retirement or through career changes.

Our estimates of replacement demand build upon the occupation forecasts to examine these issues and provide projections of the requirements for the replacement of employees in each occupation over time. A further step, considering the skills structure within each occupation provides a further useful contextual framework for projecting future training needs in NI.

Occupation Forecasts and Replacement Demand in Northern Ireland 2005-2015

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Forecasts of replacement demand

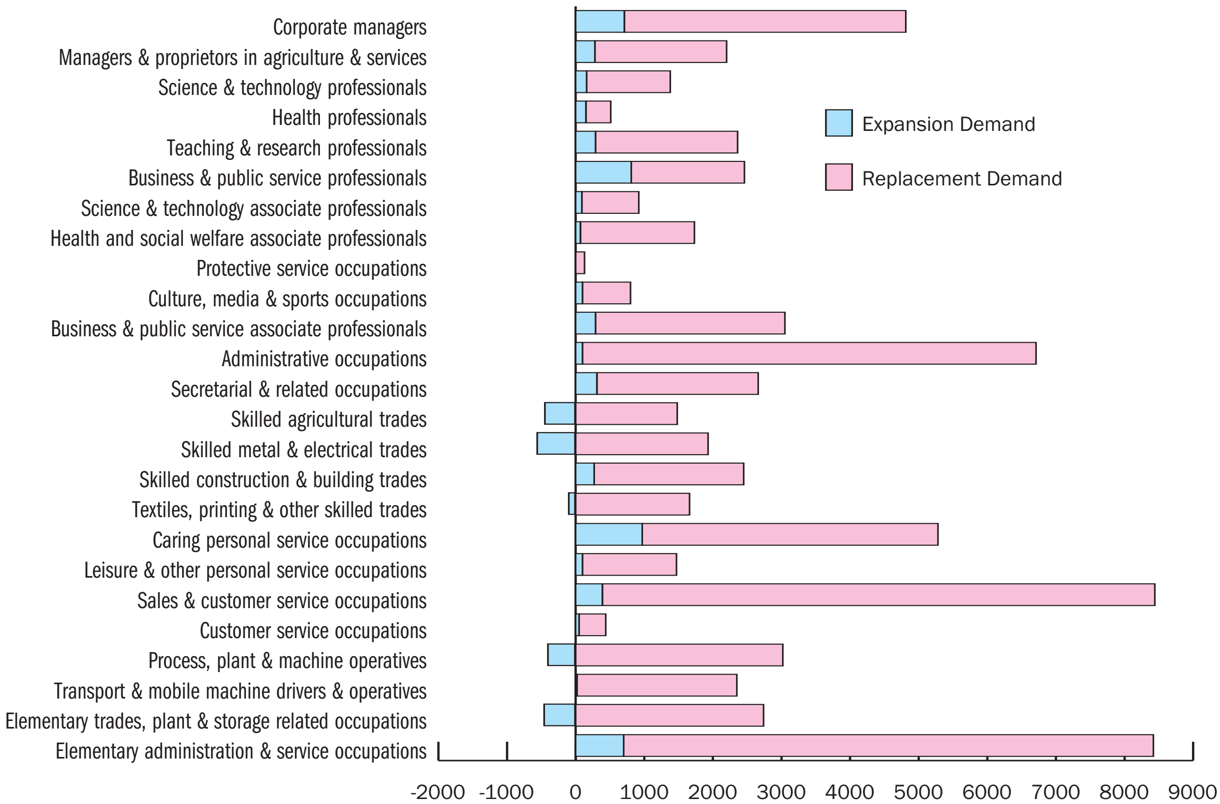
It is immediately clear from the findings presented in **Figure 8** that replacement demand dwarfs expansion demand. Over the period 2005-2015 replacement demand is projected to be just over 63,500 people per annum (around one in ten people employed[3]), compared with less than 4,000 per annum generated through expansion demand. Added together, these two figures (total requirement) mean that 67,500 people per annum are expected to be required to fill all posts created across all occupations.

In all occupations that show negative expansion demand (i.e. an overall decline in employment numbers), positive replacement demand is sufficient to result in a positive total requirement. This off-setting effect is particularly evident in skilled metal and electrical trades which are forecast to contract more than any other occupation. Replacement demand will however, create just under 2,000 openings per annum resulting in an average net requirement of around 1,400 people per annum. This shows that labour turnover creates employment opportunities even in contracting sectors.

Components of replacement demand

Table 5 gives a breakdown of replacement demand into its key components: people who leave to other occupations; retirements; people who become unemployed or inactive; and out-

Figure 8: Annual average expansion demand and replacement demand in NI 2005-2015



3 Although not included in the replacement demand analysis, if people who change their job but remain in the same occupation (intra-occupation movers) are included, this provides a 'total job turnover' of around 104,000 per annum (approximately 15% of the work force).

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Table 5: Components of replacement demand, annual average 2005-2015

	Leavers to another occupation	Permanent Retirements	Leavers to unemployment /inactivity	Leavers to Migration	Replacement Demand
Corporate managers	1,830	560	1,000	710	4,100
Managers & proprietors in agriculture & services	820	250	590	260	1,920
Science & technology professionals	520	130	350	210	1,220
Health professionals	80	70	90	120	360
Teaching & research professionals	530	510	570	450	2,070
Business & public service professionals	630	250	410	350	1,650
Science & technology associate professionals	420	90	210	110	830
Health & social welfare associate professionals	620	230	430	370	1,660
Protective service occupations	60	10	20	30	130
Culture, media & sports occupations	260	40	280	110	700
Business & public service associate professionals	1,580	240	590	350	2,760
Administrative occupations	3,130	770	1,880	820	6,610
Secretarial & related occupations	940	480	630	300	2,350
Skilled agricultural trades	540	200	480	270	1,480
Skilled metal & electrical trades	720	210	670	330	1,930
Skilled construction & building trades	590	350	800	430	2,180
Textiles, printing & other skilled trades	810	190	460	200	1,660
Caring personal service occupations	1,630	440	1,690	560	4,310
Leisure & other personal service occupations	620	160	430	160	1,370
Sales & customer service occupations	4,080	680	2,600	690	8,050
Customer service occupations	230	20	110	30	390
Process, plant & machine operatives	1,370	300	1,030	320	3,020
Transport & mobile machine drivers & operatives	920	370	700	340	2,330
Elementary trades, plant & storage related occupations	1,190	230	1,080	230	2,740
Elementary administration & service occupations	3,290	990	2,750	700	7,720
All occupations	**27,410**	**7,770**	**19,850**	**8,450**	**63,540**

Note: A more detailed version of this table which includes expansion demand and total requirements is included in **Annex 1**.

migrants. It is also possible to examine the breakdown of replacement demand by qualification level.

Leavers to other occupations

Table 5 shows that the largest replacement demand requirements are found in sales and customer service occupations, and elementary administration and service occupations. The majority of vacancies created in these occupations are due to people leaving for other occupations.

In total, around 27,000 vacancies per annum are expected to be created through people leaving for another occupation, suggesting an occupation 'churn' rate of only around 4%, reflecting NI's high job retention rates.

Because the people leaving one job for another are already in employment, it is an interesting exercise to remove them from the net requirement figure to see how many vacancies will be required to be filled by people currently outside the labour market. Doing this suggests that

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there will be just over 40,000 vacancies per annum for people outside the labour market. Where the people might come from to fill these vacancies is discussed further below.

Retirements

The highest number of vacancies created through people retiring are expected to come in elementary administration and service occupations. This is not surprising, as analysis of the age profile of occupations from the 2001 Census reveals that close to one third of this occupation are over 50.

Leavers to unemployment/ inactivity

Many job vacancies in elementary and sales occupations will be created by people leaving to unemployment or inactivity. More detailed analysis of data from the Labour Force Survey (LFS) reveals that a greater proportion of this occupation than any other leave employment to look after the home.

The large number of vacancies created in sales and customer service occupations (4.5% of the occupation per annum) by people leaving to inactivity is due to the relatively high proportion of people leaving this occupation to become students (close to 1% of this occupation leave to become students per annum - more than in any other occupation). This suggests that the introduction of student fees may result in people working before embarking on a degree course. Further research would however be required to assess the true extent to which this is occurring.

Migrants

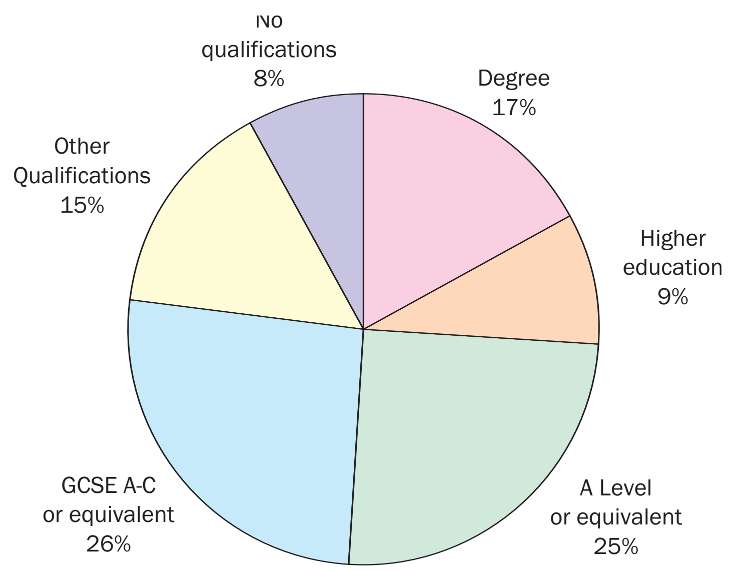
Out migration is expected to create around 8,500[4] job openings per annum between 2005 and 2015. However, in the absence of data on out migration by occupation, the estimates of total employed out migrants are assumed to come proportionately from each occupation. The result is that vacancies created from out migration are largest in the larger occupations such as administrative occupations.

Qualifications

The analysis has thus far shown that there will be a total requirement to fill over 67,500 vacancies on average per annum between 2005 and 2015. The replacement demand analysis can be taken a step further through estimating the requirements for people at different skill levels.

The total requirement figures are applied to a matrix of occupation by highest level of qualification to produce an estimate of the likely skills requirements over the forecast period. The matrix is generated using the UK LFS (see Annex 3 of the main report for a fuller description). The analysis uses LFS data only for those people who were in employment one year ago and who changed their job. This qualification structure of ‘inflows’ is used to try and capture the fact that entry requirements to occupations have increased over time and therefore differ to the qualification structure of the ‘stock’ of occupations. **Figure 9** shows the breakdown of the

Figure 9: Demand for qualifications: annual average 2005-2015



4 Out migration is estimated by applying the LFS employment rate to non student gross working age out migration figures supplied by NISRA.

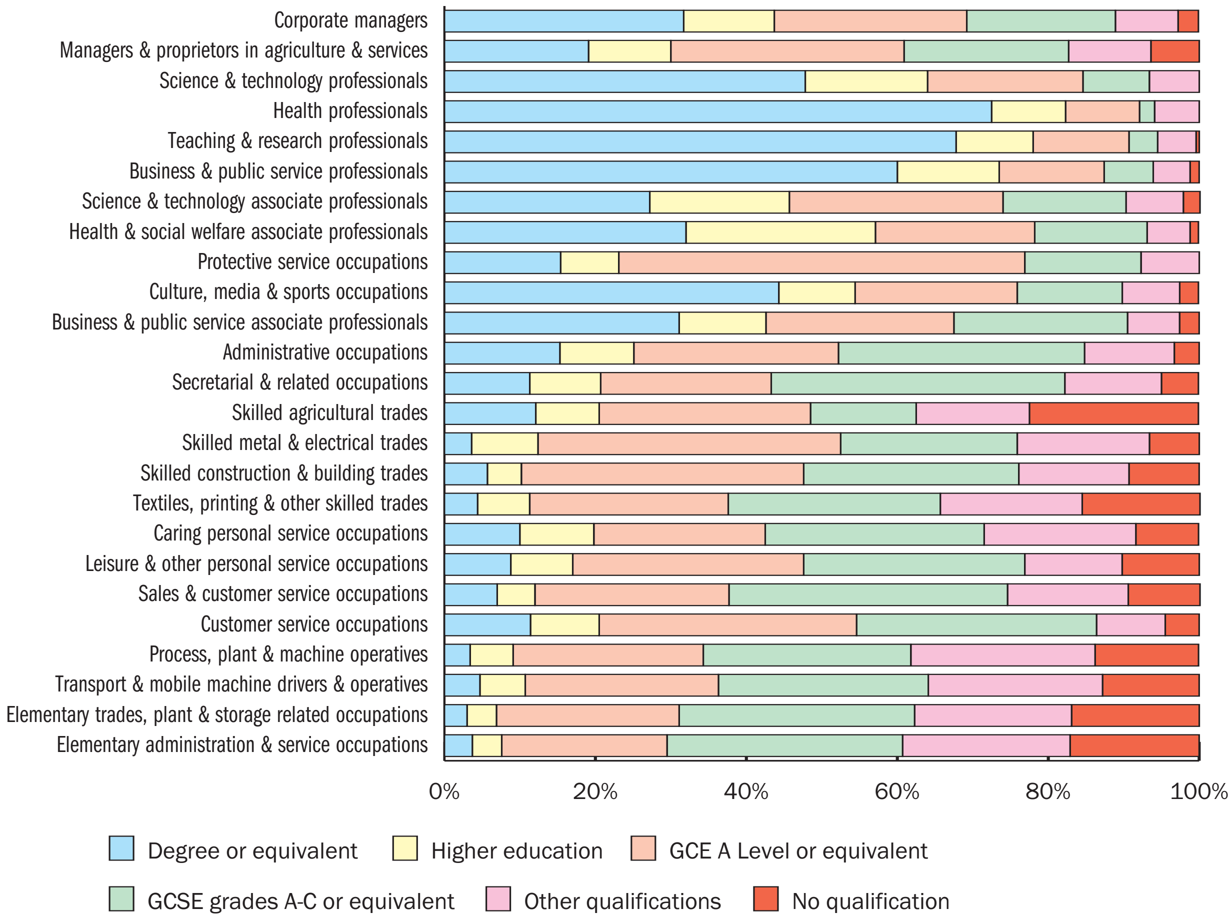
demand for qualifications for these job openings.

The chart illustrates that there will be a high demand for entrants with formal qualifications. There will be a particularly strong focus on the demand for intermediate level qualifications (GCSE A-C and A level in the chart above), with just over half (51%) of those jobs to be filled requiring persons to be qualified to this broad standard.

It is expected that 17% of all demand will require people educated to degree level or equivalent. It is also significant that there will still be a need for people with no qualifications – 8% of all openings. This shows that the labour market will continue to present diverse job opportunities for a range of people with different levels of skills and experience.

The demand for qualifications within each occupation is summarised in **Figure 10**. It is apparent from the chart that the greatest demand for highly qualified labour will be in professional occupations such as health and teaching. In addition, the demand for intermediate qualifications will be strong among most occupations and particularly so in occupations such as skilled trades, as modern apprenticeships and NVQ qualifications increasingly become the standard entry route to these occupations.

Figure 10: Demand for qualifications by occupation: annual average 2005-2015



Note: These figures do not represent the changing net demand for skills. The net demand for graduates will continue to rise while the net demand for no qualifications will contract. The figures here include the recycling of skills from one occupation to another and not just the net change.

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There will also continue to be employment opportunities for people with no qualifications in areas such as the elementary occupations and sales and customer service occupations although these occupations offer lower rewards in terms of average wages than the occupations that require highly qualified staff.

Key Findings – Replacement Demand

The key findings from this section can be summarised as follows:

- Replacement demand dwarfs expansion demand. Over the period 2005-2015 replacement demand will equate to just over 63,500 jobs per annum, compared with less than 5,000 per annum generated through expansion demand.
- Across all occupations, the vast majority of openings are expected to be created by people leaving for other occupations (27,000 vacancies per annum).
- The largest net requirements are found in sales and customer service occupations and elementary administration and service occupations.
- There will be a high demand for entrants with formal qualifications, particularly intermediate level qualifications (GCSE A-C and A level), with over half of those jobs to be filled on average per annum requiring persons to be qualified to this standard.
- 17% of all demand will require people educated to degree level or equivalent.
- 8% of all demand will require people with no qualifications.

Alternate futures – implications for replacement demand

The replacement demand results presented here are based on RFL's Autumn 2005 forecast round and represent the most likely path for the economy based on available evidence.

However in order to establish some 'margins of change' from these 'base' forecasts, this chapter presents replacement demand results for two 'alternate futures' – a 'high' growth scenario based on increased in-migration to NI and a 'low' growth scenario which dampens the prospects for key export sectors and assumes weaker public sector employment prospects than in the base forecasts.

High growth scenario

Until very recently, population projections from NISRA suggested that their might be a rise in in-migration to 4,000 in 2005 following the expansion of the EU in 2004 before returning to more traditional levels of net out-migration of around 1,000 per annum over the remainder of their projection. However recent analyses of data from a number of sources have led NISRA to revise their estimates of in-migration with a net inflow to NI of around 6,700 people in 2004/05 – a change from a recently as 2002/03 in which year NI experienced net out-migration. Furthermore, most of the change can be attributed to a rise in in-migration rather than a fall in out-migration, with nearly 27,000 people entering NI as long-term migrants in 2004/05 – and this figure does not include short-term migration lasting less than one year[5]. In-migration on this scale is unprecedented in NI and NISRA are currently considering the issue before the release of their revised population projections.

In light of the unprecedented levels in in-migration, our high growth scenario adds an additional 15,000 people to migration in 2005 and, rather than revert to traditional levels of migration after this point, we assume that NISRA's projection of +4,000 migrants in 2005 continues throughout the forecast period. This scenario also assumes continued high growth.

By 2015, population in the high growth scenario is close to 50,000 higher than in the base scenario. This results in close to 19,000 more people in employment in 2015. The additional jobs are relatively evenly spread across the broad occupation groups as more people create additional employment in shops and restaurants, schools and hospitals.

5 Beatty, R et al (2006) "Long-Term International Migration estimates for Northern Ireland (2004-5) – Sources and Methodology" NISRA **www.nisra.gov.uk/archive/demography/publications/NI_Migration_Report(2005).pdf**

Replacement demand in the high growth scenario

Over the period 2005-2015 replacement demand is projected to be just over 64,500 people per annum, compared with around 5,500 per annum generated through expansion demand. Added together, these two figures (total requirement) mean that 70,250 people per annum are expected to be required to fill all posts created across all occupations (**Table 6**).

Under the high population scenario, it is expected that an additional 2,700 vacancies per annum will be generated through replacement demand and expansion demand. Just over half of these additional jobs will be due to expansion demand with close to 1,700 additional jobs being created per annum compared to the base forecasts.

Low growth scenario

The low growth scenario is based on two assumptions. Firstly, we assume that the prospects for public sector employment are weaker than in the base forecasts due to more severe reductions in public expenditure under the comprehensive spending review. Secondly, we assume a weaker global economy. The impact of this is a 'dampening' of employment prospects in the main exporting sectors compared to the base forecasts.

A consequence of implementing the two assumptions outlined in the previous paragraph is a return to out-migration. This results in around 10,000 fewer people in 2015 in the low growth scenario and a further reduction in the employment prospects of sectors such as distribution and hotels and restaurants whose prospects rely on people.

There are just over 25,000 fewer employee jobs in 2015 as a result of the low growth scenario. The weaker prospects for the public sector (and subsequent decline in population projections) result in job losses in public administration and defence of just over 2,500 (compared to a static performance in the base forecasts). In addition, education and health and social work are expected to create close to 6,000 fewer jobs than in the base forecasts.

Employment prospects for business services suffer more than any other sector in the low growth scenario. Although the sector is forecast to create over 23,000 jobs in the low growth scenario, our assumption that a global slowdown will impact most on exporting sectors means that this is 5,500 fewer than in our base forecasts.

Table 6: Replacement demand under the high growth scenario: annual average 2005-2015

2005 to 2015	Replacement Demand	Difference from base	Expansion Demand	Difference from base	Total Requirement	Difference from base
Managers & Senior officials	6,140	120	1,220	230	7,360	350
Professional	5,370	70	1,630	220	7,010	310
Associate prof & technical	6,180	100	740	190	6,910	280
Administrative & Secretarial	9,110	150	620	210	9,730	360
Skilled trades	7,340	90	-560	190	6,770	280
Personal service	5,790	110	1,240	170	7,030	280
Sales & customer service	8,550	110	570	130	9,130	240
Process, plant & machine	5,390	40	-300	80	5,090	120
Elementary	10,690	230	520	260	11,220	500
Total	**64,560**	**1,020**	**5,680**	**1,680**	**70,250**	**2,720**

Note: A more detailed version of this table which includes information on the components of replacement demand for 25 occupations is available in **Annex 1**.

Occupation Forecasts and Replacement Demand in Northern Ireland 2005-2015

Andrew Webb, Neil Gibson and Graham Gudgin, Regional Forecasts

Replacement demand in the low growth scenario

Over the period 2005-2015 replacement demand is projected to be just over 62,300 people per annum, compared with around 1,600 per annum generated through expansion demand. Added together, these two figures (total requirement) mean that 64,000 people per annum are expected to be required to fill all posts created across all occupations (**Table 7**).

Under the low growth scenario, it is expected that 3,500 fewer vacancies per annum will be generated through replacement demand and expansion demand than in the base forecasts. Two thirds of this reduction will be due to expansion demand with just over 2,300 fewer jobs being created per annum compared to the base forecasts.

Key Findings – Differing Growth Scenarios

This discussion presents replacement demand results for two 'alternate futures' – a 'high' growth scenario based on increased in-migration to NI and a 'low' growth scenario which dampens the prospects for key export sectors and assumes weaker public sector employment prospects than in the base forecasts.

The key findings from each scenario are:

- **High population growth scenario:** Over the period 2005-2015 replacement demand is projected to be just over 64,500 people per annum – 1,700 *higher* than the base forecasts.
- **Low growth scenario:** Over the period 2005-2015 replacement demand is projected to be just over 62,200 people per annum – 1,200 *lower* than the base forecasts.

Filling Vacancies – towards a supply side

The focus of this research has been on forecasting occupations between 2005 and 2015 and also assessing how many vacancies are likely to be created through retirements, people migrating, becoming unemployed or leaving one occupation for another.

A valuable element of further research would entail estimating the inflows to each occupation from migration, unemployment, inactivity, education and from other occupations.

Table 7: Replacement demand under the low growth scenario: annual average 2005-2015

2005 to 2015	Replacement Demand	Difference from base	Expansion Demand	Difference from base	Total Requirement	Difference from base
Managers & Senior officials	5,890	-130	680	-310	6,580	-430
Professional	5,170	-130	1,040	-370	6,220	-480
Associate prof & technical	5,960	-120	280	-270	6,230	-400
Administrative & Secretarial	8,750	-210	70	-340	8,820	-550
Skilled trades	7,130	-120	-1,040	-290	6,090	-400
Personal service	5,610	-70	910	-160	6,520	-230
Sales & customer service	8,290	-150	260	-180	8,550	-340
Process, plant & machine	5,270	-80	-490	-110	4,780	-190
Elementary	10,220	-240	-70	-330	10,150	-570
Total	**62,290**	**-1,250**	**1,640**	**-2,360**	**63,940**	**-3,590**

Note: A more detailed version of this table which includes information on the components of replacement demand for 25 occupations is available in **Annex 1**.

Occupation Forecasts and Replacement Demand in Northern Ireland 2005-2015

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One element of the supply of labour required to fill the vacancies is known – inflows from other occupations – as the LFS crosstabulations run for this project include data on these inflows. At an aggregate level, inflows from occupations must equate to outflows from occupations. Within occupations there will be obviously be differences between the occupation flows, with higher level occupations likely to attract more people from other occupations than they lose, as people move up the career ladder. Netting off the occupation flows reduces the replacement demand considerably to leave just over 40,000 vacancies on average per annum for people currently outside the labour market. Further research would be required to assess the inflows to each occupation to provide a clearer picture of remaining demand for labour at each occupation level.

The remaining 40,000 vacancies can be filled from a number of sources, such as:

- The recruitment of school, further education or university leavers
- The recruitment of the inactive who are engaging in the labour market for the first time
- The recruitment of returnees - people rejoining the labour market after a period of inactivity (such as those returning after looking after a family)
- The recruitment of migrants
- The recruitment of current retirees – this is unlikely but may become an important issue in the future.

An assessment of which group fills the vacancies is a complex issue as the labour market categories would all need to be dynamically modelled. That is, education outputs, the inactive, unemployment stocks and migration inflows would need to be forecast year on year to ensure that interaction between demand and supply could be balanced. Such a system would be a powerful addition to this analysis and could help address a key issue, namely the demand for migrant labour. Recent evidence from the UK suggests demand for migrants has risen sharply even though large numbers of inactive people (many on incapacity benefit) are potentially available to join the labour force, and even though unemployment has begun to rise again. Unemployment has risen each month this year in the UK while employment continues to grow. One reason offered for this is that although there are fewer people joining unemployment, there are also fewer people leaving unemployment as employers chose job ready migrants over claimants, many of who are not job ready[6]. This is an issue that would require greater investigation before applying it to any potential supply side model but it does demonstrate the complexity of modelling the labour supply.

For further details contact:

Andrew Webb
Regional Forecasts Ltd
10 The Chimes
Hillsborough
BT26 6AT

Telephone: 02892681131
awebb@regfor.com
www.regfor.com

Technical note:

The estimates in this survey are largely based on the Labour Force Survey. This is a sample survey with considerable variability from year to year. Three year averages have been used to smooth the volatile LFS data. The large level of detail required for flows between occupations in a replacement demand analysis prevents the full use of the NI LFS due to its small sample size. However, the NI LFS is used to estimate overall leaving rates for employment as a whole. Differences between individual occupations have been estimated using figures from the UK LFS scaled to match NI totals.

We believe that this approach gives a reasonable approximation to future levels of job vacancies by occupation and skill.

6 This view was expressed in an article in *The Sunday Times*, 30th October 2005 and is based on an employer survey conducted by the Chartered Institute of Personnel and Development.

Occupation Forecasts and Replacement Demand in Northern Ireland 2005-2015

Andrew Webb, Neil Gibson and Graham Gudgin, Regional Forecasts

Glossary of terms:

A full discussion of the steps taken to produce replacement demand is presented in the main report but several concepts must be defined here before describing the results of the research. These are;

- **Expansion demand** – Expansion demand is the net change in total employment over the forecast period and can therefore be a positive or negative figure (this is the forecast change in total employed people discussed in the previous chapter).
- **Leavers due to migration** - Those who leave employment in NI to move to a destination outside NI.
- **Leavers due to retirement** – the number of people permanently leaving the labour force.
- **Leavers to inactivity or unemployment** –the number of people leaving employment for reasons other than retirement.
- **Leavers to other occupations** – The number of people leaving an occupation for employment in another occupation.

Annex 1: Components of replacement demand – base forecast, 2005-2015 annual average

Base Scenario	Leavers to another occupation	Permanent Retirements	Leavers to unemployment /inactivity	Leavers to Migration	Replacement Demand	Expansion Demand	Total Requirement
Corporate managers	1,830	560	1,000	710	4,100	710	4,810
Managers & proprietors in agriculture & services	820	250	590	260	1,920	280	2,200
Science & technology professionals	520	130	350	210	1,220	160	1,380
Health professionals	80	70	90	120	360	150	510
Teaching & research professionals	530	510	570	450	2,070	290	2,360
Business & public service professionals	630	250	410	350	1,650	810	2,450
Science & technology associate professionals	420	90	210	110	830	90	920
Health & social welfare associate professionals	620	230	430	370	1,660	70	1,730
Protective service occupations	60	10	20	30	130	0	140
Culture, media & sports occupations	260	40	280	110	700	100	800
Business & public service associate professionals	1,580	240	590	350	2,760	290	3,040
Administrative occupations	3,130	770	1,880	820	6,610	100	6,710
Secretarial & related occupations	940	480	630	300	2,350	310	2,660
Skilled agricultural trades	540	200	480	270	1,480	-410	1,070
Skilled metal & electrical trades	720	210	670	330	1,930	-560	1,370
Skilled construction & building trades	590	350	800	430	2,180	270	2,450
Textiles, printing & other skilled trades	810	190	460	200	1,660	-50	1,600
Caring personal service occupations	1,630	440	1,690	560	4,310	970	5,280
Leisure & other personal service occupations	620	160	430	160	1,370	100	1,470
Sales & customer service occupations	4,080	680	2,600	690	8,050	390	8,450
Customer service occupations	230	20	110	30	390	50	440
Process, plant & machine operatives	1,370	300	1,030	320	3,020	-400	2,620
Transport & mobile machine drivers & operatives	920	370	700	340	2,330	20	2,350
Elementary trades, plant & storage related occupations	1,190	230	1,080	230	2,740	-440	2,300
Elementary administration & service occupations	3,290	990	2,750	700	7,720	700	8,420
All occupations	**27,410**	**7,770**	**19,850**	**8,450**	**63,540**	**4,000**	**67,530**

Annex 2: Components of replacement demand – high population growth, 2005-2015 annual average

High Scenario	Leavers to another occupation	Permanent Retirements	Leavers to unemployment /inactivity	Leavers to Migration	Replacement Demand	Expansion Demand	Total Requirement
Corporate managers	1,860	570	1,020	720	4,160	840	5,000
Managers & proprietors in agriculture & services	850	260	610	270	1,980	380	2,360
Science & technology professionals	530	140	360	210	1,230	180	1,420
Health professionals	80	70	100	120	360	180	540
Teaching & research professionals	540	520	580	460	2,110	390	2,500
Business & public service professionals	640	260	410	360	1,670	880	2,550
Science & technology associate professionals	420	90	210	120	840	110	950
Health & social welfare associate professionals	640	240	440	380	1,690	150	1,840
Protective service occupations	70	10	20	30	140	10	140
Culture, media & sports occupations	270	40	290	110	710	120	830
Business & public service associate professionals	1,600	240	600	360	2,800	350	3,150
Administrative occupations	3,180	790	1,910	830	6,720	250	6,970
Secretarial & related occupations	960	490	640	300	2,390	370	2,760
Skilled agricultural trades	540	200	480	270	1,490	-400	1,080
Skilled metal & electrical trades	730	220	670	330	1,950	-520	1,430
Skilled construction & building trades	600	360	810	440	2,210	360	2,560
Textiles, printing & other skilled trades	830	190	470	200	1,690	0	1,700
Caring personal service occupations	1,660	450	1,710	570	4,390	1,100	5,490
Leisure & other personal service occupations	630	160	440	170	1,400	140	1,540
Sales & customer service occupations	4,140	690	2,630	700	8,160	520	8,680
Customer service occupations	240	20	110	30	390	50	450
Process, plant & machine operatives	1,370	300	1,040	320	3,030	-380	2,650
Transport & mobile machine drivers & operatives	930	380	710	350	2,360	80	2,440
Elementary trades, plant & storage related occupations	1,200	230	1,090	240	2,760	-420	2,350
Elementary administration & service occupations	3,380	1,020	2,810	720	7,930	940	8,870
All occupations	**27,890**	**7,940**	**20,160**	**8,610**	**64,560**	**5,680**	**70,250**

Annex 3: Components of replacement demand – low growth, 2005-2015 annual average

Low Scenario	Leavers to another occupation	Permanent Retirements	Leavers to unemployment /inactivity	Leavers to Migration	Replacement Demand	Expansion Demand	Total Requirement
Corporate managers	1,790	550	990	700	4,020	510	4,530
Managers &proprietors in agriculture & services	800	240	580	250	1,870	170	2,050
Science & technology professionals	510	130	350	210	1,190	90	1,290
Health professionals	70	70	90	120	350	130	480
Teaching & research professionals	520	500	560	440	2,030	160	2,190
Business & public service professionals	620	240	400	340	1,600	660	2,260
Science & technology associate professionals	410	90	200	110	810	50	860
Health & social welfare associate professionals	610	230	430	360	1,640	0	1,630
Protective service occupations	60	10	20	30	130	-10	120
Culture, media & sports occupations	260	40	280	110	690	70	760
Business & public service associate professionals	1,540	230	580	340	2,690	170	2,860
Administrative occupations	3,060	760	1,850	800	6,460	-150	6,310
Secretarial & related occupations	920	470	610	290	2,290	220	2,510
Skilled agricultural trades	530	200	480	260	1,470	-450	1,020
Skilled metal & electrical trades	710	210	660	320	1,900	-620	1,280
Skilled construction & building trades	580	350	790	420	2,140	150	2,290
Textiles, printing & other skilled trades	790	190	450	190	1,620	-120	1,500
Caring personal service occupations	1,600	430	1,660	550	4,250	840	5,090
Leisure & other personal service occupations	610	160	430	160	1,360	70	1,430
Sales & customer service occupations	4,010	670	2,560	680	7,910	220	8,130
Customer service occupations	230	20	100	30	380	40	420
Process, plant & machine operatives	1,340	290	1,020	310	2,970	-460	2,510
Transport & mobile machine drivers & operatives	910	370	690	340	2,300	-30	2,270
Elementary trades, plant & storage related occupations	1,180	230	1,070	230	2,700	-490	2,210
Elementary administration & service occupations	3,190	970	2,680	680	7,520	420	7,940
All occupations	**26,850**	**7,650**	**19,530**	**8,270**	**62,290**	**1,640**	**63,940**

7


2

Executive Skills Recruitment Watch Survey 2005

Herb Castillo, PA Consulting Group

The Executive Skills Recruitment Watch survey aims to provide a unique indicator of the economic well being of NI by assessing the level of demand for executive skills in the private and public sectors. Amongst other things, the survey tracks changes in the relative strengths and weaknesses of specific industrial sectors, as well as the type of skills and categories of staff required by employers.

Introduction

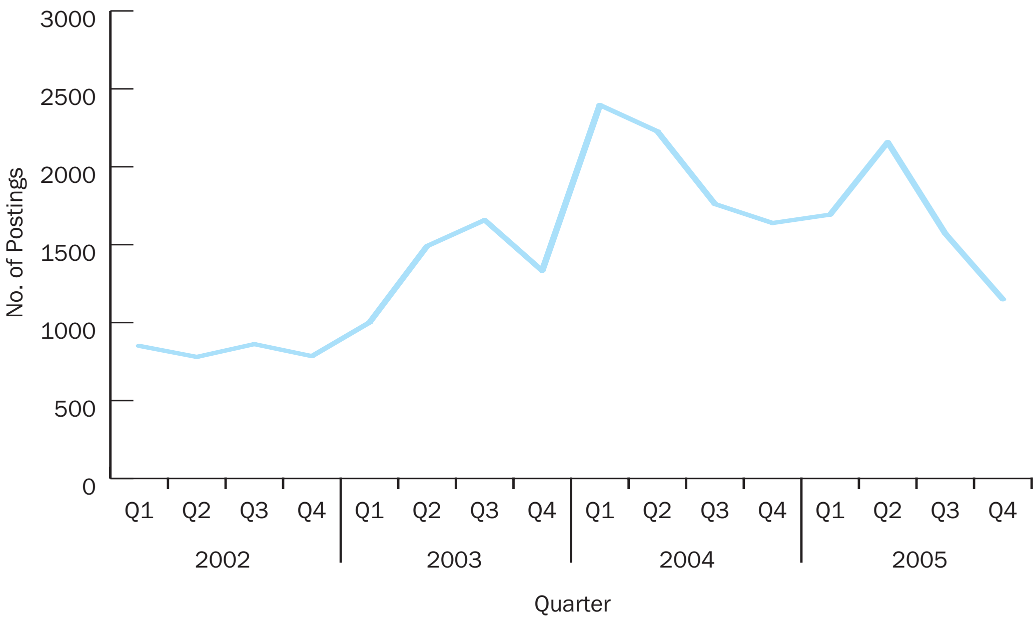
Since 2000 PA Consulting Group has been undertaking the Executive Skills Recruitment Watch survey on behalf of the Department for Employment and Learning (DEL). This survey tracks the number and profile of senior vacancies advertised weekly in the Belfast Telegraph's *JobFinder* supplement. Vacancy postings that meet the specified threshold salary[1] are tabulated, and the total counts over the year are analysed by industry (using Government's Standard Industrial Classification) and by occupation (using Government's Standard Occupational Classification).

Initially, only private sector executive postings were analysed. In 2002 public sector vacancies were added to the survey to facilitate greater understanding of this sector's demand for executive skills, and to enable cross-sector comparisons.

Overall trends in demand for executive staff in NI

After significant growth in 2003 and 2004, the overall demand for executive staff in NI declined in 2005. To put this in context, it is necessary to go back to 2002 when the first combined public and private sector analysis was undertaken. In that year a combined total of 3,278 executive vacancies were advertised. In 2003, this increased by 67% to 5,483. In 2004, the combined number of vacancies advertised increased by a further 46% to 8,023 advertisements. As shown in **Figure 1** 2005 curbed this trend with a cumulative total of 6,571 vacancy postings, thus registering an 18% reduction relative to overall 2004 levels.

Figure 1: Overall trends in demand for NI Executive staff



Total Executive Vacancies

1 In 2000, the threshold salary for executive staff was £20,000. In 2002, this was increased to £22,000 and in 2005, this was raised to £25,000.

Executive Skills Recruitment Watch Survey 2005

Herb Castillo, PA Consulting Group

There was a decline in demand for public sector executive staff in 2005

The overall decrease in cumulative NI demand for executive staff observed in 2005 was largely fuelled by a significant reduction in demand for public sector executive staff. As shown in **Table 1**, since this survey commenced the total number of executive vacancies in the public sector has consistently outnumbered those for the private sector. This differential closed sharply in 2005 however, mainly due to a sharp fall in the number of public sector vacancies combined with a small rise in those in the private sector.

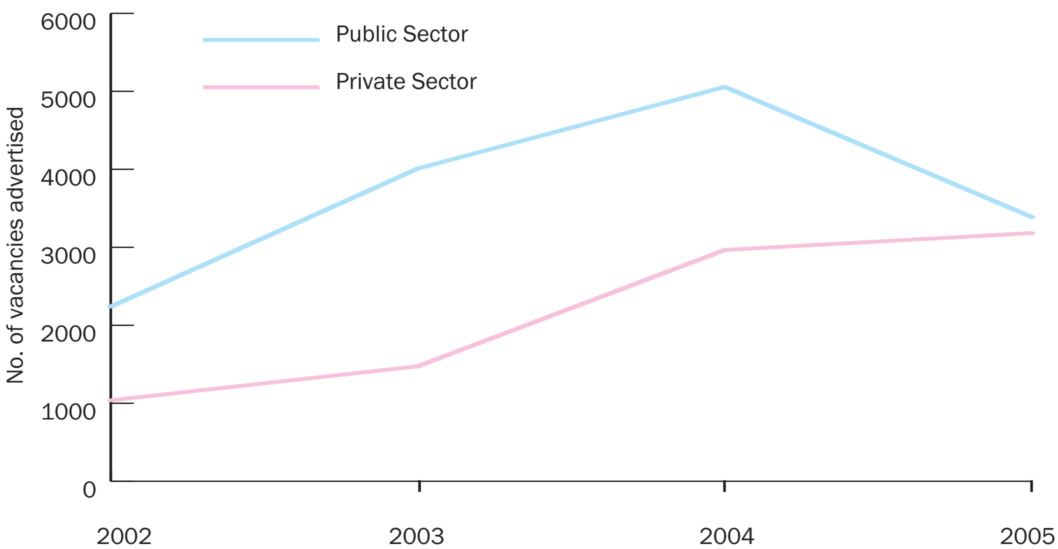
The dominance of the public sector was clearly evident in the first three years of the survey, i.e., 2002 – 2004, averaging at about 1,942 jobs per year. In 2005 however, the difference between the two sectors fell significantly to only 207 postings. A fundamental driver for this is the fact that after a 79% and 26% increase respectively in 2003 and 2004, the number of advertisements for public sector executive staff actually decreased by 33% in 2005. Indeed, private sector demand also witnessed a decline in its rate of growth in 2005. It still showed an increase of 7% on 2004 levels, albeit significantly lower than the 42% and 101% growth rates observed in 2003 and 2004 respectively. **Figure 2** shows the patterns of change in demand for both sectors.

Table 1: Yearly totals of executive vacancies for public and private sectors

	2002	2003	2004	2005
Public Sector	2,240	4,009	5,057	3,389
Private Sector	1,038	1,474	2,966	3,182

The general direction of the increases for both sectors was similar up until 2004 – although the dominance of the public sector is evident. As part of this study, correlation analysis was undertaken to compare the similarity between the quarterly vacancy counts. The strength of

Figure 2: Annual totals of executive vacancies for public and private sectors



the relationship between the quarterly trends for the two sectors up until 2004 is reflected by a high Pearson correlation coefficient[2] of 0.89. When 2005 data is included however, the correlation coefficient falls to 0.58. This reflects the fact that in 2005 the two sectors moved in opposite directions with the number of private sector advertisements growing and the number of public sector advertisements decreasing.

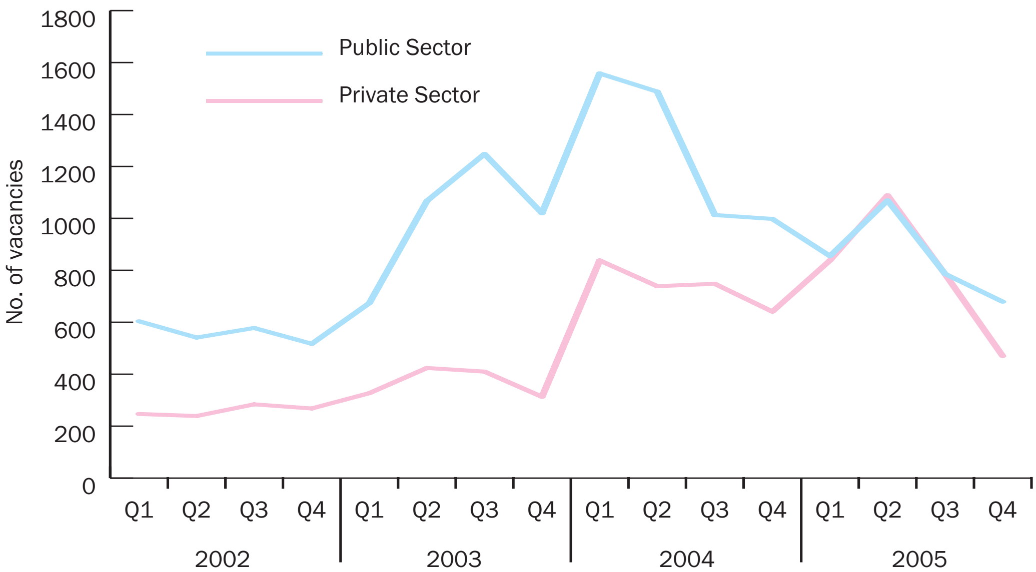
The overall demand for executive skills by quarter

To obtain a clearer picture of the demand for executive staff for each sector and to further compare the trends, the quarterly counts of job postings for the years 2002 to 2005 were assessed. As shown in **Figure 3**, the trends for the two sectors are similar for most quarters. This is even evident for most of 2005, where, for every quarter except quarter 4, the numbers of advertisements for both sectors were almost identical.

From **Figure 3** it is clear that public sector demand for the first and second quarters of 2004 largely accounted for the high total demand that was witnessed that year. It is also evident that the decline in public sector demand commenced in the third quarter of 2004 and continued up to the end of 2005 other than for a slight increase in quarter 2 of 2005.

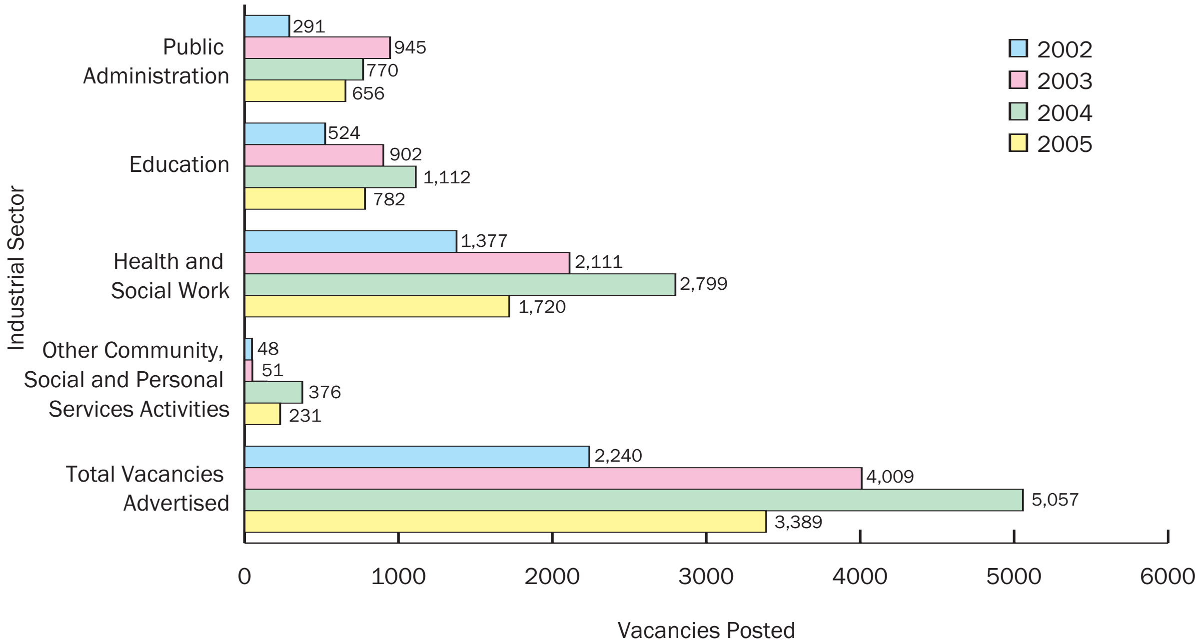
It can also be seen that the fact that the last quarter of the year tends to account for a relatively lower number of job postings when compared to other quarters. This reflects the normal lower recruitment activity leading up to the Christmas period.

Figure 3: Yearly comparison of public and private sector advertisements by quarter



2 The Pearson Correlation Coefficient measures the degree to which the variables are related. It ranges from +1 to -1. A correlation of +1 means that there is a perfect positive linear relationship between variables.

Figure 4: Annual public sector executive vacancies by key industrial sectors



Analysis of public sector executive demand by industry

Over the years of this survey, 'health and social work' has consistently accounted for the highest demand for public sector executive staff in each year. As shown in **Figure 4**, 2005 was no different.

Up to 2004 the number of advertisements for staff in 'health and social work' had been showing a consistent yearly increase. However, in line with overall public sector trends, there was a reduction in the number of advertisements for this sector in 2005. This did not affect the dominance of this industrial sector however, as it still accounted for 51% of all public sector executive vacancies, more than twice the number for 'education' – the sector with the second highest number of public sector executive advertisements in 2005 with 23% of all public sector executive advertisements. Again, in line with overall public sector trends, the number of advertisements for executive staff in 'education' had also been increasing in absolute terms up to 2004 but saw a decrease in 2005.

'Public administration' - which includes local government, defence and compulsory social security executives – is the only public sector industrial grouping that was already showing a decrease in demand since 2003. Having decreased by 19% in 2004, the number of advertisements reduced by a further 15% in 2005, falling from 770 postings in 2004 to 656. However, because of overall decrease in public sector executive advertisements, as a proportion of overall public sector demand, executive vacancies for 'public administration' actually increased from 15% in 2004 to 19% in 2005.

Demand for employees to fill executive vacancies in 'Other community, social and personal service activities' – primarily positions in the social service, community and voluntary sectors - after increasing in 2004, showed a 39% decrease to 231 postings in 2005. However, as a proportion of overall public sector executive demand this sector has remained stable over the past two years at 7% of all vacancies.

Executive Skills Recruitment Watch Survey 2005

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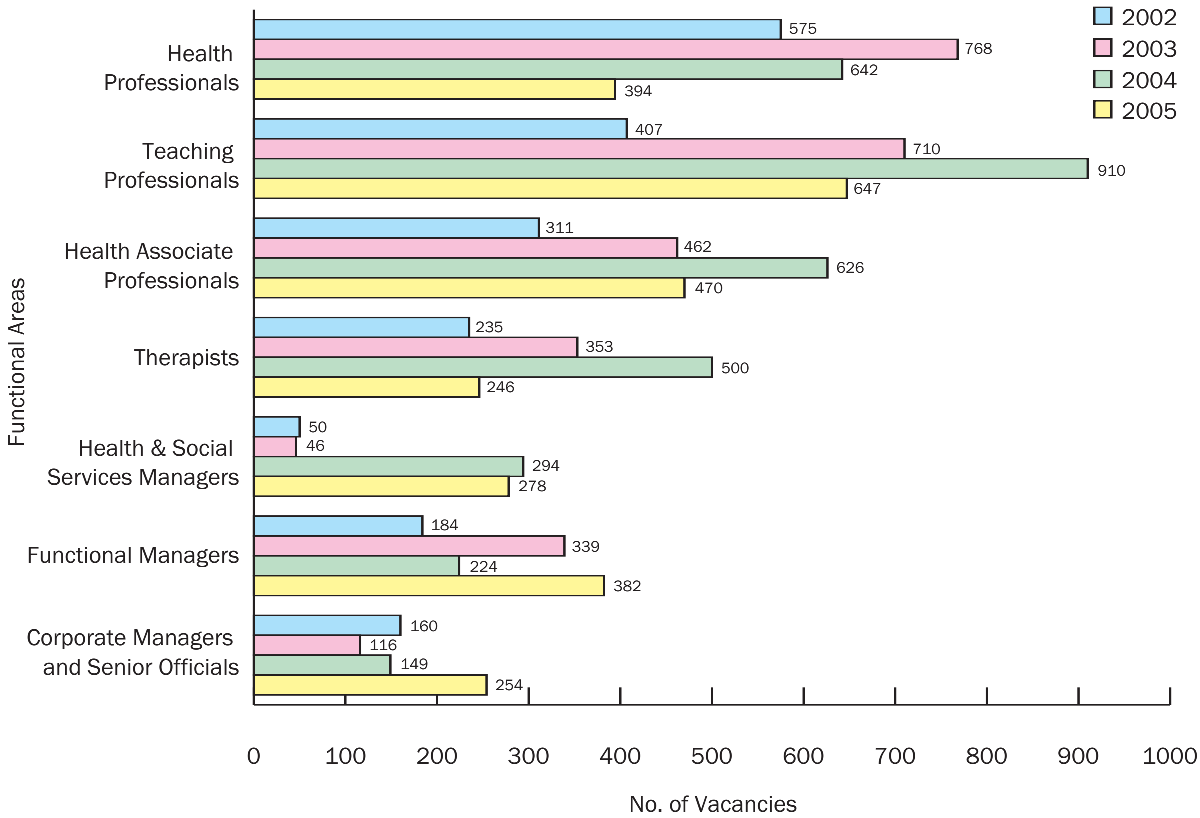
Figure 5: Annual public sector executive vacancies by key occupations



Analysis of public sector executive demand by occupation

To obtain further insight into current trends, the demand for public sector executive staff was also analysed by specific occupation categories. As shown in **Figure 5**, the demand for staff in most occupations generally increased between 2002 and 2004 and then showed reductions in 2005. Key exceptions to this trend are health professionals, for whom demand peaked in 2003. In contrast, demand for staff in managerial grades has continued to increase even in 2005.

Teaching professionals accounted for the largest public sector executive demand in 2005, accounting for 647 vacancy postings, i.e., 19% of all public sector postings. As with wider trends in the public sector however, this represented a 29% reduction on the 2004 peak of 910 postings. As with previous years a noticeable number of advertisements for senior teachers were for schools outside NI. There were 116 such vacancy postings in 2005, accounting for more than half of all ‘external’ public sector advertisements, and 15% of all teaching vacancies. This suggests that other markets are tapping into the education skill resource available in NI, where at present supply is outstripping demand.

In both 2002 and 2003 ’health professionals’ accounted for the largest demand for executive skills, peaking in 2003 with 768 vacancy postings. In 2004, the number of postings for this category of staff decreased by 16% to 642, and by 39% in 2005 to 394 advertisements - the lowest demand for health professionals since this survey commenced. In 2005 the demand for health professionals was even lower than that for health associates, which registered 470 advertisements. When advertisements for these two categories are combined, health-related vacancies represent the single biggest category of public sector executive advertisements in 2005, accounting for 25% of all public sector vacancy postings.

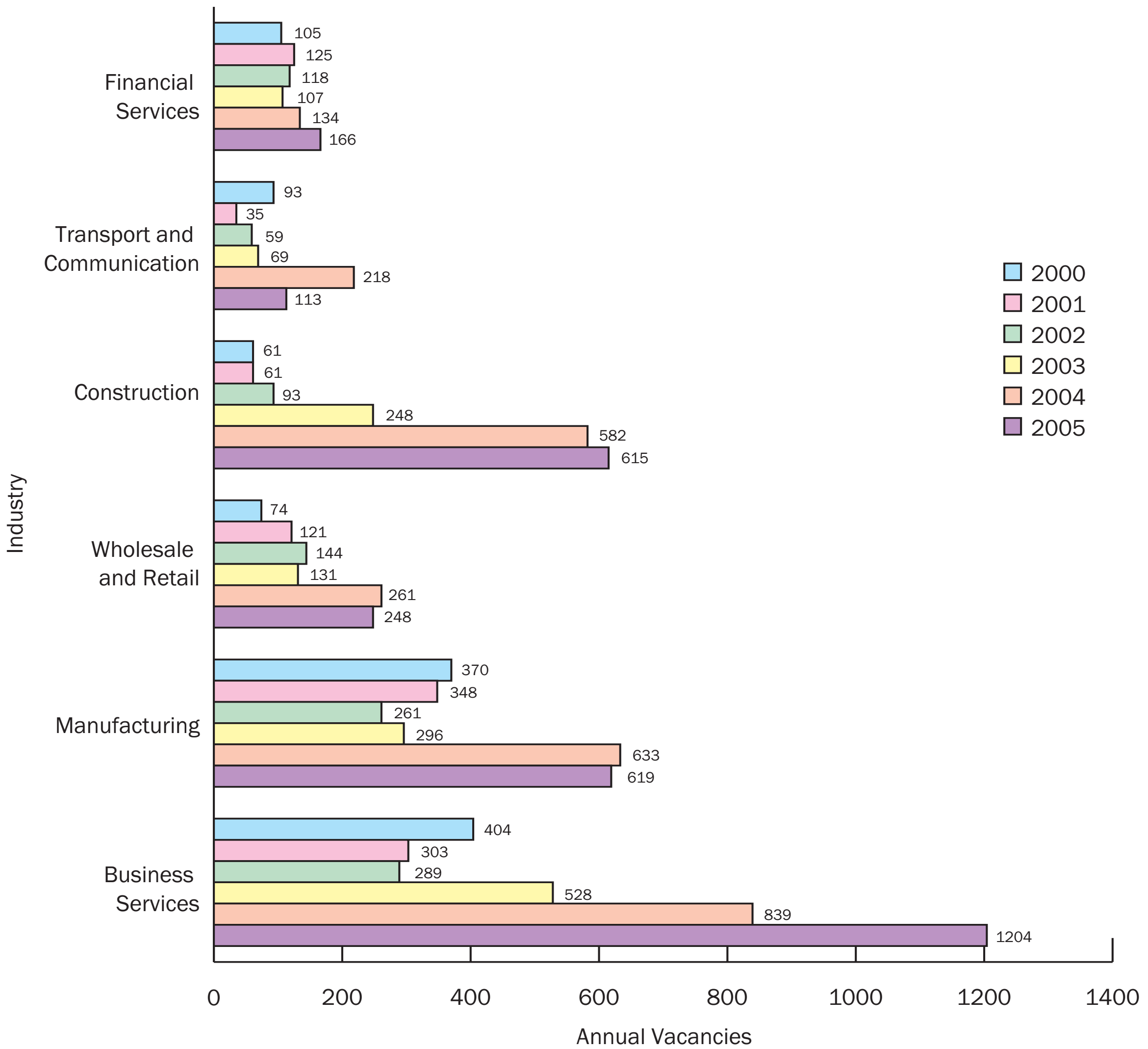
Interestingly, whilst the overall number of public sector executive vacancies showed a general decrease in 2005, advertisements for corporate managers and senior officials continued the increases that have been observed for this occupational category since 2003. In 2005, there were 70% more postings for this occupational group, from 149 in 2004 to 254. After a slight decrease in 2004, the number of advertisements for public sector functional managers increased by 71% to 382 postings in 2005. Together these management grades accounted for 19% of all public sector executive advertisements.

The growing demand for managers in the public sector is also reflected in the number of advertisements for health and social services managers, with over 200 posts advertised in both 2004 and 2005, which represent significant increases over the 50 and 46 vacancies that were observed in 2002 and 2003 respectively.

Analysis of private sector executive demand by industry

As evidenced in **Figure 6** the overall increases in private sector demand for executive

Figure 6: Annual private sector executive vacancies by key industrial sectors



staff observed in NI since 2003, have been largely fuelled by growth in demand for executives to fill vacancies in the business services sector – comprised of accounting, computing, legal and management consulting services. After registering a 'low' of 289 in 2002, vacancies in this sector increased by 83% in 2003 to 528, and then by a further 59% to 839 vacancies in 2004. In 2005, there was a further 44% increase to 1,204 vacancies, which accounted for 38% of all private sector executive jobs advertised in 2005 and corresponds with other indicators that show that the service sector is increasingly becoming a key economic driver in NI.

Looking at the traditional sectors, the demand for executive jobs in manufacturing, after a sharp 114% increase in 2004 to 633 job advertisements, decreased slightly in 2005 to 619 jobs. Construction had also experienced a 135% increase in 2004 to 582 job advertisements, but only increased by 6% to 615 in 2005. While the gap between the services sector and manufacturing continues to grow, it would appear that the demand for executive skills in the manufacturing sector have stabilised at the level to which it grew in 2003–2004.

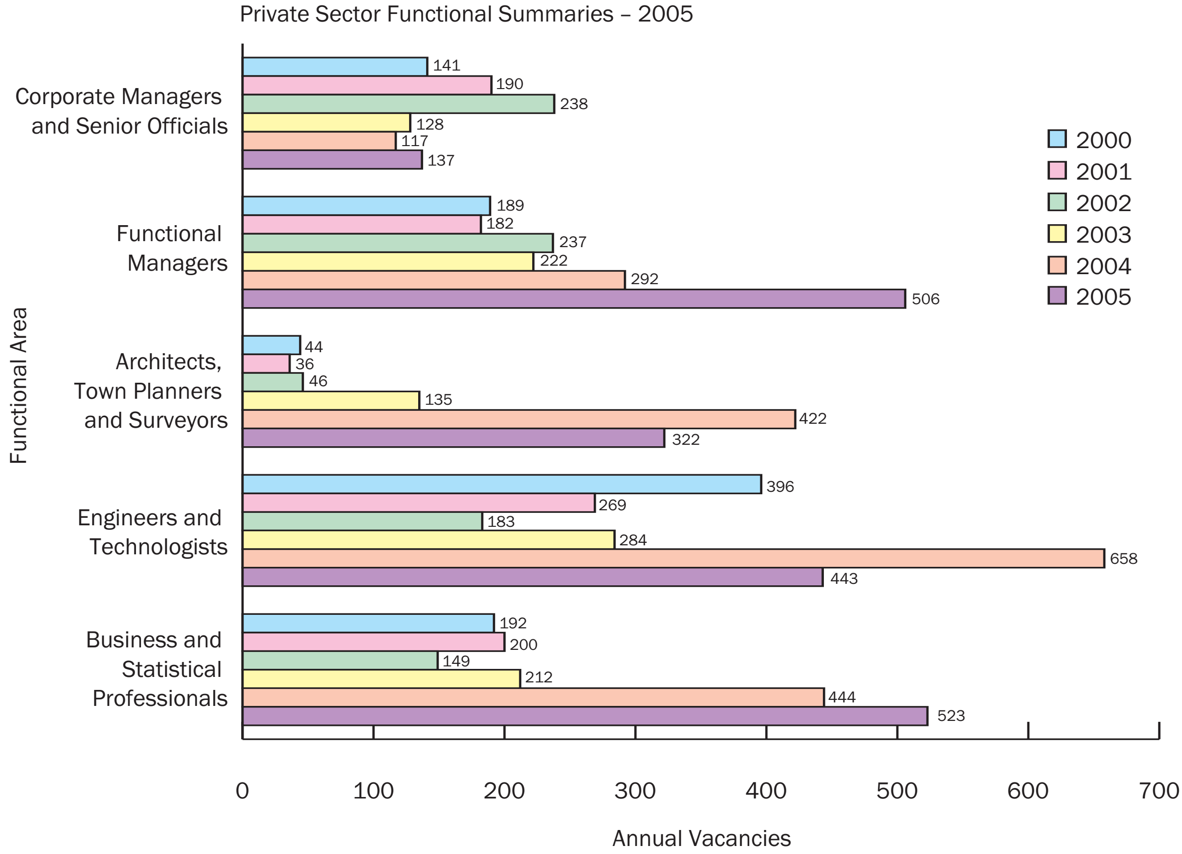
The wholesale and retail sector has consistently been a key employer of executive staff in NI. The number of advertisements for this sector peaked in 2004, followed by a slight decrease from 261 to 248 in 2005. Proportionally however, this sector still accounted for 8% of all private sector executive demand in 2005, only a slight fall from 9% in 2004. After the significant growth experienced in 2004, the number of jobs advertised for employment in the transport & communication sector, fell by 48% from 218 to 113. A possible reason for this is that there was an uncharacteristically high level of demand for telecommunications jobs in 2004, which does not appear to have carried through into 2005.

Figure 6 shows that the demand for executive staff in the financial services has remained relatively stable during the life of this survey, fluctuating only a little around the average of 126 over the six years.

Executive Skills Recruitment Watch Survey 2005

Herb Castillo, PA Consulting Group

Figure 7: Annual private sector executive vacancies by key occupations



Analysis of private sector executive demand by occupation

Figure 7 shows the demand for private sector executive staff by key occupations. Given the dominance of business services as a recruiter of executive staff, it is not surprising that business and statistical professionals account for the largest number of positions advertised in 2005, at 523 postings. Representing the highest demand for staff for this occupational category thus far, this is an increase of 18% on the number of these positions advertised in 2004, and aligns with the wider growth witnessed in NI's business services sector.

The number of functional manager postings (covering managers in finance, marketing, purchasing, personnel and ICT functions amongst others) showed a significant increase in 2005, which with 506 postings accounts for 16% of all private sector executive demand. This is an increase of 214 positions on 2004 figures and represents 73% growth.

Demand for engineers and technologists – having peaked in 2004 with 658 executive job advertisements, decreased by 33% in 2005 to only 443 postings. Whilst engineers and technologists accounted for 22% of all executive private sector jobs advertised in 2004 therefore, they only accounted for 14% in 2005. It should be noted however, that excluding 2004 – which again was marked by an unusually high demand for engineers and technical staff - the 2005 values are in line with the progressive increases that were being observed for these roles from 2002 onwards.

Comparative trends in demand for key categories of executive staff

The study has highlighted the patterns of executive staff recruitment along several key areas, that are either divergent from previous years or differ across sectors.

Comparative demand for Corporate Managers and Senior Officials

A key observation is that the number of advertisements for Corporate Managers and Senior Officials in the public sector is increasing over and beyond the number of advertisements for similar categories of staff in the private sector. This was not always the case. As shown in **Figure 8**, in the first two years during which surveys were simultaneously undertaken for both sectors, i.e., 2002 and 2003, there were more private sector advertisements for these categories of staff.

In 2004, the public sector overtook the private sector in terms of advertisements for Corporate Managers, outnumbering the Private Sector by 32 advertisements. The gap between the two widened considerably in 2005 with the public sector registering 254 advertisements compared to the private sector's 137.

Comparative demand for Functional Managers

In contrast to the trends observed for Corporate Officials and Senior Managers, over the last two years the private sector has accounted for a greater number of advertisements for

Figure 8: Comparative trends in postings for corporate officials and senior managers

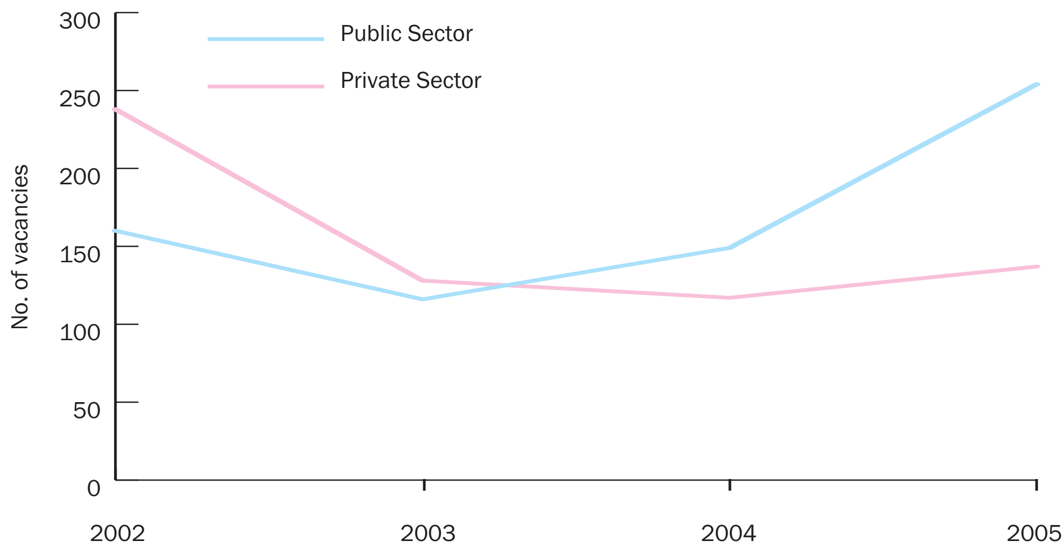


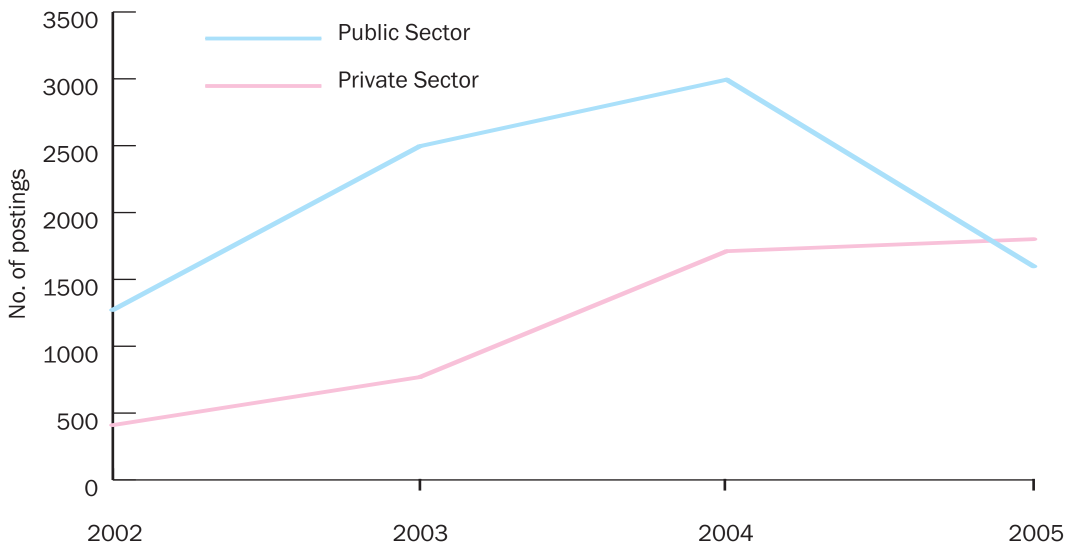
Figure 9: Comparative trends in postings for functional manager

functional managers. As shown in **Figure 9** there was no clear trend in the first two years of the survey, i.e., 2002 and 2003, which fluctuated in favour of the private sector and public sector respectively. In 2004 however, private sector advertisements for this category of staff outnumbered public sector advertisements by 68 postings. In 2005 this increased to 124, 32% higher than public sector demand.

Comparative demand for Professionals

Up until 2005 the public sector had consistently outperformed the private sector in terms of executive advertisements for professionals. This changed in 2005 when for the first time, the private sector registered more advertisements for this category of staff than the public sector. As shown in **Figure 10**, the public sector registered a significant decrease in executive

Figure 10: Comparative trends in postings for professionals



advertisements for this category of staff, reducing by 47% from 2,994 advertisements in 2004 to 1,597 in 2005. On the other hand the private sector showed a relatively small increase of 5%, from 1,711 in 2004 to 1,801 in 2005 and as a result, private sector overtook public sector demand.

Further investigation of the decline in public sector professionals in 2005

To gain a better understanding of the decline in demand for public sector executive staff the changes in the number of postings for key categories of professionals were examined further. **Table 2** summarises the key difference in the number of advertisements for key categories of Public Sector professionals from 2004 to 2005.

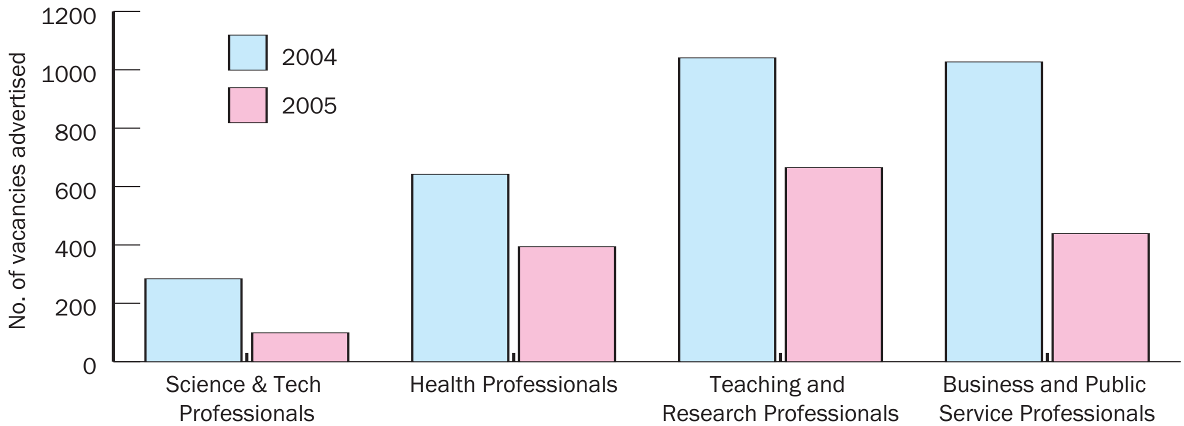
All key categories of Public Sector professionals registered significant reductions in the number of vacancy postings in 2005 relative to 2004, i.e., reductions in excess of 36%. The greatest absolute reduction was in the number of advertisements for public sector Business and Public Service professionals, decreasing by 588, from 1,027 advertisements in 2004 to 439 advertisements in 2005. The greatest proportional decrease was in advertisements for Science & Technology professionals, which decreased by 65% relative to 2004. For clearer illustration, the absolute number of advertisements placed for each category of Public Sector professionals for the two years are shown in **Figure 11**.

A combination of financial constraints and a move towards greater efficiency in the use of human resources may have contributed to these changes. Discussions with stakeholders in the health sector for example, suggest that there have been greater emphasis on investment and training and on improved workforce planning in this sector, which have made a positive impact on staff retention and may have reduced demand for new staff in comparison to previous years.

Table 2: Change in demand for public sector professional from 2004 to 2005

	2004	2005	Absolute Change	% Change
Science & Technology Professionals	284	99	-185	-65%
Health Professionals	642	394	-248	-39%
Teaching and Research Professionals	1,041	665	-376	-36%
Business and Public Service Professionals	1,027	439	-588	-57%

Figure 11: Changes in public sector advertisements for professionals in 2004 and 2005



The outlook for the future

There is growing recognition that the development of NI's private sector has been picking up pace in recent years. The results of the 2005 analysis of executive skill demand appear to reflect this trend with continued growth in demand for private sector executive staff, especially in the service sector. This trends mirror those found other analyses, which suggest continued growth of the private services sector[3]. On the other hand, the recent downturn in the senior and executive posts advertised for the public sector is not unexpected in the context of the financial constraints that this sector has faced recently after considerable growth in the late 1990s and the early part of the current decade.

Overall however, it is important that this analysis of demand for executive skills is considered in the context of overall trends in NI. The impact of inflation on salaries, job security and staff turnover and general economic growth will all have influence on the demand for skills. Current trends suggest that the overall growth in NI witnessed over the past years is continuing. However, the extent to which this can be maintained remains to be seen.

Contact details:

For further information on the Executive Skills Watch study, please contact:

Dr Herb Castillo

PA Consulting Group
Potters Quay
5 Ravenhill Road
Belfast, BT6 8DN
United Kingdom

Tel: +44 (0) 28 9073 6720
Email:
herb.castillo@paconsulting.com

3 See for example, The Northern Ireland Economic Bulletin 2005

Survey of Migrant Jobseekers Calling in DEL Offices

Dave Rogers, Analytical Services, DEL[1]

In June 2006 a survey was carried out in DEL Jobs & Benefits Offices and JobCentres to ascertain the level of caller traffic from migrant jobseekers. There was interest in this work from within DEL itself and from the wider perspective given increased policy interest in migrant workers. Just over 500 migrant jobseekers were included over the two week period of the survey, with Polish nationals accounting for nearly half of caller traffic. Other nationalities represented included Portuguese, Lithuanian, and Slovakian.

Introduction

Interest in migrant jobseekers presenting at DEL offices has developed from two areas: first, from Jobs and Benefits Offices and JobCentres themselves, where migrant jobseekers have presented as a new area of work for the Employment Service – awareness of the importance of migrant jobseeker traffic was growing, but evidence was largely anecdotal. Given that the vast majority of this group are not in receipt of benefit they do not fall into the key customer groups under welfare to work. However they represent an additional pressure on JBO/JC staff.

Secondly, interest also came from DEL's role in facilitating the Thematic Group on Migrant Workers which is operating under the auspices of the Race Forum (see Chapters 29 and 30 of the Bulletin). Presently data on migrant workers have not been fully developed and an understanding of the extent to which migrants were interacting with the public employment service was thought to be useful to complement data from elsewhere.

Consequently it was decided to carry out a short survey of DEL offices (Jobs and Benefits Offices and JobCentres) in mid to late June to gain an insight into the use of these services by migrants.

Methodology

A questionnaire was developed for use by DEL staff with migrants presenting at JBOs/JCs. For the purposes of this exercise a migrant was defined as anybody who was born outside the British Isles. Only those who visited the front counter and who could be readily identified as being "in scope" by counter staff were interviewed. The survey thus excluded those who only made use of self-services facilities or for whom an identification of migrant status was not made. Language line facilities were used by staff to enable them to assist jobseekers to complete the questionnaire where this was required.

A pilot exercise was completed by staff in Dungannon, North Belfast and Coleraine on Wednesday 14 June 2006. It was then decided that the exercise would be undertaken in all offices for a 10 day period commencing on Wednesday 21 June. Due to the high volume of migrant worker traffic in Dungannon and Connor Buildings (Shaftesbury Square) offices it was decided that the exercise need only be undertaken in those offices for a 5 day period also commencing on Wednesday 21 June. The results for these two offices have been weighted to take account of the shorter survey period. Data from the test exercise have been excluded from the analyses.

1 The author would like to thank Tom Gardiner from DEL Analytical Services, Jennifer Hynds from DEL's Regional Operations for assisting with the survey, and also to all DEL Office Managers and frontline staff who administered the questionnaire.

Survey of Migrant Jobseekers Calling in DEL Offices

Dave Rogers, Analytical Services, DEL[1]

Key Findings

An initial examination of the responses received give the key results as outlined below.

Volume and Distribution of Caller Traffic

9

Altogether just over 500 migrant jobseekers were recorded as presenting at JBOs/JCs in the two week period (**Table 1**). All but four offices (Lisnagelvin, Knockbreda, Shankill Road and Newtownabbey) had migrant callers during the survey period. Offices with the highest number of migrants were Dungannon and Connor Buildings (jointly one third of all callers). A further four offices – North Belfast, Portadown, Cookstown and Newry jointly accounted for another 25% of callers. This distribution of migrant jobseekers is broadly consistent with the recently-published revised data on long term migration into NI recently published by NISRA[2] and discussed in Chapter 29 of the Bulletin.

Origin of Migrants

Around 7 out of 10 migrant callers (71%) came from the new EU Accession Countries (the A8)[3]; 21% from other EU countries; and 8% from elsewhere. Whilst most offices followed this pattern with the majority of migrants calling from the A8 countries, there were a few exceptions; in Dungannon the majority of callers were from the EU15 (68%); in Foyle the majority of callers were from

Table 1: Migrant Jobseekers by JobCentre/Jobs & Benefit Office

Office	Number	Percent of Migrant Jobseekers
Andersonstown	4	0.8%
Antrim	18	3.5%
Armagh	10	2.0%
Ballymena	23	4.5%
Ballymoney	1	0.2%
Ballynahinch	3	0.6%
Banbridge	3	0.6%
Bangor	21	4.1%
Carrickfergus	6	1.2%
Coleraine	6	1.2%
Connor Buildings	78	15.2%
Cookstown	35	6.8%
Downpatrick	5	1.0%
Dungannon	100	19.5%
Enniskillen	10	2.0%
Falls Road	1	0.2%
Foyle	21	4.1%
Holywood Road	2	0.4%
Kilkeel	4	0.8%
Knockbreda	0	0.0%
Larne	1	0.2%
Limavady	13	2.5%
Lisburn	13	2.5%
Lisnagelvin	0	0.0%
Lurgan	15	2.9%
Magherafelt	13	2.5%
Newcastle	2	0.4%
Newry	26	5.1%
Newtownabbey	0	0.0%
Newtownards	3	0.6%
North Belfast	29	5.7%
Omagh	3	0.6%
Portadown	40	7.8%
Shankill Road	0	0.0%
Strabane	3	0.6%
TOTAL	**512**	**100%**

Source: DEL Migrant Jobseekers Survey, June 2006

2 Beatty, R et al (2006) "Long-Term International Migration estimates for NI (2004-5) – Sources and Methodology" NISRA **(www.nisra.gov.uk/archive/demography/publications/NI_Migration_Report(2005).pdf)**

3 The A8 countries are Czech Republic; Estonia; Hungary; Latvia; Lithuania; Poland; Slovenia; and Slovakia. Cyprus and Malta, which also acceded in May 2004, were not subject to similar restrictions.

Survey of Migrant Jobseekers Calling in DEL Offices

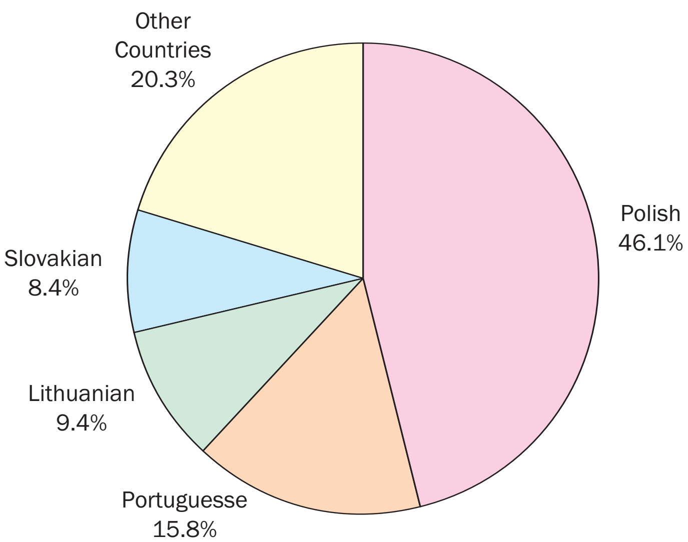
Dave Rogers, Analytical Services, DEL[1]

Table 2: Area of origin by JobCentre/Jobs & Benefit Office

	A8 Country	EU15	Other	Number
Antrim	94%	6%	0%	18
Armagh	80%	0%	20%	10
Ballymena	83%	0%	17%	23
Bangor	81%	19%	0%	21
Connor Buildings	95%	5%	0%	78
Cookstown	91%	9%	0%	35
Dungannon	26%	68%	6%	100
Enniskillen	90%	0%	10%	10
Foyle	33%	0%	67%	21
Limavady	92%	0%	8%	13
Lisburn	77%	0%	23%	13
Lurgan	87%	13%	0%	15
Magherafelt	92%	0%	8%	13
Newry	92%	8%	0%	26
North Belfast	86%	14%	0%	29
Portadown	55%	45%	0%	40
All Offices	71%	21%	8%	512
TOTAL MIGRANT JOBSEEKERS	**364**	**109**	**39**	**512**

Note: Offices with fewer than 10 callers omitted from table
Source: DEL Migrant Jobseekers Survey, June 2006

Figure 1: Nationality



other (non-EU) countries (67%) – although overall numbers are relatively low; and in Portadown there was almost an equal split between callers from A8 and EU15 countries. (**Table 2**)

Table 3: Nationality

Nationality	Number	Percent
African (unknown)	1	0.2%
Albanian	1	0.2%
American	2	0.4%
Bangladeshi	1	0.2%
Belgian	4	0.8%
Brazilian	2	0.4%
Bulgarian	1	0.2%
Chinese	2	0.4%
Czech	17	3.3%
Dutch	1	0.2%
East Timorese	8	1.6%
Filipino	3	0.6%
French	3	0.6%
Hungarian	4	0.8%
Indian	10	2.0%
Iranian	5	1.0%
Italian	3	0.6%
Latvian	15	2.9%
Lithuanian	48	9.4%
Moldovan	1	0.2%
Polish	236	46.1%
Portuguese	81	15.8%
Romanian	4	0.8%
Russian	2	0.4%
Slovakian	43	8.4%
Spanish	10	2.0%
Sri Lankan	2	0.4%
Tunisian	1	0.2%
Zambian	1	0.2%
TOTAL	**512**	**100.0**

Source: DEL Migrant Jobseekers Survey, June 2006

In all, callers from 29 countries were recorded (**Table 3**), although the vast majority of callers – eight out of ten – were from just four countries: Poland; Portugal; Lithuania; and Slovakia (**Figure 1**).

Survey of Migrant Jobseekers Calling in DEL Offices

Dave Rogers, Analytical Services, DEL[1]

Nearly half (46%) of all migrant jobseeker callers came from Poland with Portuguese (16%) making up the next largest group. Lithuanians (9%) and Slovaks (8%) were also well represented in the sample.

Gender and Age

Migrants were split almost evenly between male and female callers: 254 callers (51%) were male, only ten more than the number of female callers (244 – 49%). Gender was not recorded for 14 migrants. The vast majority of migrants – more than three-quarters – were under 30 years of age, with two-thirds (67%) in their twenties. Only 7% of migrants were aged 40 or over (**Table 4**).

Visiting Patterns

Three-quarters (75%) of migrants reported that they had not been to NI before to look for work previously – the remaining quarter reporting that they were return visitors. Nearly two-thirds (62%) reported that they had been in NI for six months or less on their current visit. Only 12% reported being here for more than 2 years (**Table 5**).

On the whole, migrants from the "old" EU tended to have been in NI for longer than callers from the A8 countries (**Figure 2**): almost three-quarters of A8 migrants have been in NI for six months or less, while the majority (57%) of EU15 migrants have been in NI for more than one year.

Table 4: Age Group

Age Group	Number	Percent
16-19	54	11%
20-24	196	40%
24-29	134	27%
30-34	49	10%
35-39	26	5%
40-44	13	3%
45-49	12	2%
50+	10	2%
TOTAL	**494**	**100%**

Note: Age not recorded for 18 migrants
Source: DEL Migrant Jobseekers Survey, June 2006

Table 5: Length of Time in NI on Current Visit

Time in NI	Number	Percent
Less than 1 week	45	9%
1 – 4 weeks	135	28%
1 – 6 months	118	25%
6 – 12 months	59	12%
1 – 2 years	64	13%
2 – 5 years	43	9%
More than 5 years	14	3%
TOTAL	**478**	**100%**

Note: Information not recorded for 34 migrants
Source: DEL Migrant Jobseekers Survey, June 2006

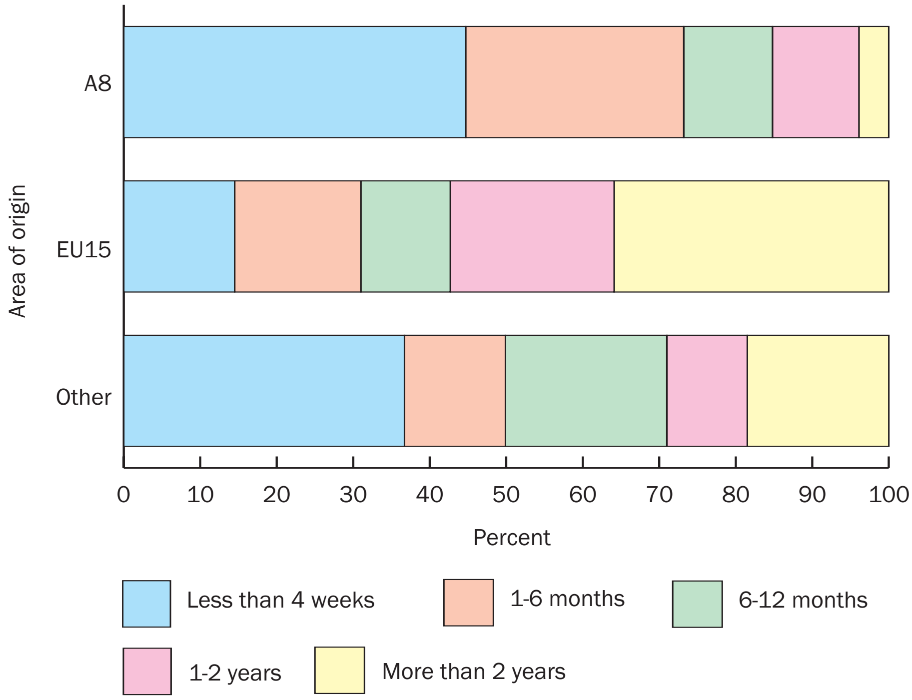
Table 6: Looked for work elsewhere on Current Visit

	Number	Percent
In GB	86	17%
In RoI	72	14%
In Both	20	4%
No	321	64%
TOTAL	**499**	**100.0**

Note: Information not recorded for 13 migrants
Source: DEL Migrant Jobseekers Survey, June 2006

Dave Rogers, Analytical Services, DEL[1]

Figure 2: Time in NI by Area of Origin



There was also some evidence of movement of migrants around the British Isles – although two thirds reported as looking for work only in NI on their current trip, nearly a third of migrants had been looking for work in either GB or RoI, while a further 4% had sought work in both countries.

Occupations – types of jobs sought, obtained, and done in home country

Table 7 shows the types of job that migrant jobseekers are

Table 7: Type of job sought, done in NI, and done in home country

	Sought	Done in NI	Done in Home Country
Managers & senior officials	<1%	<1%	3%
Professional occupations	<1%	0%	4%
Assoc Prof & Tech occupations	3%	0%	6%
Admin & secretarial occupations	3%	0%	8%
Skilled trades occupations	6%	9%	11%
Personal service occupations	6%	3%	5%
Sales & customer service occupations	6%	10%	12%
Process, plant & machine operatives	24%	45%	12%
Elementary occupations	31%	33%	20%
Any Occupation	20%	-	-
Student/Unemployed	-	-	19%
Total respondents	**509**	**173**	**498**

looking for in NI; the types of job they have obtained (if any); and the type of job they had in their country of origin. Just over 50% of migrants were looking for work in the lowest two occupational groups (eg factory work, waiting/waitressing, bar work, cleaning etc). A further 20% were not specific and indicated that they were looking for any type of work: this suggests that over two-thirds of all migrants would be prepared to take jobs in the lowest two occupational groups.

When looking at jobs done since arrival in NI, just over one-third of migrants reported having worked in NI on this trip. Of those who had worked, over three-quarters had been or were working in the lower two occupational groups. Almost no jobseekers reported working in the higher occupational groups (of course it is likely that migrants who obtained and sustained employment in these higher occupations are unlikely to be looking for work through the Employment Service network).

It is also clear from **Table 7** that the occupational structure of migrants in their home country was much more skewed towards higher occupations than the job they are looking for here. Although one-third worked in the two lowest occupational groups in their country of origin and a further 19% of migrants reported that they had either been students or unemployed before coming to NI, more than one in ten had worked in a skilled trade and one in eight reported having worked as a manager in a professional/technical occupation. Given that the job in home country can be used as a broad proxy for educational attainment, it can be surmised that a substantial number of reasonably well-qualified individuals with work experience in higher occupations appear content to come to NI to look for lower-skilled employment.

Around a third of migrants had worked (35%) during their current visit to NI and only one in five (20%) of jobseekers reported as being in employment at the time of the survey. Of those who had worked on this trip, just over half said that they were still in employment.

Other Findings

Most migrants (88%) made their own arrangements to come to NI. One in ten (10%) had made arrangements through an employment agency, whilst 2% were brought here through an employer. While just over 70% of migrants had either obtained or had applied for a UK National Insurance number, a quarter (26%) had not yet applied for one.

Conclusion

This study gives us an indicative snapshot of a section of the migrant community – those looking for work through the DEL Employment Service network – over a very short period of time in the summer of 2006. As such it should be regarded as being no more than indicative. It is clear however that it demonstrates that migrants are playing an increasing visible role in NI's labour market – it is inconceivable that we would have been asked to carry out this type of study as recently as three years ago. Obviously some – but not all – of the migration has been predicated on the recent (2004) expansion of the European Union. The wider context in which these results should be viewed is discussed in Chapters 29 and 30 of this issue of the Labour Market Bulletin.

The Essential Skills for Living Strategy: Research Evidence on Delivery

Helen Highley, Frontline Consultants

Remedying essential skills deficits is a central plank of government intervention to upskill the Northern Ireland workforce and the need for action in this area was underscored by the launch of the Essential Skills for Living Strategy in 2002. This article describes the outcomes of research into the delivery of essential skills training and contains some pointers to possible future actions.

Introduction

The Essential Skills Strategy and Action Plan was launched by the Department for Employment and Learning (DEL) in April 2002. The strategy sets out the vision:

"To provide opportunities for adults to update their essential skills to assist them in improving their overall quality of life, personal development and their employment opportunities and by so doing to promote greater economic development, social inclusion and cohesion"

The Essential Skills for Living Strategy (referred to as Essential Skills from here on in) is seen as an essential underpinning of the continued growth of the NI economy. This is because the research evidence shows that poor literacy and numeracy have profound negative impacts on a society at a number of levels:

- the individual
- the family
- the community
- the economy

And there is no doubt that NI has a problem: the International Adult Literacy Survey (1996) showed that around a quarter of the working age population of NI (over 250,000 people) were operating at the lowest levels of literacy. Furthermore the importance of essential skills within the overall skills framework has recently been underlined in DEL's new Skills Strategy published in February 2006.[1]

Under the Strategy DEL set an ambitious target for learner engagement – that 18,500 learners would have achieved a recognised qualification in Essential Skills by 2007. These qualifications are delivered by accredited tutors working in Further Education (FE) Colleges, private training providers and community organisations.

As part of the research programme underpinning the Strategy, DEL commissioned Frontline Consultants to undertake a qualitative appraisal of the Essential Skills for Living Strategy and this article reports the key findings from that research.

The Research Programme

The objectives of the appraisal of Essential Skills were to:

- gain feedback on the performance of the strategy and action plan, from key players: participants, training organisations, community groups and relevant DEL staff;

- provide information on the experience of participants on Essential Skills training. This included a consideration of what attracted them to take part, any barriers they had overcome, their experiences of training and its value and how they had benefited or otherwise;

1 "Success Through Skills: The Skills Strategy for Northern Ireland" Department for Employment and Learning, February 2006, page 4.

The Essential Skills for Living Strategy: Research Evidence on Delivery

Helen Highley, Frontline Consultants

- identify the barriers to participation in Essential Skills training. This involved discussion with participants and non-participants, and with other key players;

- identify where Essential Skills training is operating well – examples of good practice;

- identify areas where Essential Skills training could be improved; and

- use this information to inform the operation of Essential Skills training, and further substantive research on Essential Skills to be carried out at a later date.

Methodology

Frontline's research programme included a number of different techniques to gather and analyse data to meet these objectives:

- review of existing information and data about Essential Skills;

- review of international research evidence on the impacts of improving adult literacy and numeracy;

- benchmarking NI's literacy and numeracy interventions against those of other parts of the UK and the RoI;

- interviews with key strategic and operational stakeholders;

- interviews with tutors and training providers;

- interviews and focus groups with past and current participants in Essential Skills training; and

- interviews with people with literacy and numeracy difficulties who had not participated in Essential Skills training.

Literature Review- the Evidence Base

The review of international research demonstrated that poor levels of literacy and numeracy have negative impacts. Full details of the review of the literature are contained in the main report that is referenced at the end of this article. These impacts range across a number of areas of societal life, including:

Employment and social inclusion. The research shows that low levels of literacy and numeracy adversely affect people's chances of getting a job and staying in a job. Furthermore those who are employed tend to be found in low wage, low quality jobs.

Economic development. There are clear links between poor literacy levels and lower wages rates, and evidence that improving literacy and numeracy causes a measurable improvement in GDP per capita. In addition, there are direct costs to businesses of poor literacy and numeracy.

Health. Poor literacy is associated with higher infant mortality, increased admission rates for chronic disease and increased complications in chronic disease.

Crime. There are links between poor literacy and numeracy and higher crime and re-offending rates.

Future generations. Improving an individual's literacy and numeracy skills improves the life chances of their children. Failure to address this issue will be likely have adverse impacts on child development and educational attainment of children, leading to perpetuation of the problems listed above.

The evidence also indicated that interventions to improve literacy and numeracy do improve these societal problems. The findings of long-term studies were used to identify early indicators, which could be used in NI to predict improvements in the long-term as a result of Essential Skills.

The Essential Skills for Living Strategy: Research Evidence on Delivery

Helen Highley, Frontline Consultants

Key Findings from the Research

Performance

Performance since the launch of the strategy has been good. The number of learners enrolling in the programme has increased year on year as follows:

2002-03
4,580
2003-04
7,077 (approx 50% increase on previous year)
2004-05
9,533 (approx 35% increase on previous year)

Of these enrolments, 10,072 (47%) had achieved qualifications by September 2005. If there is a continued increase in enrolments of 25% year on year (a conservative estimate compared with previous years), and continued rates of qualification achievement, Essential Skills is on track to exceed its targets by 2007.

The majority of participants are in the age group 16-25, but reasonable coverage is also being achieved in the harder-to-reach age groups, such as 36-65. The gender split is more or less even, and employment status is mixed; however, in the past year, the majority of participants have been unemployed or economically inactive. This represents a shift from earlier years where the majority were either full or part time employed.

Impacts on individuals

Interviews and focus groups with current and former participants revealed that Essential Skills (ES) made a positive impact on their lives. The common themes emerging from their feedback included:

- *Increased confidence* – Essential Skills was a jumping off point for other training and self development, and their achievement on Essential Skills galvanised them to move forward; in addition, Essential Skills increased confidence to apply for jobs, leading to improved likelihood of positive employability outcomes; it also gave participants confidence to try new things, such as reading a book or joining a library, and improved self esteem, such as *"I feel great!";*

- *Employability* – able to complete forms, letters and CVs confidently; actively sending out applications, now that they are able to do so; increased job security for those currently in employment, and more able to apply for new jobs and promotions;

- *Improved quality and security of employment* – securing a more highly paid job with better prospects and greater sustainability; as one client told us *"without Essential Skills, I would still be a cleaner";*

- *Educational engagement and progression* – a number had signed up for college courses or intended to do so soon, another for an OU degree and several are learning how to help others with Essential Skills, for example as classroom assistants; even the clients not currently able to progress their education indicated an intention to do in future;

- *Educational support* – helping their children and other young family members with homework, being able to read them bedtime stories, encouraging children in schoolwork and promoting a more positive attitude towards education; one participant told us of the thrill of hearing her child tell her *"Mummy, you're well smart!";*

- *Positive personality changes* – feeling more confident and sociable; feeling more positive about the future;

- *Greater engagement in society* – more willing to go out, less frightened of road signs, taking the bus, dealing with money in shops; these benefits were particularly concentrated in the participants with very low confidence and those from ethnic minorities; and

- *Reduced stigma and fear* – now willing to ask for help if stuck with something; *"I no longer feel like I'm alone – there are others just like me";* telling people they are going to Essential Skills classes – being unembarrassed about it and championing to friends, colleagues and family members.

Experience of the programme

Feedback from participants about the quality, format and delivery of Essential Skills training was overwhelmingly positive (for one example see Susan's story – **Box 1**). They stated that their tutors had been very good at assessing their individual needs and facilitating group and individual work which was relevant and appropriately paced.

Critically, the vast majority would and do recommend Essential Skills to others. This advocacy could play an important role in championing Essential Skills within communities.

Reasons for signing up

Participants reported that their principal reasons for signing up for Essential Skills have included:

- *Self-improvement* – to get a job (or a better job), to participate in further education; to feel more able to help their children with homework and to be able to pursue hobbies;

Box 1 - Susan's story

Susan is a housewife, and is currently in her second year of ES, studying Level 2 literacy. She recently turned 40 years old, and wanted to go back and finish her education. She wanted to do something for herself, and to be able to help her children should they need help with their homework. She had seen the Gremlins commercial on television, and called the helpline for more information.

In going to the class, Susan hopes to gain the qualifications she missed at school. She views this as her second chance. She also wants to improve her job prospects. She adds that in the past, it was not important to gain GCSEs, whereas now they are compulsory for most jobs.

She compares her experience of Essential Skills classes to her school days. During her childhood, she experienced large class sizes and a *"teacher who had no time for you."* She had attended an all-girls school, and finds the current women-only classes ideal for her needs.

She believes she can talk more freely in a women-only group, and would not feel comfortable in a mixed group. She describes her tutor as "fantastic" and believes that if she had a teacher like her tutor in her school days, she would have performed better. She adds that *"the classes have boosted my confidence no end."*

Last year, she gained a certificate for Essential Skills Level 1 literacy. She felt a great sense of achievement – *"I was beaming ear to ear"*. She has noticed a great change in her personality, and believes that were it not for her classes, she would rarely leave her house due to her lack of confidence and feelings of anxiety, both of which she has now overcome. She is now thinking about doing a college course, something she would never have dreamed of doing in the past.

Susan has completed Literacy Level 1, and is currently working towards Literacy Level 2

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- *Confidence* – to improve self esteem and *"to prove I'm not useless"*; to redress unsuccessful or unhappy experiences of school and education;

- *Social inclusion* – to feel more able to engage more fully in society, even simple things like shopping and taking the bus.

Participants also reported the importance of key influencers in their decision to sign up for Essential Skills. Many were encouraged by family members – often their mother, wife or sister. Others were encouraged by friends and work colleagues.

They also highlighted the Gremlins campaign as an effective route to engaging the Essential Skills client group and encouraging them to sign up. They reported that the campaign resonated with them and made them feel that other people *"just like me"* had similar problems. This is particularly important in reducing the stigma of poor literacy or numeracy, as many participants reported feeling very embarrassed by their difficulties.

Longer-term impacts

Given the immediate benefits experienced by participants, the literature suggests that these benefits to individuals could translate over time into the following impacts for the NI economy, including increased employment rates (leading to personal and national prosperity); increased productivity; reduced benefits bill; improved social inclusion and community cohesion; improved population health outcomes and reduced health costs; improved educational attainment in the child population, leading to a stronger knowledge base which can drive further economic growth; and reduced crime and re-offending rates. At this point it is too early to determine if these long-term impacts, suggested by the literature, will come about and if so to what degree.

Barriers

Participants and non-participants reported a number of barriers to engaging in Essential Skills. These tended to be practical, such as difficulties in getting time off work for those in employment; problems with obtaining suitable childcare especially outside of normal working hours; and access problems related to a lack of transport.

In addition, some reported embarrassment at needing help. For some of them, having to attend a class in their own community would be a barrier – they wanted to go elsewhere (though not too far away) for their training. For others, the idea of attending a college was intimidating and they tended to prefer community provision in a known environment. Importantly, these people reported that community provision was attractive because *"no one knows what you're going into a community centre for – it could be for a keep fit class or a cup of coffee".*

Conclusions

The overarching conclusion of the research is that the Essential Skills for Living Strategy has got off to a very strong start in NI. It is on track to achieve, or possibly exceed, its targets and participants report positive experiences of the training. The benefits participants have experienced from participating in the training are profound, and as early indicators, these benefits correlate strongly with the evidence of longer-term impact in the literature.

The research revealed a number of important themes that will be critical to the continued success of Essential Skills. Some of these are strategic whilst others are operational. They are described below.

Strategic themes emerging

Joined up impacts

Our research revealed that the impacts achieved, and those projected to be achieved in the longer term, address the priorities of a number of key government departments:

- employability, lifelong learning and workforce development – Department for Employment and Learning;

- productivity and economic development – Department of Enterprise, Trade and Investment;

- social inclusion and community cohesion – Department of Social Development; Department of Agriculture and Rural Development; and

- health improvement – Department of Health, Social Services and Public Safety.

Given the importance of Essential Skills, especially to the economic development of NI, it may be worth exploring the possibility of recognising the impacts of Essential Skills to all of these departments and priorities, and engaging these departments more fully in the Essential Skills agenda.

Employer engagement

There is a need to engage more employers in the Essential Skills agenda. Those who have engaged can demonstrate measurable business benefits (including cost benefits), but much of the business base remains distanced from Essential Skills. Much of the client group is already in the workforce, and therefore the most effective way to reach them is through their employers. This will require DEL to present a strong business case to employers.

Reach

Performance in the first three years of the Essential Skills strategy has been impressive, with over 21,000 learners reached between 2002 and 2005. Tutor capacity and availability is increasing and demand is also increasing.

Together, these findings suggest that the work of Essential Skills is not yet completed. Even with such good reach in the first three years, there are still an estimated 150,000 people in the population with Essential Skills needs (not including those who have emerged from school with Essential Skills deficiencies during this period). We therefore conclude that Essential Skills provision is still needed.

The research suggests that many in the hardest-to-reach groups, such as unemployed males and the most socially excluded groups of society, are being engaged by Essential Skills. However, they are a part of the mix of participants, rather than constituting the majority of participants. Over time, as the overall target population decreases, it is likely that the remaining target population will become harder to reach; with more complex barriers to participation, especially in terms of confidence levels. Therefore, as Essential Skills matures, it is likely that the emphasis of provision will need to shift more towards community and outreach provision, using innovative approaches to engage the most disengaged client groups.

Influencers

Influencers such as family and friends are important in encouraging people to sign up for Essential Skills. The Gremlins campaign has also been very influential. The future promotion of Essential Skills should recognise the role of influencers, by targeting some of the promotion directly at them. They will then be armed with information with which to encourage others to sign up.

Operational themes emerging

Flexibility of format

As the target groups for Essential Skills become harder to reach, there may be an increased need for greater flexibility in the delivery format. The research revealed good examples of flexible delivery, including the use of other subjects (eg ICT) as an encouragement to encourage participation. Other examples combined ICT with Essential Skills as a way to enable learners to move towards an ICT qualification even if they had Essential Skills difficulties. This approach was also used with other subjects such as travel and tourism and beauty therapy.

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Sharing good practice

The research uncovered examples of good practice in delivery of Essential Skills. There will undoubtedly be others out there now, and more will emerge over time as provision matures. There is limited dialogue between providers, so these pockets of good practice remain isolated or are discovered by one or two providers by accident. It would be useful to develop a systematic approach to sharing knowledge and disseminating good practice among tutors and providers. This ensures that 'wheel reinvention' is minimised and the benefits of innovative approaches are maximised. LSDA is developing the teaching and learning portal for ES, which will provide a virtual environment for sharing good practice. However, it may be useful to supplement this with a dissemination approach led by DEL.

Tutor development

In the early days of Essential Skills, the availability of accredited tutors was seen as a constraint. However, this has improved significantly in the past year and most providers no longer see capacity as a constraint to provision. There is a need to support newer and less experienced tutors in developing the confidence and flexibility to maximise the impact of their provision. Likewise, long-experienced tutors need access to development to refresh their skills and ideas, and to expose them to innovative good practice. As Essential Skills matures, tutor development will be crucial to maintaining momentum and maximising impact.

Administration

The administration procedures involved in Essential Skills are important to ensure that enrolments and achievements are tracked and that funding flows appropriately to providers. Essential Skills tutors and co-ordinators in colleges tend to find this administration burdensome and that it reduces the time they have available for teaching ES. Administration funding is included in the package provided to colleges, but this is not translated into dedicated administrative support in most colleges. Consequently, teaching staff must spend some of their time completing administration tasks. This does not play to their strengths or enable them to add maximum value.

Reducing stigma

The research provided evidence that the stigma associated with Essential Skills deficiencies is starting to be eroded. 'Graduates' of Essential Skills courses, and many of those still in training, reported a new willingness to talk to others about their training and the benefits it has brought them. If this trend continues, over time this will create a critical mass of people who will talk positively about Essential Skills with friends and colleagues. They will be powerful ambassadors for the programme; silence compounds the embarrassment factor, therefore talking about it gets Essential Skills out in the open and reduces the need to hide or be embarrassed.

Role of Jobs and Benefits Office (JBO) staff

The unemployed continues to be a priority target group for Essential Skills. This is reflected in the roll-out of Essential Skills screening to all benefits claimants attending for a work-focused interview. There is not yet a critical mass of JBO advisers with the skills and confidence to screen and refer clients effectively. There also appears to be a knowledge gap, with many advisers being unaware of the full range of Essential Skills provision available. To maximise the reach of Essential Skills into the unemployed group, JBO staff will be key partners. Training and development will be required to ensure that they can contribute fully to reaching the unemployed target group. Access to a user-friendly database of learning opportunities will also be important.

Recommendations

Based on the conclusions of the research, the overarching recommendation is that Essential Skills continues to be a priority area for DEL and that increased funding (based on the 'joined-up' impacts of Essential Skills) is pursued to increase coverage and to compensate for the impending loss of PEACE II funding.

Other recommendations, to further develop Essential Skills in NI, are listed below:

Employer engagement

Employers will be key partners in the continued success of Essential Skills; the workforce is an important target group and our research revealed that employer engagement could be improved. Further work will be required to identify the barriers to employers signing up and supporting employees, to identify good practice from elsewhere and to identify the key selling messages that would encourage employers to engage.

Promotional campaign

DEL should work with DfES and partners across the UK to ensure that Gremlins will be continued in the medium term. This should be supplemented by a NI promotional campaign which:

- incorporates the key selling messages about self-improvement, family and social confidence;
- targets adult female family members as key influencers;
- targets businesses and people in employment to encourage workplace engagement;
- enrols champions and 'graduates' to promote ES; and
- uses real life experiences (eg case studies) to connect with the target groups.

Tutor development and support

Tutor development should be a priority, to ensure that capacity and capability continues to meet demand and need. The programme of tutor development and support should include:

- a tutor network, to supplement the LSDA portal and provide opportunities for knowledge sharing and dissemination of good practice;
- a shadowing and placement programme for newly qualified tutors, to enable them to learn from more experienced tutors and accelerate the rate at which they achieve full confidence and flexibility;
- a co-ordinated CPD programme that offers all tutors the opportunity to learn new and relevant skills and to experience new approaches to Essential Skills delivery; and
- ring-fence the administration funding provided to colleges, to ensure that it is spent on providing dedicated administrative support.

Increase community and outreach provision

To maximise penetration into the hardest-to-reach groups, there will need to be greater emphasis on community and outreach provision; over time, those most in need will become an increasing proportion of the target group. These are also the least likely to cross the threshold of a college. New and innovative approaches will be required to engage people in their communities.

Linked programmes

The use of combined learning programmes has proved useful in NI and in other parts of the UK. DEL should consider further exploration of:

- tripartite awards – literacy, numeracy and ICT;
- increased use of ICT as a combined to encourage participation;
- combination of Essential Skills with other key subjects; and
- family learning projects – especially focussed on fathers, as a means to reach the unemployed male target group.

Jobs and Benefits Office development

The Essential Skills team in DEL should work with colleagues in the Employment Service to develop and implement a programme of training for JBO advisers. This should be supplemented by the provision of an easy to use database that details all the different Essential Skills learning opportunities and locations available.

A copy of the full report is available from the DEL website at
www.delni.gov.uk/appraisalof essentialskillsforliving

For further details contact:
Helen Highley
Management Consultant
Frontline Consultants
Willow House
Kestrel View
Strathclyde Business Park
ML4 3PB
Tel: 01698 464140 or
07976 316809
www.frontline-consultants.com

Widening Access in Further and Higher Education

Alison Brown, 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.

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 ranks 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 Access in Further and Higher Education

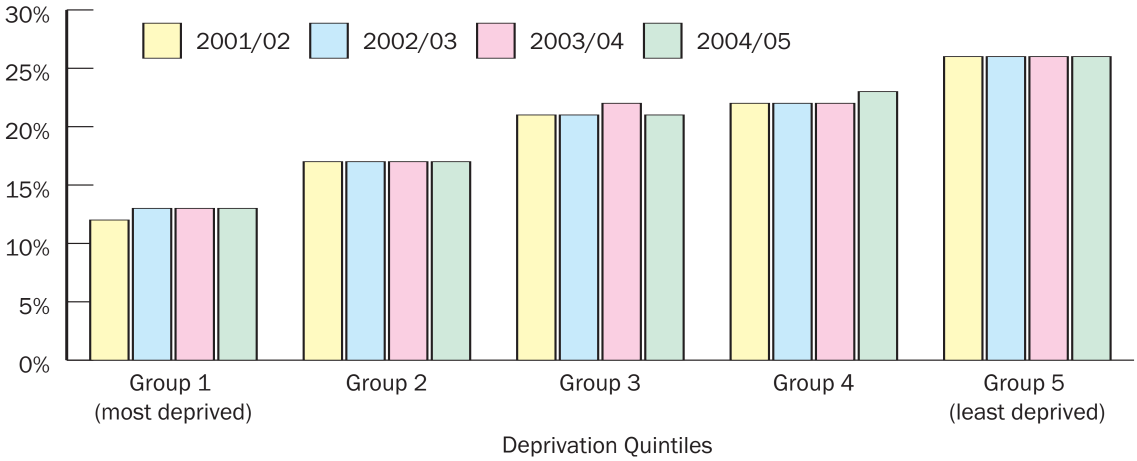
Alison Brown, Analytical Services, DEL

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 increased from 12% in 2001/02 to 13% in 2004/05. The proportion of students from the least deprived quintile remained at 26% between 2001/02 and 2004/05. The figures include full-time, part-time, undergraduate and postgraduate students.

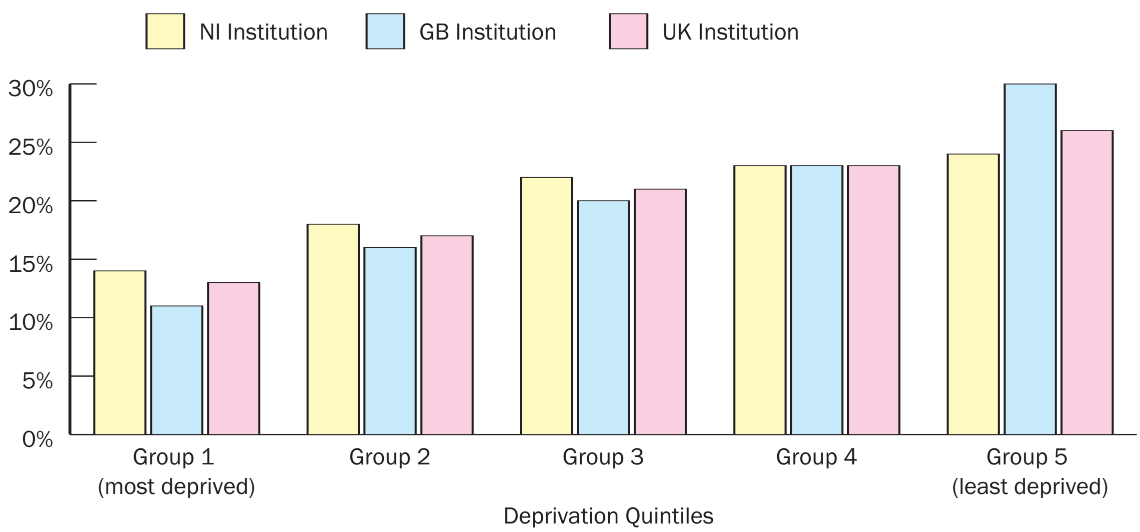
Figure 2 shows that of those NI domiciled students enrolled at HE institutions in NI in 2004/05, 14% were from the most deprived quintile, compared to 11% of those enrolled at GB HE institutions. In contrast 24% of NI domiciled students enrolled at NI institutions in the same year were from the least deprived quintile compared to 30% of NI domiciled students enrolled at GB institutions.

Figure 1: NI domiciled students enrolled at Higher Education Institutions in the UK by NIMDM Deprivation group 2001/02 - 2004/05



Source: HESA

Figure 2: NI domiciled students enrolled at Higher Education Institutions in the UK by country of institution and NIMDM group 2004/05



Source: HESA

Widening Access in Further and Higher Education

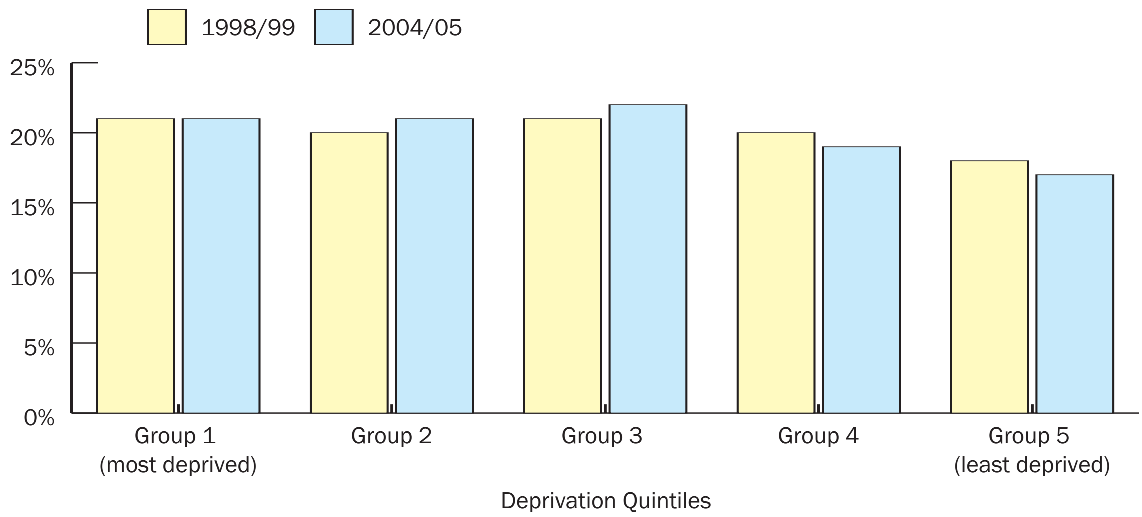
Alison Brown, Analytical Services, DEL

Further Education

In 2004/05, 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 (21%) of enrolments were drawn from the most deprived quintile compared to 17% from the most affluent quintile.

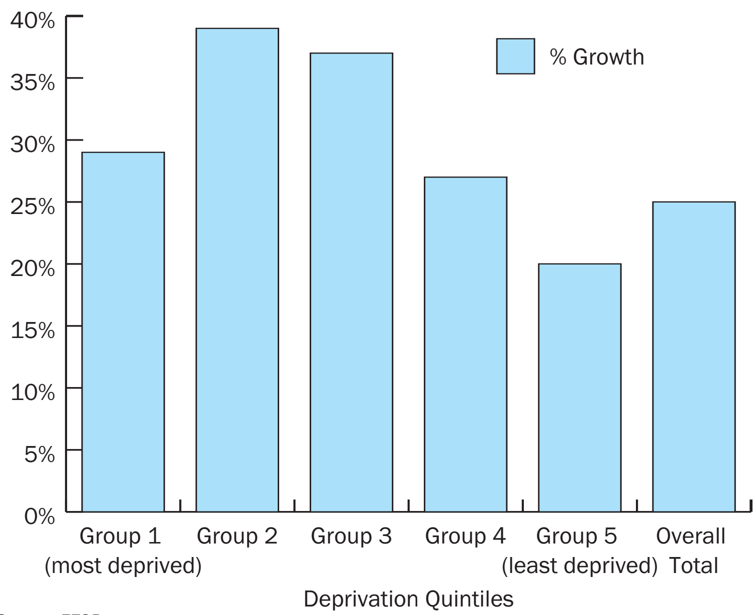
As shown in **Figure 4**, enrolments in the NI FE Sector increased by 25% between 1998/99 and 2004/05. During the same period there was an increase of 29% in enrolments from the most deprived areas in NI compared to a 20% increase from the least deprived areas.

Figure 3: Enrolments at NI Further Education Institutions by NI Multiple Deprivation Rank (excluding Jobskills), 1998/99 & 2004/05



Source: FESR

Figure 4: Percentage Growth in Enrolments (excluding Jobskills) at NI Further Education Institutions by NI Multiple Deprivation Rank, between 1998/99 and 2004/05



Source: FESR

Widening Access in Further and Higher Education

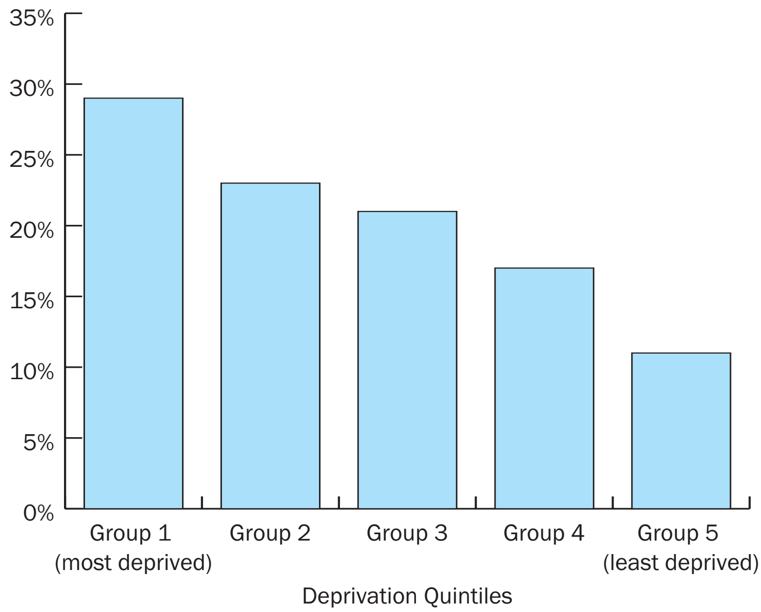
Alison Brown, Analytical Services, DEL

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 is 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 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 2003/04 29% of Jobskills beneficiaries were from the most deprived areas in NI while 11% were from the least deprived areas.

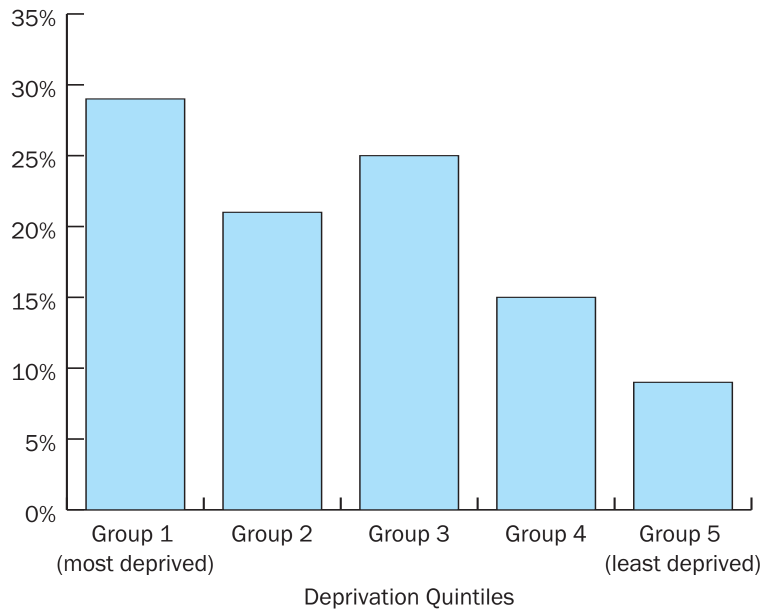
Figure 5: All Jobskills Beneficiaries by NI Multiple Deprivation Rank 2003/04



Source: CMS

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 30% of participants come from the most deprived areas with less than 10% coming from the least deprived areas.

Figure 6: Essential Skills Enrolments by NI Multiple Deprivation Rank (FE and EGSA) 2004/05



Source: FESR/CCEA

A more detailed report on the measurement of 'widening social access' will be published on the DEL website early in 2007. It will not only include comprehensive analysis based on the mapping indicator presented in this article but will also explore evidence from a wide range of other sources to examine the changing picture of social access. The Department plans to update that wider analysis annually so that progress can be monitored over time.

For further information:
E-mail: **statistics@delni.gov.uk**

Education, Occupational Class, and Unemployment in United Kingdom Regions

Vani K. Borooah* University of Ulster

This paper examines a measure of returns to education based on the probability of "labour market success" associated with different levels of qualification. Two measures of "success" are used based on data from the 2001 UK Census for the different regions of the UK: first, the likelihood of persons in employment being in "good" jobs; second, the likelihood of persons in the labour force being in employment. The results show that, in every region of the UK, better qualifications are significantly and strongly associated with higher probabilities of labour market success.

Background

Estimating the returns to education is an important aspect of empirical economics. Usually this is achieved by estimating the additional earnings provided by an extra year of schooling. However, given the difficulty of obtaining reliable earnings data, this approach is not always easy to implement. This paper proposes an alternative measure of returns to education based on the probability of "labour market success" associated with different levels of qualification. Returns to education, so conceived, are estimated on data from the 2001 UK Census for the different regions of the UK.

Two measures of "success" are used: first, the likelihood of persons in employment being in "good" jobs; second, the likelihood of persons in the labour force being in employment. The results show that, in every region of the UK, better qualifications are significantly and strongly associated with higher probabilities of labour market success.

Introduction

Conventional wisdom has it that education is the handmaiden of prosperity. Indeed, one of the most popular textbooks in economics (Mankiw, 1998) asserts "Education is at least as important as investment in physical capital for a country's long-term success .....one way in which government policy can enhance the standard of living is to provide good schools and encourage the population to take advantage of them" (p.528). This theoretical underpinning now forms the raison d'etre of government skills policy; at the national level the Leitch Review is considering what the UK's long-term ambition should be for developing skills in order to maximise economic prosperity and productivity. In NI the Department for Employment and Learning (DEL) in its Skills Strategy seeks to provide an overarching framework for the development of the local skills base. Given the importance of education in determining a person's material well-being, it is natural to enquire about the returns to education. In particular, is it possible to quantify the extent to which a person is made better off through more education?

Economists, beginning with Mincer (1958)[1], have sought to answer this question by estimating the net effect of years of schooling on the earnings of individuals. The recognition that not *all* the additional earnings of better-educated workers can be ascribed to their superior education has led to controls for the non-educational characteristics of individuals being imposed before estimating their returns to education. These controls may relate to age,

* School of Economics and Politics, University of Ulster, Newtownabbey, NI. BT37 0QB, UK.
E-mail: **VK.Borooah@ulster.ac.uk** . I am grateful to the Department for Employment and Learning, NI for supporting this project and to the Cathy Marsh Centre for Census and Survey Research at the University of Manchester for the use of data from the Sample of Anonymised Records of the 2001 Census for the UK of GB and NI. Thanks are also due to Wendy Lecky and Alan Ramsey whose comments have greatly improved the paper. However, needless to say, I am entirely responsible for the paper and, in particular, for its shortcomings.

1 Mincer, J. (1958), "Investment in Human Capital and Personal Income Distribution", *Journal of Political Economy,* vol. 66, pp. 281-302.

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gender, place of residence, individual ability or motivation. Based on a survey of 97 studies that estimated returns to education, Ashenfelter *et al.* (1999)[2] concluded that the return to an additional years schooling was between 6 and 9 percent.

However such studies, relating earnings to years of schooling, suffer from two problems.[3] First, there is a dearth of reliable data on earnings. Second, it is qualifications, rather than years of schooling, which are the passport to higher earnings; acquiring qualifications requires not just spending time in an educational institution but also having something to show for the time spent.

In the face of these problems, we develop an alternative concept of returns to education. In essence, this involves estimating the amount by which the probability of "labour market success" increases with higher educational qualifications. We use two concepts of "labour market success": for persons who are employed, "success" means doing a high, rather than a low, occupational status job; for persons in the labour force, "success" means being employed rather than unemployed.

Data from the 2001 Census of Population for the UK were used to put empirical flesh on this conceptual skeleton. The Sample of Anonymised Records (SARs) of the 2001 Census for the UK reported the highest qualification for 1,031,840 persons between the ages of 16-74 years. In addition, the SARs *inter alia* also provided details of a person's non-educational characteristics: gender; region of residence; age; employment status; occupation; ethnicity; and place of birth. Using this information we estimated the probabilities of employed individuals being in jobs of different occupational types; and also of persons in the labour force being unemployed. This allowed us to estimate, after imposing the appropriate non-educational controls, the link between "doing well" in the labour market and educational qualifications.

Education Qualifications and the 2001 Census for the UK

As mentioned above, the SARs of the 2001 Census for the UK reported the highest qualification for 1,031,840 persons between the ages of 16-74 years. The qualifications were reported as:

(i) no qualifications;

(ii) Level 1 qualifications (roughly, at least one GCSE);

(iii) Level 2 qualifications (roughly, 5+ GCSEs at A-C grades);

(iv) Level 3 qualifications (roughly, 2+ 'A' levels); and

(v) Level 4 qualifications (first degree or higher, HNC, HND).

These qualification levels are detailed in the notes to **Table 1**[4] which shows the percentage of respondents with these qualifications in the different UK regions. So, for example, of the 30,482 NI respondents aged 16-74, 38% had "no qualifications" while 18% had Level 4 qualifications.

Analysis of the results showed that, in every region of the UK, better qualifications were significantly, and strongly, associated with higher probabilities of labour market success. However we were able to distinguish different patterns of inter-regional details;

1 **The "North – South Divide".** There is the marked disparity between the "north" and the "south" of the UK in the proportion of respondents without any qualifications. Approximately, 30% of the respondents in the North East, the North West, the East and West Midlands, Wales, and Scotland had no qualifications compared to around 22% for the East, the South East, the South West, and inner and outer London. Of all the regions of the UK, NI had the highest proportion of respondents (38%) with no qualifications. At the other end of the qualifications spectrum, **Table 1** shows that 44% of respondents in inner London, 31% in outer

2 Ashenfelter, O., Harmon, C., and Oosterbeek, H. (1999), "A Review of Estimates of the Schooling/Earnings Relationship, with Tests for Publication Bias." *Labour Economics*, Vol. 6, pp. 453-470.

3 See Dutta *et.al.* (1999) and Harmon *et.al.* (2003) for surveys of the literature on returns to education.

4 It should be noted that these were the levels reported at the time that the 2001 Census was undertaken. As from September 2004 there has been a movement towards the National Qualifications Framework (NQF) which comprises nine levels (Entry level to level 8). Whilst entry level and levels 1 to 3 did not change, levels 4 to 5 have been divided into the more precise levels 4 to 8. While a qualification title might have changed to reflect the more precise levels, the qualification content and demand on the learner has not changed.

Education, Occupational Class, and Unemployment in United Kingdom Regions

Vani K. Borooah University of Ulster

Table 1: Level of Highest Qualifications by UK Region, 2001, aged 16-74

	Percentage of Respondents, aged 16-74, with relevant qualification				
	NO Qualifications	Level 1	Level 2	Level 3	Level 4
North East (43,202)	31.7	20.9	20.6	8.9	17.9
North West (114,879)	29.5	20.1	20.7	9.4	20.3
Yorkshire (84,138)	30.8	20.7	19.2	9.5	19.8
East Midland (71,878)	29.2	21.1	20.0	9.4	20.3
West Midland (89,649)	31.7	20.1	20.1	8.8	19.4
East (92,521)	24.8	22.0	22.0	9.4	21.8
South East (138,810)	20.9	20.1	22.5	10.9	26.7
South West (83,081)	23.0	21.5	23.1	10.3	22.2
Inner London (54,751)	20.3	10.4	13.9	11.2	44.3
Outer London (79,533)	21.4	17.1	20.0	10.8	30.9
Wales (49,118)	30.5	18.3	21.6	8.9	20.7
Scotland (99,798)	29.5	24.9	16.1	8.1	21.4
NI (30,482)	38.0	18.3	15.7	10.0	18.0
England, Wales, and NI (932,042)	*26.7*	*19.6*	*20.5*	*9.8*	*23.4*

Notes to Table 1

Figures in parentheses are numbers in sampled in region Education levels are defined as follows:
England and Wales:
Level 1: 1+ 'O' level passes, 1+ CSE/GCSE any grades, NVQ level 1, Foundation GNVQ
Level 2: 5+ 'O' level passes, 5+ CSE (grade 1), 5+ GCSE (A-C grades), School Certificate, 1+ 'A' levels/AS levels, NVQ level 2, Intermediate GNVQ
Level 3: 2+ 'A' levels, 4+ AS levels, Higher School Certificate, NVQ level 3, Advanced GNVQ
Level 4: First degree, Higher degree, NVQ levels 4 and 5, HNC, HND, Qualified Teacher status, Qualified Medical Doctor/Dentist/Nurse/Midwife/Health Visitor
Scotland:
Level 1: 'O' grade, Standard Grade, Intermediate 1, Intermediate 2, City and Guilds Craft, SVQ level 1 or 2 or equivalent
Level 2: Higher Grade, CSYS, ONC, OND, City and Guilds Advanced Craft, RSA, Advanced Diploma, SVQ level 3 or equivalent
Level 3: HND, HNC, RSA Higher Diploma, SVQ level 4 or 5 or equivalent
Level 4: First degree, Higher degree, Professional qualification
Northern Ireland:
Level 1: GCSE (grades D-G), CSE (grades 2-5), 1-4 CSEs (grade 1), 1-4 GCSEs (grades A-C), 1-4 'O' level passes, NVQ level 1, Foundation GNVQ or equivalents
Level 2: 5+ 'O' level passes, 5+ CSE (grade 1), 5+ GCSE (A-C grades), Senior Certificate, 1 'A' levels, 1-3 AS levels, Advanced Senior Certificate, NVQ level 2, Intermediate GNVQ or equivalents
Level 3: 2+ 'A' levels, 4+ AS levels, NVQ level 3, GNVQ Advanced or equivalents
Level 4: First degree, Higher degree, NVQ levels 4 and 5, HNC, HND

In England and Wales, the highest level of qualification was derived from responses to both the qualifications qualification and the professional qualifications question; in Scotland and NI, it was based only on the qualifications question.

Source: 2001 UK Census, Sample of Anonymised Records

London, and 27% in the South East had Level 4 qualifications. At the other extreme, only 18% of respondents in NI and in the North East had Level 4 qualifications. In the other regions the proportion of respondents with Level 4 qualifications was fairly equal at approximately 21%.

2 **Highly-qualified people in NI were under-represented in higher level occupations.** The proportion of persons with Level 4 qualifications in Managerial, Professional and Technical (PMT) occupations in all the other regions of the UK (approximately 77%) was significantly higher than in NI (73%): compared to other UK regions, persons with Level 4 qualifications in NI were under-represented in PMT occupations and over-represented in skilled manual/non-manual occupations.

3 **Qualification profile of those unemployed and disabled differed between NI and other regions.** In NI, 49.5% of unemployed persons (seeking work and available to start within 2 weeks) and 75.1% of the permanently sick and disabled (PSD) had no qualifications; conversely, only 9.6% of those unemployed and only 4.5% of the PSD had Level 4 qualifications. In this respect, NI's experience contrasts with that of the other UK regions where persons with Level 4 qualifications were proportionately more strongly represented among the unemployed and the PSD: for example, in inner London, the proportion of the unemployed who had no qualifications was, at 26%, the same as the proportion of the unemployed who had Level 4 qualifications.

4 **In every UK region, better qualifications were associated with lower unemployment rates and low disability rates.** The unemployment rate and the disability rate for unqualified persons were significantly above the regional average and the unemployment rate for those with Level 4 qualifications was significantly below. For example, in the context of an overall unemployment rate of 6.7% in NI, respondents without any qualifications experienced an unemployment rate of 11.5%. The corresponding rate for persons with Level 4 qualifications was 2.9%.

5 **The relationship between religion and qualifications is complicated by age. Table 2** shows for, NI, differences between the proportions of Catholics and Protestants with different qualifications: the associated t values provide a test of whether these inter-community differences were significantly different from zero. While there was no significant difference between the proportions of Catholics and Protestant respondents, taken in their entirety (i.e. 16-74), without any qualifications, the proportion of Catholic respondents without any qualifications was significantly higher than that for Protestants for the truncated age groups, 16-45 and 16-30 years. However, at the other end of the qualifications spectrum, the proportion of Catholic respondents with Level 4 qualifications was significantly higher than that for Protestants for all the age groups: 16-74, 16-45, and 16-30 years. Compared to Protestants, Catholics were more likely to be without qualifications but also more likely to have the highest level of qualifications.[5]

Econometric Analysis

We completed our study with some econometric analysis of two equations. For the *employment equation*, the dependent variable Y_i took the values: $Y_i = 1$ if the person was employed in a PMT occupation; $Y_i = 2$ if the person was employed in a skilled manual or non-manual occupation; $Y_i = 3$ and if the person was an elementary worker. For the *unemployment equation,* the dependent variable $Z_i = 1$ if person *i* was unemployed and $Z_i = 0$ if person *i* was employed (employee or self-employed). The main results were as follows:[6]

5 It is important that the data in **Table 2** is set within the context of Higher Education migration in NI. The empirical evidence tends to suggest that a higher proportion of Protestants migrate to GB for HE purposes with a significant proportion not returning. This seems a strong explanatory factor in explaining the finding that Catholics have the highest levels of qualification. The finding that the number of younger Catholics without any qualifications is significantly higher than for Protestants is particularly interesting and would tend to be contrary to what previous research has shown, particularly work which Professor Bob Osborne has previously undertaken.

6 Detailed results available on request from the author.

Education, Occupational Class, and Unemployment in United Kingdom Regions

Vani K. Borooah University of Ulster

Table 2: Level of Highest Qualifications in NI by Religion*, 2001

	Percentage of Respondents, aged 16-74, with relevant qualification				
	NO Qualifications	**Level 1**	**Level 2**	**Level 3**	**Level 4**
Catholic (12,015)	39.1	17.8	15.0	10.3	17.9
Protestant (13,845)	39.6	18.4	16.2	9.3	16.5
t value	0.87	1.29	2.87	2.65	3.10
	Percentage of Respondents, aged 16-45, with relevant qualification				
Catholic (7,986)	26.0	22.3	17.5	13.7	20.5
Protestant (8,077)	23.5	24.7	19.4	13.3	19.0
t value	3.61	3.62	3.08	0.67	2.36
	Percentage of Respondents, aged 16-30, with relevant qualification				
Catholic (3,205)	13.9	21.3	19.3	23.4	22.2
Protestant (2,920)	11.5	23.4	22.0	22.8	20.3
t value	2.78	2.0	2.64	0.55	1.82

* Only Catholics and Protestants (Presbyterian, Church of Ireland, Methodist, Other Christian). Persons of other religions, no religion, and not stated religion were excluded.
See Notes to **Table 1**.
The t values result from testing the null hypothesis of there being no difference between the Catholic and Protestant mean proportions at the relevant qualification.
Source: 2001 UK Census, Sample of Anonymised Records

1 **Better qualified people tend to be in higher occupation jobs.** Other things being equal, the probability of PMT employment rose with higher qualifications: across the UK regions, the marginal probabilities of being in PMT employment, for Level 4 qualifications, were between approximately 66 (lowest)-70 (highest); the corresponding ranges for the PMT marginal probabilities for Level 3, Level 2, and Level 1 qualifications were, respectively, 36-45, 30-36, and 18-24 points.

2 **Women are less likely to be employed in higher level occupations.** The marginal probability of women being in PMT employment was negative: *ceteris paribus* women, compared to male, employees were less likely to be in PMT employment, although this effect was less marked in NI than in other regions.

3 **Higher level qualifications are associated with lower levels of unemployment.** For persons in the labour force, the marginal probability of unemployment falls with higher qualifications: across

the UK regions, the marginal probabilities of being unemployed, for Level 4 qualifications, were between -2.6 (lowest) to -6.7 (highest). The equation predicted that, after controlling for non-educational factors, the probability of an unqualified person in NI being unemployed was 10.5%. So, for example, compared to an unqualified person in the NI labour force being unemployed, the probabilities of persons with Level 4, Level 3, Level 2, and Level 1 qualifications being unemployed were, respectively, 6.2, 4.6, 4.1, and 3.3 percentage points lower than 10.5%.

4 **For those in the labour force, the likelihood of being unemployed falls with age.** The probability of being unemployed also varied by age. Compared to the youngest age group, 19-29 years, the marginal probability of unemployment for the other age groups was always negative, indicating that they were less likely to be unemployed - being most negative for persons in the labour force between 45-54 years.

Conclusions

Estimating the returns to education is an important aspect of empirical economics. Usually this is achieved by estimating the additional earnings provided by an extra year of schooling. However, as noted earlier, given the difficulty of obtaining reliable earnings data, this approach is not always easy to implement. This paper proposed an alternative measure of returns to education based on the probability of “labour market success” associated with different levels of qualification. Returns to education, so conceived, were estimated on data from the 2001 UK Census for the different regions of the UK. Two measures of “success” were used: first, the likelihood of persons in employment being in “good” jobs; second, the likelihood of persons in the labour force being in employment. The results showed that, in every region of the UK, better qualifications were significantly, and strongly, associated with higher probabilities of labour market success.

Student Income and Expenditure: Key Results from the 2004/05 Survey

Jim Hillage, Institute of Employment Studies and Steven Finch, National Centre for Social Research

Full-time students in Northern Ireland expect to graduate with lower debts than their English counterparts due to different income and spending patterns, according to the latest Student Income and Expenditure Survey. Northern Ireland students tend to borrow less from student loans but are more likely to undertake paid work than in England. Their housing costs are lower, as many more live at home with their parents, but their travel costs are higher. This article presents more detailed results of this comprehensive survey of student finances.

Introduction

The 2004/05 Student Income and Expenditure Survey (SIES) in NI was commissioned by the Department for Employment and Learning (DEL) and provides an authoritative assessment of students' financial position before the changes introduced by the Higher Education Act (2004).[1] The survey was conducted jointly by the National Centre for Social Research and the Institute for Employment Studies (NatCen/IES) as an extension to the SIES in England and Wales (commissioned by Department for Education and Skills (DfES) and the National Assembly of Wales[2])[3].

Methodology

The survey covered both full-time and part-time NI domiciled students at higher education (HE) and further education (FE) institutions in NI on designated undergraduate courses (including first degree and higher diploma courses) and also postgraduate (PGCE) initial teacher training courses in the academic year 2004/05. NI domiciled students who studied in England, Wales, Scotland or elsewhere were not covered by this study.

Data were collected between January and April 2005 via face-to-face interviews with a randomly selected sample of 354 full-time and part-time students at four institutions (two from HE and two from FE).

Diaries of expenditure were kept by 302 of these students for a week (85 per cent of students interviewed). The data were weighted to correct for selection probabilities and differences in the sex and age profiles of the sample and HESA population data. The results can be compared with the England and Wales study which used the same weighting method.

Key Findings

Full-time student incomes average £7,400

On average full-time student income in 2004/05 was £7,390. Part-time student income was almost one and a half times higher, at £10,660 mainly due to their higher average earnings during the academic year.

Among full-time students, groups found to have higher average total incomes than their peers were: older; independent; and living away from their parents during term time. Among part-time students, the groups found to have higher total incomes were: female; older; studying at a higher education institution (HEI); and beyond their first year of study.

Incomes are generally lower than in England

Total income levels for NI domiciled students were 11 per cent lower than found for English domiciled students, particularly among full-time students. Yet the

1 The 2004/05 Survey can be accessed on the DEL website: **www.delni.gov.uk/northern-ireland-student-income-expenditure-report-04-05**
2 Student Income and Expenditure Survey 2004/05, DfES, RR725 (30 March 2006). **www.dfes.gov.uk/research/data/uploadfiles/RR725.pdf**
3 A separate survey was undertaken by the Scottish Executive: Higher and Further Education Students' Income, Expenditure and Debt in Scotland, Research Findings No 33/2005: **www.scotland.gov.uk/statistics**

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groups found to have highest levels of total income among NI students matched those found for English students.

Three-quarters of students rely on loans

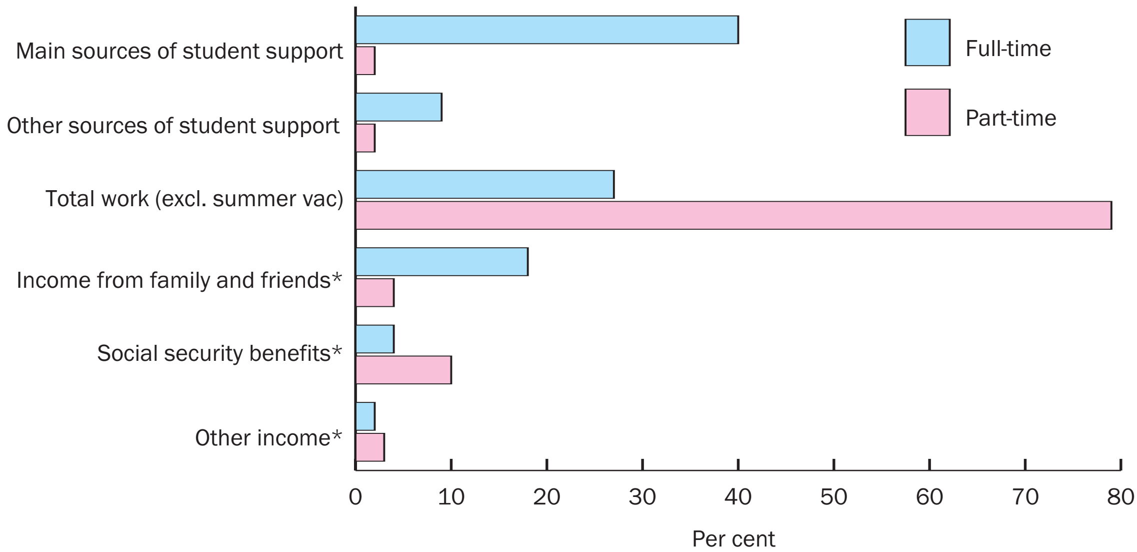
Student loans were a key source of income for full-time students, contributing on average £1,808 (24 per cent) towards total income. However, this is considerably lower than the contribution for English domiciled full-time students (£2,713 or 33 per cent) (see **Figure 1**).

Three quarters (74 per cent) of full-time students took out a student loan. Among this group the average loan was £2,435 (compared with the average loan of £3,260 among English students). Those most likely to take out a loan were male (which differs from patterns found for English students); dependent (full-time students who had applied for student support and their parent/step parent, legal guardian's income had been taken into account or were aged 25 years, were unmarried and had not applied for student support); from routine and manual work backgrounds; and in the first year of study.

Just over half (56 per cent) of full-time students received government support with their tuition fees, receiving on average £1,041 each; and just over two fifths received maximum support ie full payment of fees.

Just over a third (35 per cent) of all full-time students received support through Bursaries for Low Income Families, and they received an average of £1,654 each (which is close to the maximum available of £2,000). Students in receipt of HE bursaries have a lower maximum loan entitlement (which may help to explain lower student loan and debt levels in NI, this is discussed below).

Figure 1: Contribution of different income sources towards total mean income



* Note: figures adjusted for partner contributions where relevant

Source: NatCen/IES SIES Survey 2004/05

Student Income and Expenditure: Key Results from the 2004/05 Survey

Jim Hillage, Institute of Employment Studies and Steven Finch, National Centre for Social Research

Earnings from work are a relatively important source of income

Earnings from paid work during the academic year (ie excluding the summer vacation) were a key source of income for full-time students and particularly for part-time students. Working while studying contributed an average of £2,025 (27 per cent) to full-time students' income and made a substantial contribution towards part-time income, £8,402 or (79 per cent). Work earnings were a relatively more important source of income to NI students than to English domiciled students.

Over two thirds (67 per cent) of full-time students undertook paid work at some time during the academic year, and earned on average £3,033. This was much more likely to be permanent or continuous work than casual work, indeed 63 per cent of all full-time students had a regular job, and only 12 per cent reported more casual working arrangements. Those more likely to undertake paid work of any kind while studying were those living at home with their parents during term-time, from higher socio-economic groups, and in their first year of study. Those found to earn higher levels of income were male, older and further into their courses.

Almost 90 per cent of part-time students were engaged in paid work, earning on average £9,695. Those most likely to undertake paid work while studying were: older, single and in their first year of study.

Income from family and friends less important than in England

Income from family and friends contributed almost one fifth (18 per cent, or £1,299) of full-time students' total income. Much of this income (65 per cent) comes from students' parents. Support from family and friends, and average contributions from parents were much lower among NI students than among English students.

Part-time students had a much lower contribution towards total income from family and friends (£461, only four per cent), and approximately one third of this income came from sharing their partner's income.

Expenditure tops £10,000 for full-time students

The average total expenditure of full-time students living in NI in 2004/05 was £10,177, almost exactly the same as in the survey of English students. The average total expenditure of part-time students was £14,833 (compared with £14,270 in England), that is 46 per cent higher than the average for full-time students.

Total expenditure was strongly related to full-time students' age and whether they lived with their parents or independently during term-time. Students aged over 20 had a higher level of total expenditure as did students who lived independently during term-time.

Student Income and Expenditure: Key Results from the 2004/05 Survey

Jim Hillage, Institute of Employment Studies and Steven Finch, National Centre for Social Research

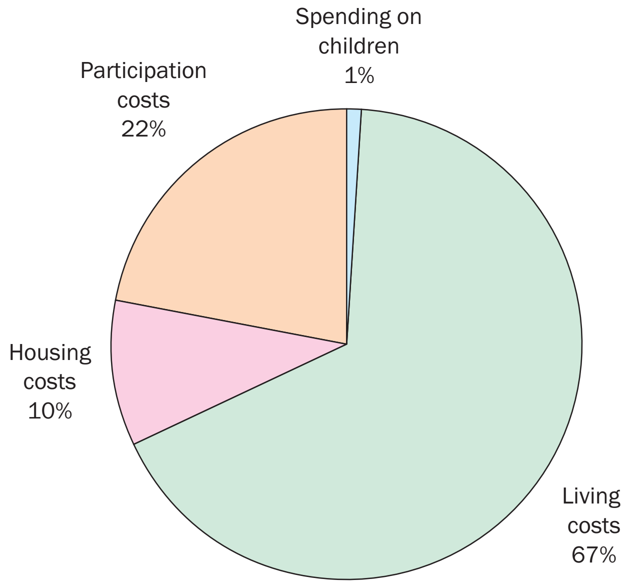
Living costs take up most spending

As in England more than half of the costs reported by full-time and part-time students were living costs, but the amounts spent are greater (**Figures 2** and **3**). Living costs, including food, clothes, mobile phones, entertainment, household goods and non-course related travel contributed £6,763 to full-time students' living costs and £10,483 to those for part-time students – a much higher figure.

Within living costs full-time students spent an average of £1,418 on food, £2,247 on personal items, and £1,495 on entertainment.

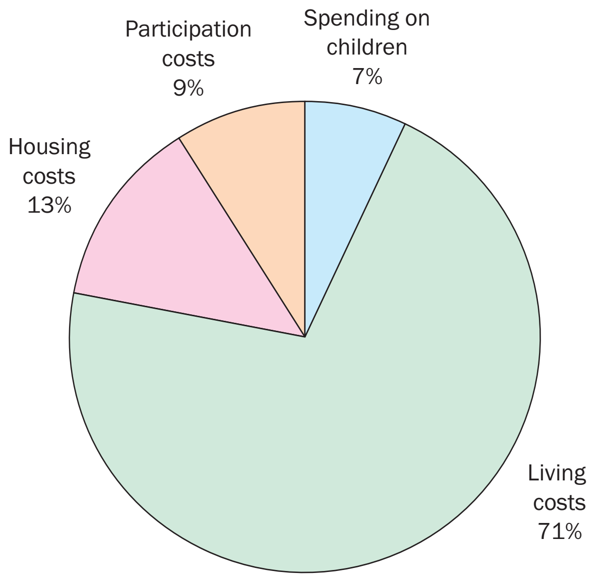
Housing costs, which included rent, mortgages, retainers, council tax and household bills, were an average of £1,042 per annum for full-time students and £1,974 for part-time students. Full-time students had lower housing costs because they typically lived with their parents (50 per cent compared with 20 per cent in England) or in university accommodation (38 per cent, 63 per cent in England); only 10 per cent were private renters or buyers. In contrast, 66 per cent of part-time students owned their house or were buying it with a mortgage. Full-time students living at home with their parents reported substantially lower housing costs than any other group. Student housing costs in

Figure 2: Profile of expenditure for full-time NI domiciled students



N = (214) unweighted

Figure 3: Profile of expenditure for part-time NI domiciled students



N = (94) unweighted

Base: all NI domiciled students

Source: NatCen/IES SIES Survey 2004/05

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Student Income and Expenditure: Key Results from the 2004/05 Survey

Jim Hillage, Institute of Employment Studies and Steven Finch, National Centre for Social Research

NI are substantially lower than those in England, primarily because a higher proportion lives at home.

Participation costs account for a further quarter of spending

Participation costs accounted for 22 per cent of expenditure for full-time students and 9 per cent for part-time students.

Full-time students living in NI spent an average of £2,245 in 2004/05 on participation costs, that is the costs that they incurred as a direct result of attending university or college. This amount included the full tuition fee contribution of £1,150[3].

Part-time students spent an average of £1,360 on participation costs, which was less than for full-time students.

Among full-time students, participation costs were higher for those aged 20 and over, and for those living with their parents. Total expenditure was also higher for those aged 20 and over, but was lower for those living with their parents, as their higher participation costs were outweighed by considerably lower housing costs.

Among part-time students participation costs were higher for those aged under 35 and for those attending an HEI rather than an FEI.

Full-time students spent an average of £447 on direct course costs such as books, computers and equipment. Part-time students spent £229 on these items.

Although the proportion of total expenditure on participation costs was broadly comparable between NI domiciled students and English domiciled students, notable differences were observed in their profiles of expenditure.

NI domiciled full-time students reported higher participation costs than full-time English domiciled students (£2,245 compared with £1,980). This was largely explained by a higher spend by NI domiciled students on facilitation costs (spending on petrol, travel, childcare and other items that make it possible for students to study).

NI domiciled part-time students had lower participation costs than their English domiciled counterparts (£1,360 compared with £1,614). In particular, part-time students from NI spent less on direct course costs and tuition fees.

Travel costs are relatively high

Facilitation costs (the costs associated with facilitating study – such as travel to and from university or college, any trips associated with the student's course and any childcare related to the course) contributed an average of £648 per annum for full-time students and £555 for part-time students (higher than the costs reported in England).

Course-related travel costs were relatively high for those aged 20 and over and for those living with their parents during term-time.

While most students think they have sufficient funds, some face difficulties

Overall, three fifths (60 per cent) of full-time students believed they had at least as much money as they needed (a higher proportion than in England). However 14 per cent of full-time students felt they had a lot less than they needed. Those full-time students most likely to say that they did not have enough money were older students from lower socio-economic backgrounds living away from home. Part-time students felt less well off than full-time students. Around 50 per cent felt they had at least as much money as they needed and 18 per cent considered they had a lot less than they needed.

Just over a third (35 per cent) of full-time students and two-fifths (41 per cent) of part-time students had considered leaving their course before completion (mainly for financial reasons) which almost exactly matches figures found for English students. Students from manual/routine work backgrounds were the group who felt most pessimistic about their financial situation.

Nearly all students, both full-time and part-time, felt they had to go without certain items of

3 Full-time students' full tuition fee cost of £1,150 has been counted as expenditure for analysis purposes; where students paid less than this because they had help with their fees, the difference from the total has been treated as income (under main student support).

expenditure (e.g. going out, clothes, visits down the pub, shoes and holidays) because of lack of money, although few reported getting into arrears with any regular payments.

Part-time students have more savings and less borrowing than full-timers

The majority of full-time and part-time students (56 per cent) had savings at the start of the academic year. The proportion with savings among full-time students was predicted to fall to 51 per cent by the end of the academic year, and to 53 per cent among part-timers. At the end of the academic year, the average predicted savings among full-time students was £1,017, while among part-time students it stood at £1,797. This was lower than the average among English students (£1,849 and £2,543).

Full-time students had considerably higher levels of borrowing than part-time students. Those studying full-time reported that they anticipated borrowing an average of £4,319 by the end of the academic year compared with an average rate of borrowing of £2,471 among part-time students. These levels were much lower than levels of borrowing for English students (£6,845 and £2,971 for full- and part-time students).

Full-time students predict graduation debts of around £5,300

When savings are deducted from borrowings among all final year students, the average predicted debts by the end of the course were around £5,310 for full-time students (significantly lower than the £7,900 predicted by students in England because of the lower amounts borrowed on student loans). In comparison part-time students owed £771 less than they saved, leaving them £694 in credit.

Thus although student incomes are lower in NI and expenditure similar to that in England, overall debt is lower, as Northern Irish students borrow less in student loans (which is treated in the survey as income).

Financial considerations are important for a minority of students

Around a fifth (21 per cent) of full-time and a quarter (25 per cent) of part-time students felt that financial considerations were an important determinant of their study choices (marginally lower proportions than among English students (26 per cent and 32 per cent respectively)). The majority (57 per cent) believed that they would not have been able to study if they did not have some financial support. Among full-time students, those from intermediate or manual backgrounds were more likely to feel financial issues had affected their decision-making; as were older students and those living independently. Financial support also influenced full-time students' decisions about whether or not to live at their family home.

Most think that university pays

Two-thirds of students thought that their course was equipping them with the skills required for the demands of working life, and the vast majority of students (90 per cent full-time and 77 per cent part-time) believed that their qualifications would help them get a better job. A quarter of students felt that their worries over debt had nearly stopped them from going to university, while approximately 80 per cent believed that the long term benefits of education out-weighted the costs they would incur. Finally, almost all (90 per cent) of those surveyed felt that taking an HE qualification would result in higher earnings. These patterns follow those found for English students almost exactly.

Falling Through the Cracks: An Econometric Analysis of Attrition In The First Year Of Higher Education at the University of Ulster

Mark F Bailey and Vani K Borooah, University of Ulster*

Non-completion of courses by students has implications for themselves, the institutions that they attend, and for the economy and society in general. Through the analysis of non-completion of first year HE courses at the University of Ulster, this paper reports the results of an econometric modelling exercise that shows that non-completion is associated with factors including gender, religion, socio-economic class, and the nature of the course undertaken.

Introduction

An important reason for being concerned about low rates of retention in Higher Education is the concomitant wastage of resources from the perspective of both funding bodies and higher education institutions. However, another reason for concern with low retention rates is the implication that they carry for future cohorts of students. This is best encapsulated in the following statement:

> "Increasing non-completion rates could undermine success in opening higher education to a broader spectrum of the population, put off potential students, and cause institutional instability."
> *Parliamentary Select Committee on Education & Employment (2001, p v)*

The central issue analysed in this paper is how the probability of a first year student continuing to the second year of his/her studies is influenced by his/her personal characteristics and circumstances. We refer to this probability as the probability of continuation and the results reported here are in terms of the *marginal* probability of continuation. This is the *change* in the probability of continuation consequent upon a change in a specific determining variable (i.e. between female and male students or between middle-class and working-class students) *when the values of the other variables are left unchanged.*

What is retention and why is it important?

The Higher Education Funding Council for England and Wales (HEFCE) confirmed in its evidence to the Parliamentary Select Committee on Education & Employment in January 2001 that there was no standard definition of retention:

> "There are no nationally or internationally agreed definitions of non-completion, and a wide range of possible constructions and interpretations exist".
> *Parliamentary Select Committee on Education & Employment (2001, p 109)*

For example, a student who successfully completes one or two modules but fails the year as a whole may still be in a position to transfer those module credits to another course within the same institution or possibly to another institution.

Besides the impact of retention on resource wastage from the perspective of the funding bodies[1] and also the institutions, the same Parliamentary Select

* School of Economics and Politics, University of Ulster, Newtownabbey, BT37 0QB, UK. E:mail: **MF.Bailey@ulster.ac.uk** and **VK.Borooah@ulster.ac.uk**.
We are grateful to the Department for Employment and Learning, NI for supporting this project; to the University of Ulster for providing the data used in this study; and, in particular, to Patrick Mulvenna for help and advice in using the data and to Alan Ramsey & Wendy Lecky for several valuable comments on an earlier version. However, needless to say, we are entirely responsible for the paper and for its shortcomings.

1 The relationship (and potential conflict) between the objective of widening participation in higher education and the performance indicators used to examine the functioning of higher education is examined in Pugh et al (2005).

Falling Through the Cracks: An Econometric Analysis of Attrition In The First Year Of Higher Education at the University of Ulster

Mark F Bailey and Vani K Borooah, University of Ulster

Committee report noted that one reason for being concerned about retention was for the potential students of the future as:

> "Increasing non-completion rates could undermine success in opening higher education to a broader spectrum of the population, put off potential students, and cause institutional instability".
> *Parliamentary Select Committee on Education & Employment (2001, p v)*

The most recent national figures on retention from the Higher Education Statistics Agency cover the academic year 2003/04 (HESA (2006)). These figures indicate a national UK attrition rate (i.e. those no longer in any form of higher education) of 9.5% with another 2.8% transferring to another institution. The figures for the University of Ulster (UU) are higher than this with 14.7% no longer in any form of higher education and 1.7% transferring to another institution.

Such information has been collected annually by the 4 UK funding bodies since 1998[2] and an analysis of these data reveals that UK attrition rates have been relatively stable at 9½% – 10% and UU attrition rates have varied within the range 10% – 15% despite growth rates in the first year undergraduate population of 10% and 90% respectively over the period 1996/97 – 2003/04.

The attrition rates that we will observe in this analysis comprise the totality of four separate components:

1. Withdrawal entirely from higher education (the 14.7% figure quoted by HESA for UU in the academic year 2003/04).

2. Transfer to another higher education institution to commence a programme of study in the following academic year (the 1.7% figure quoted by HESA for UU in the academic year 2003/04).

3. Transfer within UU to commence a programme of study in the following academic year (not included within the HESA definitions).

4. Repeating the first year of a programme of study at UU in the following academic year (not included within the HESA definitions).

For example, the definitional difference is that our observed attrition rate (elements 1, 2, 3 and 4) is higher than the HESA definition of the attrition rate (elements 1 and 2) by approximately 4 percentage points in 2002/03 and 2 percentage points in 2003/04[3].

The data set

The data for the analysis reported in this paper pertained to a total of 15,123 *first-year* students at UU enrolled in October 2002, 2003, and 2004. For each of these (first year) students, the university's records provided information about his/her:

1. Programme of study (for example, BA in Economics) and the course type (for example, Social Sciences): in total, there were 385 programmes of study across 10 course types.

2. Whether the student continued, or did not continue, to the next year of his/her programme of study (termed as *survived/did not survive* in this analysis).

3. Sex, social class, religion, ethnicity, disability (if any), domicile, marital status, year of entry, and basis for acceptance to the University (A-levels, HND etc.).

Figure 1 shows the survival and attrition rates (defined, respectively, as the percentage of students who continued/did not continue to the next year) by course type. The overall attrition rate for the University, over the three years, was nearly 19% but this rate varied considerably between course types: the attrition rate was *lowest* for professional course types (8% for Social Work and non-nursing health-related – for example, physiotherapy; 10% for Nursing; and 12% for Accounting) and *highest* for Engineering (31%), Computing and Information Technology (28%), and Social Sciences (20%).

2 Initially by HEFCE [**http://www.hefce.ac.uk/learning/perfind/default.asp**] for 1996/97 - 2000/01 and then by HESA [**http://www.hesa.ac.uk/pi/**]

3 HESA figures for 2004/05 entrants are not yet available.

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Figure 1: Continuation and Non-Continuation Rates By Course of Study After Year 1

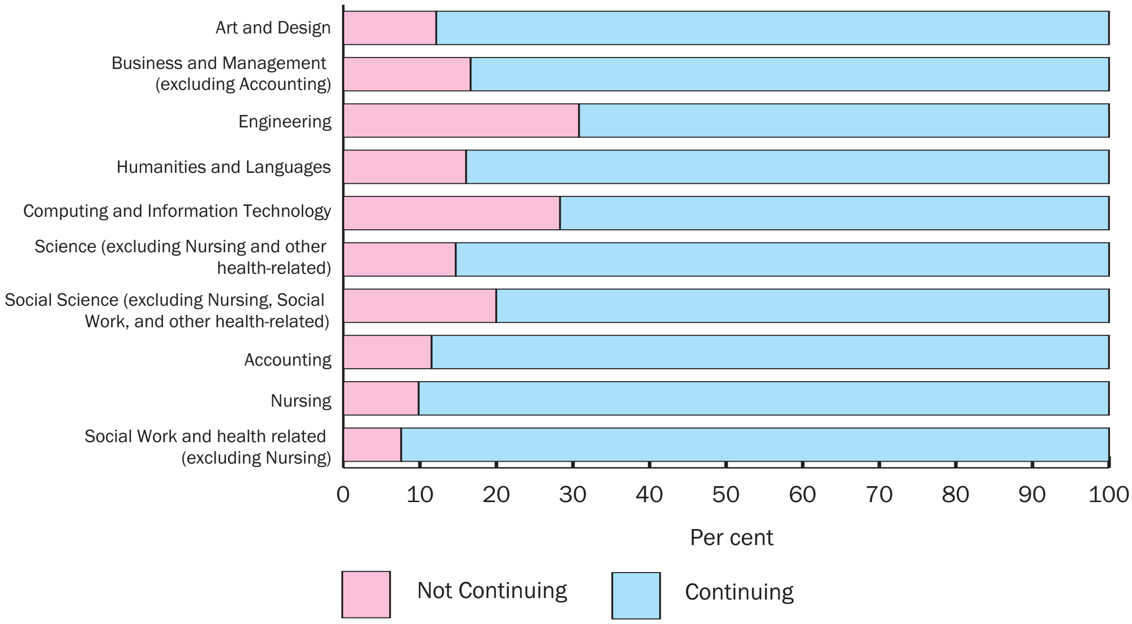


Figure 2 shows that the probability of female students surviving their courses (85.2%) was significantly higher than that for male students (75.8%).

Figure 2: Continuation and Non-Continuation Rates By Gender After Year 1

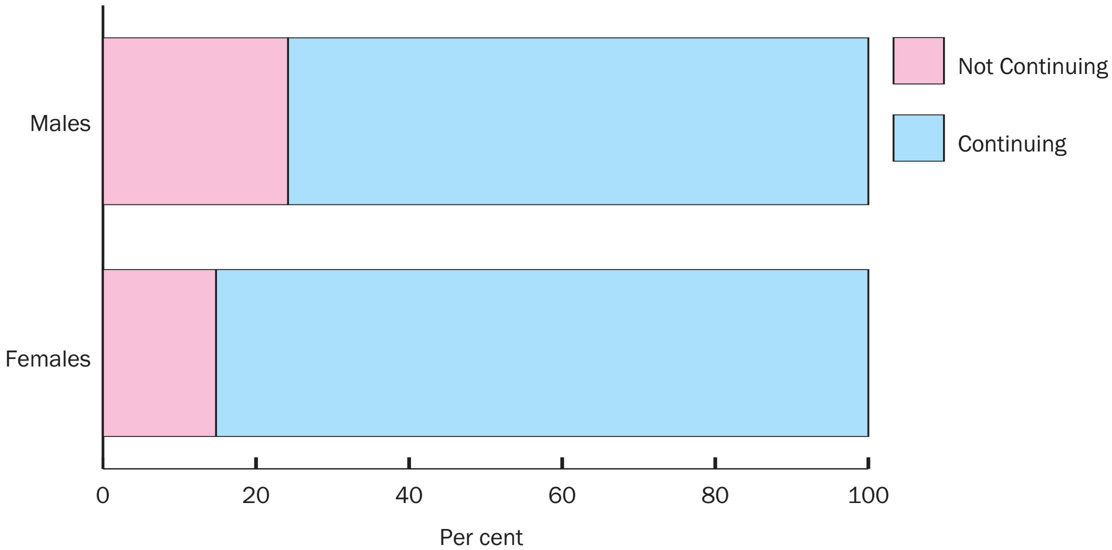


Figure 3 shows that the probability of surviving courses decreases as the social class of the students moves from a professional background (86.2% survival rate) to an unskilled background (76.9% survival rate).

Figure 4 shows that students from other religions had the highest survival rates (89.4%), followed by Protestant students (87.3%), followed by Catholic students (80.9%).

Figure 3: Continuation and Non-Continuation Rates By Social Class After Year 1

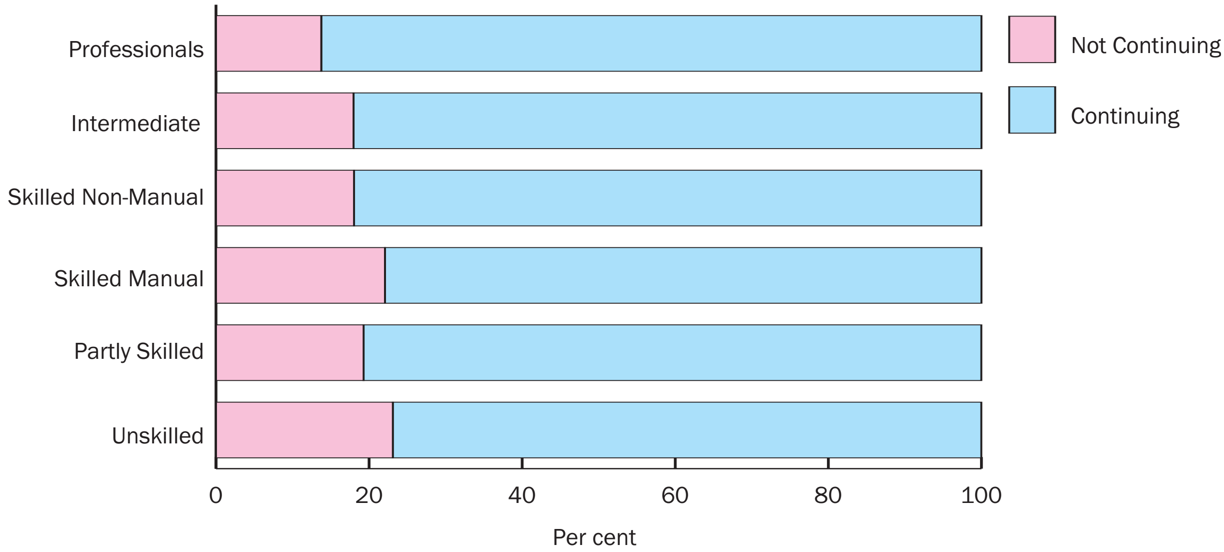
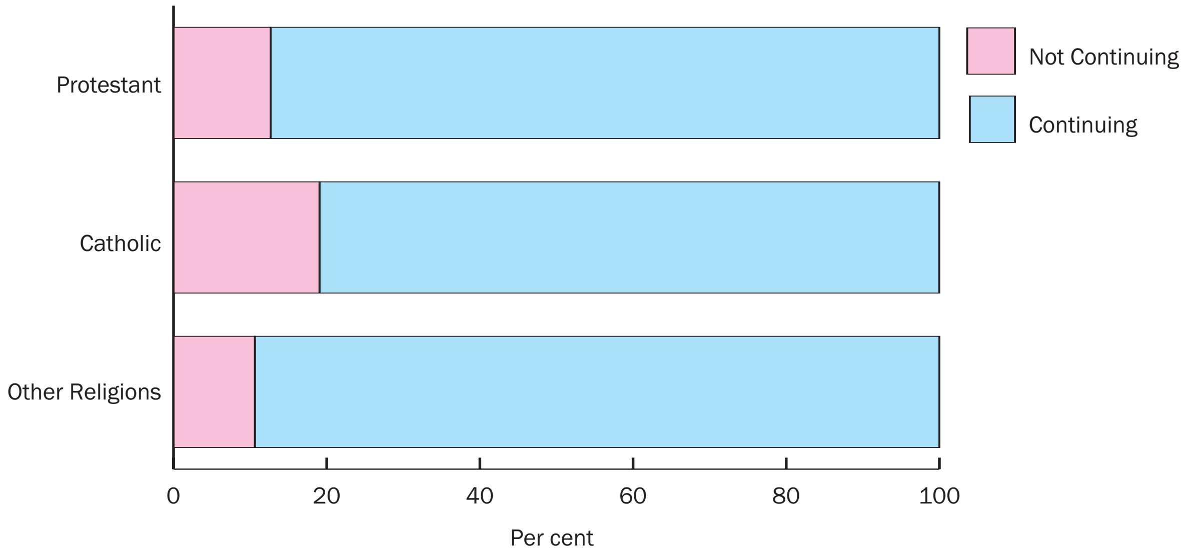


Figure 4: Continuation and Non-Continuation Rates By Religion After Year 1



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Results of Econometric Analysis

An important question is how the probability of a first year student proceeding to the second year of his/her studies was influenced by his/her personal characteristics and circumstances. In order to answer this question we estimated a logit model in which the dependent variable $Y_i=1$ if student *i* "survived" the first year (i.e. continued to the next year) and $Y_i=0$ if he/she did not "survive"[4]. The results of estimating this (survival) equation on data for 8,631 students over the 3 years (2002/03 to 2004/05) are shown in **Table 1**[5]. A positive coefficient estimate indicates that the probability of continuing rises with an increase in the value of the variable associated with the coefficient: conversely a negative coefficient is associated with a fall in value of that variable. However, the coefficient estimates do not provide a guide to the amount by which the probability of survival increases or decreases in consequence of a change in the variable value.

For this reason, the estimation results are discussed in terms of "marginal probabilities" shown in the last column of **Table 1**. The *marginal probability* of continuing (survival), associated with a determining variable, is the change in the probability of continued (survival) consequent upon a unit change in the determining variable, the values of the other variables remaining unchanged. For discrete variables, the marginal probabilities refer to changes consequent upon a move from the *residual category*[6] for that variable to the category in question[7].

Table 1 shows that the probability of women continuing the first year was *ceteris paribus* 3.7 percentage points higher than that for men (the residual gender category). *Compared to the probability of surviving the first year of an Accounting course* (the residual category of course type), the probability of:

(1) Continuing an Art and Design course type was 10.8 percentage points lower;

(2) Continuing a Business and Management course type was 11.5 percentage points lower;

(3) Continuing an Engineering course type was 26.2 percentage points lower;

(4) Continuing a Humanities course type was 16.7 percentage points lower;

(5) Continuing a Computing and Information Technology course type was 22.4 percentage points lower;

(6) Continuing a Science course type (excluding Nursing and (non-Nursing) Health-related) was 14.0 percentage points lower;

(7) Continuing a Social Science course type (excluding Nursing, Social Work and (non-Nursing) Health-related) was 18.4 percentage points lower.

There was no significant difference between the continuation rate for Accounting and the continuation rates for Nursing and for Social Work and (non-Nursing) Health-related courses.[8]

Table 1 also shows that *compared to coming from an unskilled or semi-skilled social background* (the residual social class category), the probability of continuation after the first year was 4.1 points higher for students from a professional social class; however there was no significant difference between the continuation rates of students from unskilled and skilled backgrounds. *Compared to students from "other" religions,* Catholic students were less likely to continue after their first year by 4.0 points though this difference was only significant at the 10% level; however, there was no significant difference between the survival rates of students from "other" religions and Protestant students. *Compared to students whose domicile was outside NI* (the residual domicile category), students from NI were less likely to continue after their first year by 8.4 points. Lastly, the probability of survival was not significantly affected by the quality of the student's school leaving grades or by the fact that he/she had been made a "non-traditional" offer based on other than A-levels.

4 The logit equation is $\frac{\Pr(Y_i=1)}{1-\Pr(Y_i=1)}\exp\{\sum_{k=1}^{K} X_{ik}\beta_i\}=\exp\{z_i\}$ for K coefficients, β_i and for observations on K variables where $\Pr(Y_i=1)=e^z\ l(1+e^z)$

5 The reduction in the number of observations under analysis is due to the unavailability of data for one or more of the independent variables for a particular student, e.g. we have no domicile data for 0.03% of the students, no religion data for 14% of the students and no socio-economic class data for 36% of the students.

6 The residual categories for the variables are defined in the notes to **Table 1**.

7 The marginal probability is defined as $\frac{\partial \Pr(Y_i=1)}{\partial X_{ik}}$

8 In this analysis, variables are said to be significant when they are statistically significant at the 10% level or higher, i.e. the z-value is greater than 1.645.

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Table 1: Logit Estimates of the Survival Equation

Variable	Coefficient (z-value)	Marginal Probabilities (z-value)
Sex		
female	0.287***	0.037***
	(4.24)	(4.17)
Course Type		
Art	-0.698**	-0.108***
	(2.47)	(2.65)
Business	-0.776***	-0.115***
	(3.03)	(2.65)
Engineering	-1.511***	-0.262***
	(5.94)	(4.82)
Humanities	-1.021***	-0.167***
	(3.84)	(3.13)
Computing	-1.293***	-0.224***
	(4.99)	(4.01)
Science	-0.868***	-0.140***
	(3.16)	(2.61)
Social science	-1.123***	-0.184***
	(4.36)	(3.58)
Nursing	-0.466	-0.068
	(1.54)	(1.35)
Social Work and non-Nursing Health	-0.097	-0.013
	(0.34)	(0.33)
Social Class		
Professional	0.363**	0.041***
	(2.18)	(2.47)
Skilled manual/non-manual	0.082	0.011
	(1.00)	(0.98)
Religion		
Catholic	-0.325*	-0.040*
	(1.78)	(1.82)
Protestant	0.256	0.032
	(1.36)	(1.39)
Domicile		
NI	-0.876***	-0.084***
	(4.96)	(6.90)
Good School Leaving Grades	-0.152	-0.020
	(1.43)	(1.37)
Non-A-levels based offer	-0.111	-0.014
	(1.58)	(1.55)
Constant	3.387***	-
	(9.52)	
Observations	8631	8631

Notes:
Residual category for *Sex* is Male
Residual category for *Course Type* is Accounting
Residual category for *Social Class* is “Semi/Unskilled”
Residual category for *Religion* is “Other”
Residual category for *Domicile* is “Outside NI”
Good School Leaving Grades: student entered with more than 360 UCAS points
Absolute value of z statistics in parentheses
* significant at 10%; ** significant at 5%; *** significant at 1%

It is important to note that the difference in continuation probabilities between Accounting and the other course types as reported in **Table 1** (the marginal probabilities) are considerably different from the differences reported in **Figure 1.** This is because, the latter differences are the raw differences, resulting not only from differences in course types but also from differences in all the other factors (sex, social class, religion etc.) between the course types. The marginal probabilities, as reported in **Table 1**, focus solely on differences between course types by controlling for differences in the other factors. For example, the survival rate for nursing was 90% compared to 88% for Accounting **(Figure 1)**. However, 96% of nursing students were female compared to only 52% of Accounting students. After controlling for gender, nursing was estimated to have a lower survival probability (6.8% though, admittedly, not significant) than Accounting.

Conclusion

This analysis has shown that attrition rates of students in their first year at UU are associated with a number of characteristics. Even allowing for other factors, the analysis shows that:

- Females had higher survival rates in first year than males;
- Protestants are less likely to discontinue than Catholics;
- Students domiciled in NI are more likely to drop out than those domiciled outside NI;
- Generally, the higher the social class the higher the survival rate: students from a skilled or non-manual background are less likely to drop out than those from an unskilled background, and those from a professional background are even more unlikely to drop out;
- There is considerable variation in continuation rates between course types, with Accounting having the lowest non-continuation rate (although a number of other courses had rates which were not significantly different) whilst Engineering had the highest; however
- There was no significant difference in the drop-out rates between those with "good" school leaving grades (i.e. with more than 360 UCAS points) and those with less good grades.

In reality, these characteristics do not act alone but interact, producing considerable differences in continuation rates. From the results reported in **Table 1**, one can identify the NI domiciled "student type" studying at the University of Ulster with the highest and lowest survival rates. Female, Protestant students, from a professional background, taking Social Work and (non-Nursing) health-related courses had a survival rate of 96.1% while male, Catholic students, from an unskilled/semi-skilled background, studying Engineering had a survival rate of 65.2%.

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A Youth Cohort Study for Northern Ireland

Research & Evaluation Branch, DEL

Youth Cohort studies, which follow a sample of young people from school until an age where they are likely to have passed through education and training provision and established themselves in the labour market, have been used to inform policy for some time elsewhere in the UK and wider field. This article details plans for a Youth Cohort Study for Northern Ireland, for which substantive fieldwork will begin in 2008.

Background

The Department for Employment and Learning (DEL) has agreed to establish a Youth Cohort Study which will seek to become a key source of information about the education, training and work experiences of young people in the 16-24 age range in NI. Similar studies have been used for some time in GB to provide a research base for examining this period of transition for young people as they track a sample of young people from when they are in school to a time when they normally have entered the labour market.

Youth cohort studies provide detailed individual-level information on young people over time – on their family and schooling backgrounds as well as tracking each individual from (usually) when they finish compulsory education through further education/training and into the adult labour market. As it is not viable to continuously collect such detailed information from all young people because of the costs involved, youth cohort studies survey representative samples of young people from different year-groups (cohorts) every few years or so. 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, in education policy etc can be assessed.

There is, in NI, a lack of detailed information tracking the education, training, labour market and social experiences of young people between the ages of 16 and 24, for which DEL is a key stakeholder. Previous studies such as the Status 0 Study; the Curriculum Cohort Survey; and the Higher Education Leavers Survey have all helped to fill some of the gaps but only in the short term. While these studies have proved of value in their own right, none of them have covered the entire cohort of young people and thus it has not been possible to link them in a fully coherent way.

Proposed Methodology

Approximately 7,500 young people aged 16 will be selected at random to participate in the initial sweep of the YCS – around a third of the total population in the year group. Further sweeps of the survey will take place at ages 18, 21 and 24. At all stages information will be collected from respondents through face-to-face interviews. However, after the initial contact in sweep 1, a telephone methodology may be employed to maintain contact with those who have subsequently left NI or who may be difficult to access for a face-to-face interview. It is anticipated that over the eight year ‘lifetime’ of the initial cohort ‘wastage’ from the survey will reduce the final numbers participating in all four sweeps of the survey to approximately 3,000 individuals.

Subject to the satisfactory roll-out of the initial cohort, and dependent on the availability of funding, it is envisaged that new cohorts of young people will be established in subsequent years.

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Why a YCS?

Information can also be collected via one off cross-sectional surveys or from repeated household surveys using a cross-sectional design. While the latter are good for measuring year-on-year changes within a population, they cannot reveal details of individual career development. This is where a longitudinal study such as the YCS comes into its own. However, the full benefits of the YCS will only become evident in the longer term after several cohorts of young people have been surveyed. Although, even in the short term, the information from the first few sweeps of the survey will help DEL deliver results for several of its Priorities for Action, e.g. the development and implementation of a strategy for further education, the development and implementation of a skills strategy, increasing employability, reviewing higher education provision, and the implementation of the Government's Welfare Reform agenda.

Information to be Collected

The YCS will provide detailed individual-level information on young people over time – on their family and schooling backgrounds as well as tracking each individual from around the time they are approaching completion of compulsory education through further education/training and into the adult labour market.

By collecting detailed information on young people before they come into contact with various DEL services; during contact with DEL services; and in the years following on from this, cohort studies help us understand the choices young people make and the impact of the different services they receive on their lives. The information to be collected will include:

- **Personal details** - including basic demographic/social information such as date of birth, sex, race, community background, place of birth, marital status, etc. Some of this information will only need to be collected once; other items will require updating at each sweep of the survey;

- **Family and School Background -** including number of siblings, age of parents, parents' highest qualification, parents' current activity, parents' current or most recent occupation, etc. This information will help to establish a detailed picture of each young person's socio-economic circumstances;

  School background information will include details of: school attended, year, examinations studied for (e.g. GCSEs), examination results, education outside of school, details of work experience etc;

- **Post School Activities -** each sweep of the survey will collect information on activity since the last sweep (or in the case of the first sweep, since leaving school). For example, information on spells of education, training, employment or inactivity. Additional information in relation to qualifications obtained, salary/wage levels, hours worked etc could also be collected.

How the Information could be Used

The information collected will be used in a variety of ways, including:

- **Measuring value added.** The information on family and school backgrounds, including qualifications on entry to sixth form or FE college, allows us to control for these differences in intakes and therefore to calculate value added measures of performance. Value added information for both HE and FE would only be available after several sweeps of the YCS;

- **Returns to FE/HE/ Vocational Training.** By controlling for the differences between young people, other than their FE/HE/training experiences, it should be possible to assess the returns to FE/HE/Vocational Training in terms of future employment chances, type of job, future wages etc;

- **Profiling entrants.** YCS data could be used to provide detailed profiles of which young people in NI enter FE and HE and which young people enter Vocational Training or the labour market directly. Comparisons across cohorts would allow the effects of any policy or contextual changes to be assessed;

- **Utilisation of skills learned in education and training.** One of the key questions that policy makers need to address is the extent to which skills learned in education and training are utilised (or not) by young people when they enter the labour market – indeed if they have any influence in the first instance on the propensity to get a job – and if so, which one;

- **Participation in post-graduate study.** The YCS will track young people up to around age 24 and as such will be able to capture entry to post-graduate study for a large proportion of young people that choose to stay on in university. Questions that could be addressed include; how is participation in particular institutions, on particular courses, for particular subjects, influenced by the availability of post graduate funding? Are the effects the same for young people from different backgrounds?;

- **Unemployed young people and job search.** Many young people experience spells in unemployment, some of them long spells, and some experiencing many different spells. Not all of these spells are recorded in the claimant count because most under 18s are not eligible for JSA. This also means that some unemployed young people may not be in regular contact with Employment Services. The YCS will collect information on the job search behaviour of these young people and could be used to determine how educational and family background and other factors, e.g. location, affect such behaviour;

- **Status 0/NEET.** Many young people not in employment, education or training (NEET, sometimes known as "Status 0") are not counted anywhere as unemployed (neither by the claimant count nor the Labour Force Survey). This may be true, for example, if they are not engaging in job search. Although the labour force survey does collect information on young people that are otherwise non-employed (or status zero) the sample size is too small for reliable estimates of numbers and certainly for any statistical analysis. The YCS could offer up to date estimates of the extent and nature of status zero in NI and allow statistical analysis of which young people find themselves in this position and how they get there. Moreover, by understanding the pathways that this group takes into isolation from the labour market, this would better inform us about how the issue might best be tackled.

Limitations to the YCS

While a YCS will provide a great deal of useful information on young people, particularly as data from successive sweeps (and cohorts) of the survey becomes available, it will not provide all the answers.

Although the initial sample will be large (7,500 individuals) it is estimated that this will decrease by approximately 50% over the lifetime of one complete cohort (ie four sweeps). While it will be possible with these (final) numbers to produce statistically valid conclusions for young people in general and to disaggregate the data by the major demographic variables, there will be groups for whom the sample size is too small to allow further disaggregation. For example, the Status Zero group (unless oversampled) may be too small to be disaggregated by gender or community background etc. As such YCS work will need to be complemented by bespoke research which could, however, build on the foundations established by the Youth Cohort Study.

Details of progress on the YCS will be posted regularly on the DEL website **www.delni.gov.uk**.

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Returners to New Deal in Northern Ireland: Some Research Findings

Paul Bivand, Ciaran Boylan, Mark Morrin & Dave Simmonds*, *Inclusion* and Locus Management

The Department for Employment and Learning (DEL) has recognised that those starting on New Deal were increasingly comprising those who had previously participated on the programme. DEL wanted to understand more about the characteristics of New Deal returners and if there is anything that could be done to minimise the number of people that 'churn' between benefits, programmes, and short-term jobs and to help this group into more sustainable employment.

In a DEL Research Report due to be published in Spring 2007, the Centre for Economic and Social Inclusion *(Inclusion)* and Locus Management will comprehensively describe the extent and characteristics of those who return to the New Deals. It is the first study in NI of its type and will provide an important evidence base for how the New Deals in NI need to develop to meet current labour market challenges. This article gives some early findings and an indication of some of the issues that are coming from the study.

The problem of increasing numbers of returners has also been recognised in England, Scotland and Wales where the Department for Work & Pensions piloted transitional employment targeted at New Deal returners. DWP's aim was to test whether subsidised temporary employment combined with personal support was more effective than people returning to the New Deal. The pilot, called StepUP, finished in 2004 and the evaluation[1] was published in 2005. This research project provided an opportunity for DEL not only to research the characteristics of NI returners but also to benchmark them against GB returners.

The DEL research aims were to:

- Provide a comprehensive description of the characteristics of New Deal returners;
- Benchmark the employability of returners against all New Deal starters and other comparators;
- Examine in detail the reasons why New Deal was not initially successful for returners;
- Consider what (if any) interventions may be more appropriate for those that are returning.

Inclusion had already completed the evaluation of StepUP providing the starting point for the methodology and analysis. The DEL study is composed of:

- a literature review;
- an analysis of the DEL New Deal dataset;
- a survey of 500 returners;
- face-to-face interviews with New Deal returners; and
- interviews with key stakeholders, including Personal Advisers and New Deal providers.

The New Deals covered are the New Deal for 18 to 24 Year Olds and New Deal 25+, and DEL supplied an anonymised dataset containing information on activities undertaken by participants since the inception of the New Deals in 1998. The dataset contained everyone who had returned to New Deal at any time. Each time someone participated on New Deal it was recorded on the DEL database as an 'episode'. An analysis of these 'episodes' has enabled us to look at the extent of returning and nature of returning.

* Paul Bivand, Mark Morrin and Dave Simmonds are based at The Centre for Economic and Social Inclusion *(Inclusion)* **www.cesi.org.uk** Ciaran Boylan is based at Locus Management **www.locusmgt.com**

1 'Evaluation of StepUP', Bivand et al, DWP 2005. Available on DWP website.

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Between 1998 and 2005 a total of 28,000 people returned to New Deal representing 32% of all starts for this period. As currently designed and delivered New Deal is successful for 68% on the first episode and this increases to a cumulative outcome rate of 89% after two episodes[2]. However, around 10% of all starts since 1998 are those people entering a New Deal for a *third* time.

Of those returning to New Deal 83% were male, and the remaining 17% female. Among returners aged 25 and over, 87% were male and 13% female. Of those 18-24 returners 24% were female, and 76% male.

Of the New Deal returners in NI, recorded by DEL, 58% last participated in the New Deal for 25+ (post 2001) and 40% in the New Deal for Young People. The remainder were last recorded as returning to the pre-2001 New Deal for 25+.

Just over half (51%) of New Deal returners were of Catholic community background, and nearly one-third (32%) stated they were of Protestant community background. 12.9% did not state a community background and 3.0% stated an 'other' background. If just those declaring identification are considered, the balance between Catholic and Protestant is 61% Catholic and 39% Protestant.

Early analysis on the length of the intervals between New Deal episodes shows that a short period between the first and second New Deal episodes may be an indication that future returns to New Deal will be more likely. This has the potential to be a useful indicator of the likelihood of returning to New Deal and the extent of detachment from the labour market, however more analysis is required before the significance of 'interval time' can be established relative to other possible indicators.

Survey of New Deal Returners

The survey was completed in the summer of 2006 and is currently being analysed but below we are able to give some headline findings. The survey consisted of 524 respondents against a target sample of 500. An innovative approach was used for the survey. Respondents were invited into a variety of community venues across NI and were asked to complete the survey on-line, the results of which were downloaded to a secure database. A pilot survey showed that literacy and IT skills were not a significant barrier to respondents in completing the survey and there was sufficient support on hand to provide support when it was needed. This meant that all who turned up were able to complete the survey and there was an over-achievement on the target sample.

Below we describe some of the key characteristics, and where possible compare them to GB returners from the StepUP evaluation.

Work history and qualifications

- A third of all returners have been unemployed for a period of five years or more;
- Over half of New Deal returners (53%) have no qualifications, whilst more than two-thirds (68%) have no qualifications above NVQ level 1. Older returners (50 and over) are the least qualified – 86% have no qualifications above NVQ level 1;
- A higher proportion of returners in NI have never been employed compared to those in GB.

Age, health and lifestyle

- Many New Deal returners in NI live alone, particularly those aged 25 and over, and few live with a partner;
- NI has a larger proportion of New Deal returners who are middle-aged (25-49) than GB, although the proportion of older returners (aged 50+) is similar;
- Relatively few NI returners report limiting health problems when compared to those in GB. 13% of 18-24 NI returners and 12% of 25+ NI returners report a limiting long-term illness, compared with 23% for GB 18-24 and 39% for GB 25+ returners.

2 A successful outcome in this context is defined as all those not re-qualifying for New Deal.

Returners to New Deal in Northern Ireland: Some Research Findings

Paul Bivand, Ciaran Boylan, Mark Morrin & Dave Simmonds, *Inclusion* and Locus Management

Mobility

- Mobility is a key issue for many New Deal returners. Over two-thirds of respondents identified 'not having a driving licence' as limiting their opportunities for work 'a lot' (68%). 71% of NI New Deal returners had no driving licence. The same proportion had no access to a car. A further 14% only had shared access to a car, which if another household member such as a parent is using it to get to work means the car is not available for the New Deal returner;
- Returners in areas of low labour demand felt more strongly that having suitable mobility was an important factor when looking for work.

Attitudes to Personal Advisors

- New Deal returners are overwhelmingly positive about Personal Advisers, and are generally positive regarding whether New Deal had helped them and whether another New Deal spell would be helpful.

Employability of New Deal Returners

The research uses the survey to measure returners' employability based on two dimensions of 'objective' and 'subjective' employability. Objective measures include factors such as skills, aptitude, and ability to work. Subjective measures include motivation and attitude to work. The survey consisted of a wide range of questions that measured both dimensions.

A key finding to date shows that the employability of a significant majority of returners is very low. When measured against a group of GB New Deal participants who did succeed in getting work, both GB and NI returners had characteristics that meant that they were less likely to find work. In comparing NI and GB New Deal returners the analysis finds that the groups are broadly comparable, although there is less variation in subjective employability in NI, in relation to either areas of low labour demand or community identification.

Initial findings show that attitudes and social pressures are just as important, and may be more important, than objective employability factors in affecting job starts. There are also differences in the measures of employability between high and low labour demand areas; between communities; and between age groups. The characteristics of New Deal returners appear, at this stage, to support the view that New Deal returners with recognised disadvantages are a highly segmented group that vary greatly in terms of ability and willingness to work.

Possible reasons why New Deal was not successful for returners

New Deal has not been successful in addressing both the objective and subjective measures of employability amongst New Deal returners as they have returned to benefit and then New Deal. The research is focusing on a number of reasons why New Deal has not been successful for this group, such as:

- **Multiple barriers to employment:** Many returners experience multiple barriers to employment – the variety and complexity of which New Deal may not be able to adequately respond to;
- **Older workers:** Despite recent improvements in the labour market, older workers have been particularly disadvantaged by factors such as their previous work history, longer periods of unemployment, and lower skill levels;
- **Qualifications:** There is a positive correlation between higher-level qualifications and sustained employment, with the biggest employability gain occurring between NVQ level 2 and 3. However, few returners have attained NVQ level 3 qualifications, despite repeated episodes on New Deal. 53% of returners reported having no qualifications and a total of 68% had no qualifications or qualifications under NVQ level 2;

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- **Programme flexibility:** Greater flexibility may be required to better address the needs of returners; and
- **Work first:** New Deal returners in NI are significantly more likely to have *never* worked than their GB counterparts. Work history is of critical importance in improving employability and the chances of job entry. Both job search and job brokerage functions have been identified as areas for improvement.

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Next Steps

Work on the analysis of the data is continuing and the final report is due to be published in Spring 2007. The report will provide the full analysis of the survey, interviews and the perceptions of stakeholders. It will also consider ideas as to how the New Deal can be improved to increase success rates for those joining New Deal for the first time, and to better meet the needs of returners.

DEL, in line with modernising its employment services, is currently reviewing the options and alternatives for the future delivery of a range of modular training and employment provision by front line staff in its Jobs and Benefits offices/ JobCentres. It is in the early stages of developing, and plans to pilot in early 2007, a flexible menu-based approach to provision tailored to the individual's needs with the aim of more positive engagement by clients.

It is envisaged that this research should prove beneficial and, where appropriate, feed into the design and development of the new flexible menu. It is also expected that the research outcomes will provide an important insight on how support to the most disadvantaged should evolve to tackle their individual barriers to work and thereby increase their chance of obtaining and sustaining employment.

For further information contact:

Mark Morrin
Tel: 020 7840 8345
Mobile: 07802 676245
Inclusion
3rd floor, 89 Albert
Embankment, London SE1 7TP
Tel: 020 7582 7221
Fax: 020 7582 6391
Inclusion website:
www.cesi.org.uk
Welfare to Work website:
www.w2w.org.uk

Benefit Numbers and Flows Following the Introduction of Integrated Jobs and Benefits Offices in Northern Ireland

Duncan McVicar, Queen's University Belfast

The reconfiguration of the delivery of job search assistance and of benefits is being introduced in a phased basis across NI. This phasing allows us to analyse the impact of the introduction of the new service on benefit numbers and flows by comparing those areas that have changed with those that have yet to change. The analysis shows that claimant numbers fall following the introduction of the new arrangements and suggests that the monitoring of jobsearch activities has an impact on the actions of claimants.

Introduction

Jobs and Benefits is a welfare-to-work initiative which co-locates previously separate benefit delivery (Social Security Agency Offices) and job search assistance services (JobCentres) in a single 'Jobs & Benefits Office' (JBO) in order to strengthen both the monitoring of job search and the quality of job search assistance offered to the unemployed. JBOs are similar in concept to Jobcentre Plus offices in Great Britain and, in addition to delivering a seamless service to benefit customers of working age, can be seen as an extension of the move to "active labour market policies" which more closely link the receipt of benefit to job search activities for customers of working age.

Turning existing offices into new Jobs & Benefits Offices has generally required refurbishment work. During this process, normal fortnightly signing for Jobseeker's Allowance (JSA) – which served primarily the job search monitoring function – is suspended, in many cases for a lengthy period. In 2002, the Department for Social Development (DSD) commissioned a research team from Queen's University Belfast and the Economic Research Institute of Northern Ireland (then NIERC) to conduct a quantitative evaluation of the impact of the Jobs and Benefits reforms on JSA claimant numbers and flows onto and off JSA. This article summarises some of the findings of that research.

Progress in Rolling Out JBOs

JBOs have so far been introduced across just over two thirds of NI, rolling out on an area by area basis, with current plans to complete the roll out in 2008. **Table 1** gives the area-specific dates for its introduction together with dates for the preceding periods of excused signing during office refurbishment. The evaluation therefore offered an opportunity to take stock of the impacts of Jobs and Benefits where it had so far been introduced and, significantly, for doing so in advance of its introduction in the remaining areas of NI.

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Table 1: The Jobs & Benefits Roll-out Schedule (To Date)

Social Security Office/ JobCentre	Start of Excused Signing (Month/Year)	Date of Introduction of JBO (Month/Year)
Dungannon	–	3/99
Lisburn	–	3/99
Lisnagelvin	10/01	3/02
Magherafelt	11/01	4/02
Ballymoney	1/02	5/02
Portadown	12/01	6/02
Foyle	1/02	6/02
Knockbreda	4/02	10/02
Falls Road	3/02	10/02
Newtownabbey	3/02	2/03
Omagh	9/02	7/03
Kilkeel	2/03	7/03
Newry	8/02	9/03
Shankill Road	1/03	10/03
Enniskillen	1/03	12/03
Limavady	5/03	2/04
Antrim	4/03	3/04
Shaftesbury Square	8/03	4/04
Lurgan	6/03	5/04
Holywood Road	11/02	9/04
Larne	12/03	11/04
Carrickfergus	12/03	11/04
Banbridge	6/04	3/05
Armagh	6/04	4/05
Coleraine	5/05	7/05

Notes: Dates have been assigned to nearest start of month. In each case excused signing ran until the date of introduction of JBO.

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Methodology

The evaluation was based on analysis of JSA Register data for all Jobs & Benefits Offices in NI over a period of 8 years, at both aggregate (office) and individual (claimant) level. The incomplete nature of the roll out meant that those areas yet to introduce JBOs could be used as 'controls' in evaluating the policy impacts, i.e. to provide an estimate for *what would have happened in the absence of the policy change* in the areas that did introduce Jobs and Benefits. The evaluation was therefore able to adopt a simple difference-in-differences approach to estimating the policy impact on JSA counts. In addition, the aggregate flow data at office level was used to estimate the policy impacts in an econometric model of JSA on-flows and off-flows. Finally, the claimant-level data were used to examine the policy impacts on JSA off-flows in more detail, including on the destination of claimants following a spell on JSA.

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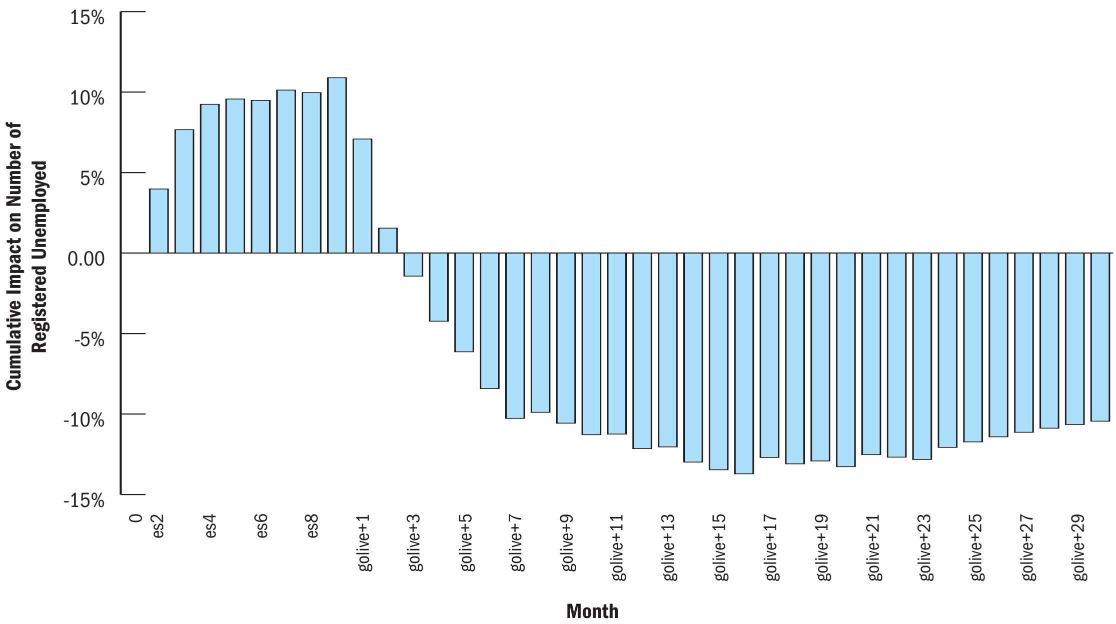
Key Findings

Overall the introduction of JBOs has led to a reduction in the number of JSA claimants by an average of 13% in areas where it has been rolled out. This reduction occurs mainly during the first 6-9 months of its operation, with little evidence to date of any subsequent reversal. The fall occurs as a result of increased outflows following the introduction of the new regime. The Jobs and Benefits impact on outflows is stronger for males compared to females; for older claimants compared to younger claimants; and for claimants from more deprived wards. For female claimants the largest component of this Jobs and Benefits effect is an increase in outflows from unemployment to employment. For males, although there is some increase in outflows to employment, there is also a large JBO effect that stimulates outflows to other destinations such as 'failure to sign on', 'unknown', or claiming other benefits.

Periods of excused signing in the run up to the introduction of Jobs and Benefits – which have an average duration of 8 months – lead to a temporary increase in the JSA count by an average of 9%. In other words, although the long run impact of Jobs and Benefits is to reduce claimant unemployment, there is a short run 'cost' to pay initially in terms of increased unemployment during excused signing. The increase in the JSA count occurs because of a temporary fall in outflows. The negative excused signing effect on outflows is stronger for males compared to females; for older claimants compared to younger claimants; and for claimants in less deprived wards. For males it is primarily outflows from claimant unemployment to employment that are 'suppressed' during excused signing. For females it is primarily outflows to other destinations such as 'failure to sign on' and 'unknown' that are suppressed during excused signing.

Figure 1 summarises the estimated impacts of both excused signing and Jobs and Benefits on the JSA count – on a

Figure 1: Average Cumulative Excused Signing and Jobs and Benefits Impact on JSA Roll by Month of Operation



Notes: ES1 refers to the first month of excused signing, ES2 to the second month of excused signing and so on. 'Go live' refers to the first month of operation of the new Jobs and Benefits regime, go live +1 refers to the second month of operation and so on.

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month by month basis – in a 'typical' Jobs & Benefit Office area, i.e. one for which excused signing lasts for 8 months and for which there are 31 months of data following the introduction of the JBO regime ('go-live').

Conclusions

In the period up to December 2005, the introduction of JBOs in NI has led to an estimated benefits expenditure saving of around £16 million. Monthly benefits expenditures across NI are now around £750,000 lower than they were prior to JBOs. In reaching a judgement about the success or otherwise of JBOs, however, these savings should of course be set against the additional costs involved in introducing and running the new regime. In any case, there is a strong argument here for avoiding (or at least shortening) periods of excused signing in the run up to implementation of Jobs and Benefits in the remaining areas of NI.

Although this is a number-crunching type of evaluation, in terms of people, the introduction of an integrated Jobs and Benefits service appears to have encouraged or helped some JSA claimants into employment faster than would have otherwise been the case. On the other hand, there appear to be some individuals – amongst the 'failure to sign on' or 'switching to other benefits' groups – that may have been driven further from the labour market rather than closer to it by the reform.

More generally, reforms to public job search assistance and job search monitoring have taken place in numerous OECD countries over recent years. An extensive evaluation literature has built up – particularly for the United States where different states have introduced different packages of measures often on an experimental basis – around these various reforms. A one-sentence summary of this literature could be as follows: *Offering improved job search assistance, together with toughening job search requirements and job search monitoring, is often found to lead to a reduction in registered unemployment and/or the duration of unemployment benefit claims.* Very few studies, however, have evaluated reforms that change the toughness of job search monitoring without changing other things, such as job search assistance, job search requirements, benefit durations or amounts. The periods of excused signing in the run up to the implementation of Jobs and Benefits in NI – because monitoring is suspended but nothing else changes – have therefore offered a rare opportunity to study the effects of monitoring toughness on the number of unemployed (and indirectly on their search behaviour) in isolation. The evidence suggests, in short, that *monitoring matters.*

Contact

D.McVicar@Queens-Belfast.AC.UK

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Targeted Initiatives: Results of an Interim Evaluation

Gareth Hetherington and Stephanie Morrow, PricewaterhouseCoopers LLP

Targeted Initiatives (TIs) are a range of labour market interventions supported by DEL to encourage those who have significant barriers to employment, to overcome their barriers, improve their skill sets and subsequently to enter the labour market. In effect the concept is centred on engaging with those who have not previously been reached by 'mainstream' employability initiatives and who require enhanced levels of intervention to secure sustainable employment. This article describes the outcomes of an interim evaluation of TIs carried out in 2005 and reported on early in 2006.

Introduction

The concept of TIs originated in the *Taskforce on Employability and Long-Term Unemployment*[1] report. This report recognised that whilst more people than before had become employed and better off, other people had been "left behind", and that inequalities at a personal, household, neighbourhood and community level had in many respects, deepened.

DEL set aside a budget of circa £14 million over a three and half year period from April 2003 to September 2006[2] to run these Initiatives in four areas of NI characterised by higher levels of unemployment and deprivation. These four areas are:

- West Belfast;
- Greater Shankill;
- Derry City Council Area; and
- Strabane District Council Area.

There are a total of nine initiatives within TIs, four new components as well as five enhanced components within existing mainstream programmes. These are described in **Tables 1** and **2**.

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Table 1: Summary of four new components within TIs

Name of programme	Brief description
Job Assist Centres (JACs)	JACs are community based organisations which assist economically inactive/unemployed individuals most distant from job readiness to overcome barriers to employability. Their role is to engage with the sections of the community who would not typically use the services of JobCentres and Jobs and Benefits Offices (JBOs).
Transitional Employment Programme (TEP)	Provides supported work experience for those who continue to have difficulty finding employment, after completing the New Deal programme (including New Deal for Lone Parents and New Deal for Disabled People).
Stakeholders' Forum	A local forum to help co-ordinate local delivery of TIs and to advise on local employment and skills priorities. This is run by the Employment Services Board in Belfast and the Derry and Strabane Local Strategy Partnerships in the North West.
Employers' Forum	Engages with local employers to enable them to advise on local, current and future, employment opportunities. This is run by Business in the Community in Belfast and the Londonderry Chamber of Commerce for the North West region.

1 DEL (2002) *Taskforce on Employability and Long-Term Unemployment.*
2 The end date for the TI pilots has subsequently been extended to the 31 March 2007 to allow for a full and final evaluation.

Table 2: Summary of five enhanced components within existing mainstream programmes

Name of programme	Brief description
New Deal ***(2 initiatives)***	**Essential Skills Incentives** Provides financial incentives to New Deal participants who take steps to address essential skills needs (e.g. complete an Essential Skills qualification). **Adviser Discretion Fund** Makes available resources of up to £300 for the purchase of goods or services to remove a barrier to employment (e.g. purchase a suit for an interview).
Disablement Advisory Service (DAS) ***(3 initiatives)***	**Work Preparation Programme** Supports Incapacity Benefit (IB) claimants to enter or re-enter the labour market or, as a step in this direction, to improve their skills. **Employment Support Programme (ESP)** This provides extra places in the existing ESP for those with more severe disabilities and gives them the opportunity of working alongside non-disabled employees in a wide variety of jobs in open employment. **Access to Work Initiative** Provides aids, equipment and support to help employers who wish to recruit or retain people with disabilities in employment; people with disabilities who wish to take up employment, or who are in work and experience difficulties related to their disability.
Essential Skills	The Essential Skills Guidance Service for Adults (EGSA) provided essential skills training to all Personal Advisers and JAC staff in the TI areas. This provides staff with the ability to identify clients with essential skills needs and redirect them to the appropriate essential skills providers.
Careers Service	This is an outreach career service (e.g. career advice provided at drop-in youth centres and residential care homes). In 2005, 8 projects were funded under the TIs.
TI Innovation Fund.	This is a fund dedicated to locally based innovative ideas to address barriers to employment. (e.g. the Foyer project was allocated £5k to improve employability skills of homeless people and the Bridge to Employment programme opened up to provide additional places to those living in TI areas).

Targeted Initiatives: Results of an Interim Evaluation

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Interim Evaluation of TIs

The Terms of Reference for the assignment required an interim evaluation to assess the progress of TIs towards meeting their aims and intended benefits using performance data up to September 2005. The evaluation was not required to make recommendations on the proposed way forward for TIs after the pilot funding period.

The findings and conclusions of the interim evaluation with respect to each of the components of TIs are discussed in turn below.

Job Assist Centres (JACs)

Job Assist Centres are required to focus on a number of priority groups who are considered to be furthest from the labour market and includes the following groups: lone parents; long-term unemployed; economically inactive; status zero; partners of the unemployed; and non-claimants including returners.

The JACs are a major element within TIs, in terms of funding and innovativeness. For this reason, a substantial portion of this article is devoted to reporting on their performance.

Summary of Performance

The performance of the JACs (to September 2005) can be summarised as follows:

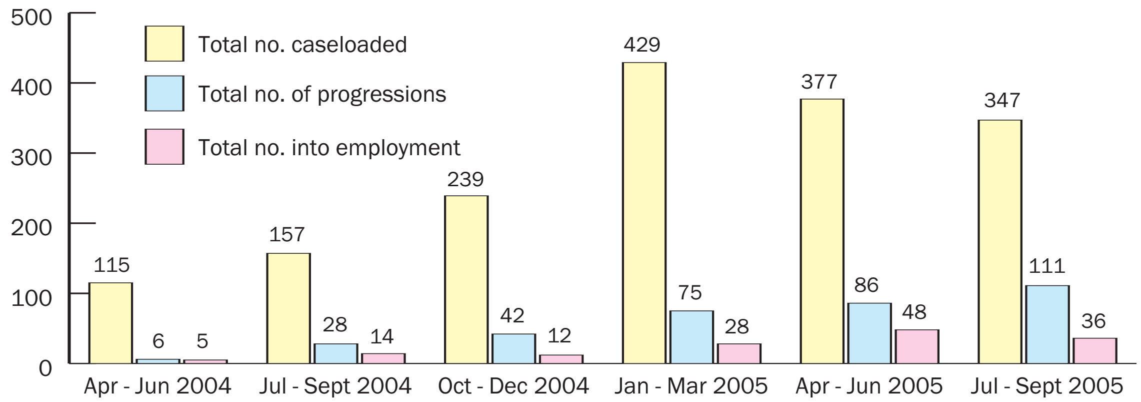
- Caseloading – The JACs have been successful in engaging with their target client group and securing their registration with the JAC. The JACs use an assessment tool to ascertain barriers to employment and at the time of the interim evaluation, approximately 80% of their clients were identified as being far from the labour market;

- Progressions – clients are progressed along the 'employability continuum' by overcoming specific barriers to employment (for example, dependency of drugs/ alcohol or lack numeric/ literacy skills). Depending on their 'distance' from the labour market a client can make a number of progressions before entering employment. In general across the TI areas, the level of progressions at the time of the interim evaluation was only 21% of the total number registered although there was evidence that outcomes were improving;

- Employment – given the low number of progressions, the numbers moving into employment have also been relatively low. As at September 2005, 8.6% of those registered had moved into employment.

Figure 1 provides a summary of performance of the JACs in respect of caseloading, progressions and employment across all four TI areas in NI.

Figure 1: Summary of JACs Performance Across NI



Data Source: DEL, September 2005

Table 3: Overview of Performance across each TI area

	West Belfast	Greater Shankill	Derry DC Area	Strabane DC Area	Total
Caseload	546	375	428	315	1,664
Progressions	83	97	60	108	348 (21%)
Employment - 2 weeks - 13 weeks	 37 25	 46 33	 28 16	 32 23	 143 (8.6%) 97 (5.8%)

Data source: DEL, September 2005

Table 3 above provides an overview of performance across each of the TI areas.

Overall, the interim evaluation concluded that the JACs have been successful at engaging with individuals who would typically not engage with DEL through, for example their JobCentres and Jobs and Benefits Offices. Furthermore, client feedback was very positive in terms of the support and advice that the JACs staff provided. However, the statistical analysis indicates that the emphasis to date has largely been on caseloading clients rather than making progressions along the employability continuum (i.e. addressing their barriers to employment) and also progressions into employment (which has been relatively low in absolute terms). That said, those who have secured employment have, in the main, managed to sustain employment.

Key Findings

At the start of the initiative a number of JACs were caseloading JSA claimants as clients. This is a particular issue because JACs were established to target those people who were 'far from the labour market' and that the JBOs could not reach (i.e. non-JSA). As JBOs also provide a range of services to assist people who are not job-ready, it is important that JBOs and JACs target different client groups and work in a complementary way. Through routine monitoring DEL became aware of the circumstance of JAC's engagement with significant numbers of JSA claimants and instigated measures to constrain future caseloading from within this group.

The performance achieved as detailed above is in part a reflection of the fact that making progress with the target client group is a medium-term assignment task (3 to 5 years), and it would not be feasible at this stage to have expected a large proportion of JACs clients to have made substantial progress. In addition, taking a broader contextual view, there is a need to keep employers engaged with the initiative which also necessitates a greater emphasis on progression.

There were some instances in one of the TI areas, where the JAC staff worked with individuals who were not eligible to be caseloaded, often for example because they did not live within a TI area. Although output related funding from DEL was not paid in respect of the support provided to these individuals, the focus of JACs work should always be on the targeted groups. Again, on becoming aware of the practice, DEL encouraged the JAC staff to desist.

Key Considerations

The following suggestions were made in respect of developing the JACs' role and improving their performance:

- the focus of activity must be on progressing clients rather than caseloading. This could be facilitated by amending the financial incentives payable to JACs;

- only in exceptional circumstances should JACs caseload JSA clients;

- given the vulnerable nature of some clients, DEL should more pro-actively monitor the quality of service provided by the JACs;

- the JACs could potentially consider aligning their objectives with more than just one Department, which could result in the provision of more than one stream of funding. However, such an incentive would have to be initiated by the JACs themselves, not by DEL.

Transitional Employment Programme (TEP)

TEP is based on the Step-up programme in GB and provides a subsidised employment placement opportunity for 50 weeks. It is targeted specifically at those who have completed New Deal but have been unsuccessful at finding employment. Participants can be placed with employers in the private, public or voluntary and community sectors.

The programme is delivered by a 'managing agent' in each of the TI areas. However, delivery arrangements differ. In Belfast the employment status of the participant resides with the Managing Agent, whilst in the North West the participant is formally employed by the organisation where the individual is placed, and the 'Managing Agent's' role is subsumed by the employer.

As was the case with the JACs, the TEP is a major component of the TIs.

Summary of Performance

Given the relatively low numbers of participants who had completed the programme by September 2005, the analysis of performance set out in the interim evaluation should be viewed as indicative only, however the results are interesting.

Figure 2 below provides a summary of performance of TEP.

Performance can be summarised as follows:

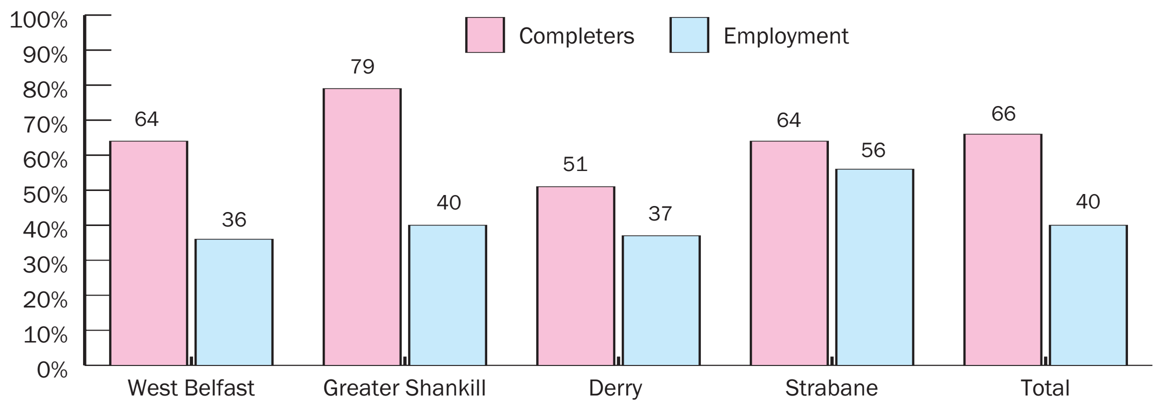
- 66% of those who entered the programme either stayed for 50 weeks or left early to move directly into unsubsidised employment;

- 40% of those who entered the programme subsequently moved into employment after their placement period;

- In addition the majority of participants secure a placement in the private sector (55%), followed by the voluntary and community sector (39%) and the public sector (6%).

In terms of sector analysis, the voluntary and community sector

Figure 2: Overview of TEP Performance



Data source: DEL, September 2005

had a higher completion rate, consistent with the perception that this sector can provide a more supportive environment to develop employability skills for those within the 'hard to reach' groups. In addition, the analysis also indicated that those who secured a private sector placement were more likely (than those placed in the voluntary and community sector) to find employment with their placement provider after the subsidised period ended. This is consistent with the perception that the 'tighter' funding environment for the voluntary and community sector could make it more difficult to retain their TEP participants, after the placement period.

The overall numbers moving into the public sector were so low that it was difficult to draw any firm conclusions on trends being established.

Key Findings

As of September 2005, 653 individuals had been placed with employers, of whom 302 still remained on the programme. Of the 351 who have left, 66% (233) successfully completed the programme and around 40% (139) secured employment after the period of placement. This is a reasonably positive picture, in light of the fact that TEP essentially assists those who have failed to progress into employment through New Deal. This compares to a 'success rate' of 57% of those on the New Deal 18 – 24 Employment Option moving into unsubsidised employment and 59% on the New Deal 25+ Employment Option – although it should be acknowledged that people in these latter two groups are more likely to be job-ready than those entering TEP.

There was a general view on the part of stakeholders that the level of salary subsidy available for each participant along with funding for other components - such as support for essential skills improvements and a support worker - made this TI component very expensive. The total potential maximum cost per placement is £10,750; however an exercise conducted by DEL showed that, in practice, the average cost per placement was only £6,500. There were a number of reasons for this reduced figure, including the fact that the essential skills element is rarely drawn down. Also, not everyone is entitled to the higher national minimum wage. Furthermore, some participants only work part-time.

The employment status of participants in the North West TIs (where the individual is employed by the organisation in which he or she is placed, rather than the Managing Agent) has caused a number of problems because public sector organisations and large retail employers have found their freedom of action to take people from the programme constrained, because of some aspects of employment and equality legislation. This was an unanticipated difficulty and presents a challenge in the event that this component of the TIs continues beyond the pilot stage.

Key Considerations

The following suggestions have been made by PWC in respect of taking forward the TEP component of TIs:

- As the number of completers increases, the key performance metric should be sustained employment. Currently, sustained employment is defined as 13 weeks in the same job. Consideration could be given to monitoring whether an individual is still in the job after 26 and 52 weeks;

- Managing Agents should have the flexibility to retain employment status in situations where its absence would prove to be an obstacle to participants finding a suitable placement;

- In addition to meeting programme eligibility (i.e. must have completed New Deal), a pre-placement assessment should also be conducted to ensure that only those who are deemed most likely to take full advantage of the opportunity are admitted onto the programme;

- There is potential for increased sharing of best practice across the programme operators in the four TI areas.

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Stakeholders Forum (SHF)

Stakeholders Forums are innovative in concept and have been established in each of the four TI areas to advise DEL on how best to implement the TIs in each area and also, advise on wider employment issues. As explained in the Introduction, the role of the Stakeholders Forum in Belfast (both West Belfast and Greater Shankill) is undertaken by the Employment Services Board and in Derry and Strabane it is undertaken by sub-groups of the respective Local Strategy Partnerships (LSPs).

Key Findings

The following summary points reflect the findings of the interim evaluation:

- Different levels of experience – the Employment Services Board was already an established organisation working extensively on employability issues. In contrast, the LSPs are new to undertaking this type of role and are not as well focused as the ESB. As a result, the Derry and Strabane LSPs both faced relatively steep learning curves over the first 12 to 18 months;

- Strategic approach – from the outset, the ESB have been strategic in terms of their approach to employability and economic regeneration issues. They provide comprehensive performance monitoring reports on the JACs and TEP in their area. In contrast, it has taken some time for the Derry and Strabane LSPs to take a strategic approach. However, it needs to be borne in mind that West Belfast in particular, has had many years of experience in building-up its capacity to service the economic regeneration needs of its communities. In this regard, it has a head start over the rest of NI;

- Collaboration – there was limited evidence of collaboration across the SHFs or sharing of best practice in terms of approach. (However, such a requirement was not specifically within the TIs specification developed by DEL). The interim evaluation highlighted that there should be greater focus on sharing good practice between the SHFs for the remainder of TIs pilot;

- Resources – the level of resources negotiated with DEL, by the ESB, was greater than that negotiated by the LSPs. In addition, the ESB also benefited from IDF funding. However, it is understood subsequently by PWC that the SHFs in the North West have started to explore alternative sources of funding with regard to the general area of employability.

Employers Forum (EF)

The Employers Forum strand was developed as a mechanism to engage local employers within the overall TIs concept, to enable them to provide advice on employment opportunities and issues in their area. In Belfast (both West Belfast and Greater Shankill) the EF component is sponsored by Bombardier and is delivered in partnership with Business in the Community (BiTC) and in the North West (both Derry and Strabane), EF is delivered by the Londonderry and Strabane Chambers of Commerce.

Key Findings

The following summary points reflect the findings of the interim evaluation:

- The EF in Belfast is very closely integrated with the ESB and their operation of the stakeholders' forum and it existed prior to the inception of TIs. Therefore, it had reasonable experience in undertaking the type of activities expected of an EF. In contrast, the Londonderry Chamber of Commerce was established as an employers' organisation with comparatively less experience in the employability arena;

- The number and size of employers in Belfast is much greater than in the North West, making it easier to achieve a critical mass of employers interested in identifying and addressing employment issues in their area;

- Employers are willing to engage in this process: however their interest is focused primarily on issues which directly affect their industry. Therefore a cluster approach, as used in Belfast, helps to insure that issues are relevant to the participants.

The findings also reflect the economic realities of NI i.e economic opportunities (e.g. jobs) tend to be greater, east of the Bann.

Other TI Components

The remaining elements of TIs are largely extensions/ adaptations of existing mainstream provision and the evidence assessed for the interim evaluation suggests mixed performance to date. In addition, in PWC's judgement, most of these elements tend to be less firmly integrated within the overall TIs concept. It is therefore harder to capture at this stage, the value that these elements bring to the TIs concept. In principle, they could exist as stand-alone mainstream extensions (in areas of high need), without needing to be embodied within TIs.

An overview of the performance of each component follows.

New Deal Enhancements

There are two components to the New Deal Enhancements, the Advisory Discretion Fund (ADF) which makes up to £300 available to purchase a good or service to remove a barrier to employment (for example purchase a suit or pay for driving lessons) and Essential Skills Incentive Payments, which provides incentive payments to individuals to encourage them to address essential skills needs.

Key Findings

In respect of the ADF, the following findings were noted:

- There is a low level of uptake (59 awards made over an 18 month period across all 4 TI areas);

- The average payment is £165 - well below the maximum figure of £300 potentially available; and

- The numbers moving into employment is 51%, which is well ahead of the 25% target.

In respect of the Essential Skills Incentive Payments, the interim evaluation highlighted that performance is currently measured in terms of the number of people taking up essential skills training. It would be more meaningful to; (i) measure those taking up essential skills training as a percentage of those with identified essential skills needs and then, (ii) also to consider the numbers that have had those needs addressed.

Disablement Advisory Service (DAS)

There are three components provided by DAS to TIs, these are summarised in turn:

- Employment Support (ES) – provides a subsidy, based on a percentage of salary, to employers as an incentive either to recruit a disabled person or retain an existing employee;

- Work Preparation Programme (WPP) – this is a 12 week voluntary course for disabled people which provides specialist training to prepare participants for work (e.g. Preparing for interviews, developing CVs and sample work placements); and

- Access to Work (AtW) – provides funding to help with items such as specialist equipment, support workers and to meet the extra costs of travelling to and from work.

Key Findings

In respect of the DAS components the interim evaluation highlighted the following findings:

- Employer Support – the financial support for the employer is seen as the incentive required to make up for the lower levels of productivity from programme participants (ES);

- Performance Measurement – there is limited measurement of performance which tends to focus on levels of activity. Moving forward DAS should seek to identify and measure desired outcomes (all components);

- Referrals/Demand – for some of the components (WP and AtW) the number of referrals made by JobCentres/JBOs and/or Disablement Employment Advisor onto the programme (WPP) is below expectations.

Essential Skills Screening

The Essential Skills Screening component involves JobCentre, JBO and JACs staff making an initial assessment of the numeric and literacy skills of individuals during their regular Jobseekers Allowance (JSA) interview. Staff typically have a range of toolkits available to them to assist in the screening process. Following a positive screening (i.e. an essential skills need is identified) staff should then make a referral to a training provider.

Key Findings

The following findings were identified in the interim evaluation:

- Some staff were reluctant to form a judgement on whether an individual had essential skills needs as this was considered a difficult area to discuss with clients. Given the generally good relationship JACs have with their clients, this tended to be less of an issue for JACs than for JobCentre/JBOs;

- There is a lack of performance information collated. This does not facilitate effective performance measurement. Once the referral is made to the training provider (or to EGSA), JobCentre/JBO staff are not informed of progress subsequently made by the individual; and

- In recognition of these issues, DEL have recently completed a comprehensive review of Essential Skills Screening to improve the screening process.

Careers and Guidance Service

The Careers and Guidance Services Branch is responsible for delivering careers advice to people of all ages including those in education, training and unemployed across all of NI. Across the four TI areas, a total of £120k has been made available with a focus on 14 – 19 year olds, particularly those at risk of being socially excluded.

Key Findings

The interim evaluation highlighted the following findings:

- It is recognised that it is difficult to measure the impact of careers advice, particularly in the short-term. However, qualitative feedback obtained after a number of organised events, reflected positively on the work being undertaken. In addition, DEL are now considering the use of a quantitative measurement tool to assess the impact of the service; and

- A different approach was adopted in the North West vis-à-vis Belfast. In Belfast one organisation sought funding to deliver the sessions across a number of schools, whilst in the North West, individual schools made their own applications and developed their own courses. Working together can be more cost effective as only one set of course materials need to be developed.

Innovation Fund

This final component was developed to respond to any locally identified barriers to employment where no other funding exists. Three programmes/projects, which are very different in nature, were funded through the Innovation Fund:

- Bridge to Employment – building on the existing programme additional places were made available for eligible people living in TI areas;

- Me, Myself and I – projects funded to help young socially excluded people raise their self confidence, problem solving and raising motivation;

- Health Sector Feasibility Study – this study sought to address the issue of poor progression prospects of entry level staff in the Health Sector.

Whilst the outcomes of these projects have been mixed, the Innovation Fund was not originally developed to fund extensions to existing programmes (as in the Bridge to Employment). PWC suggests that in moving forward with the Innovation Fund, only small projects which are innovative in nature and would not otherwise be funded, should be considered.

Position in October 2006 – Department for Employment and Learning

In July 2006, DEL commissioned a further evaluation of TIs. This 'full' evaluation built on the work done in the Interim Evaluation and its findings as discussed above. The Targeted Initiative Final Evaluation Report was received in October 2006 and can be accessed through the DEL website.

The timing of the Interim Evaluation was such that there was little opportunity to introduce many of the suggestions made, and enable them to bed in, before the TI pilots were due to finish. However, in considering the findings and conclusions arrived by the evaluation consultants in their work done in 2005, DEL has nevertheless, been able to implement a number of changes to the TI components during the final stages of the pilots.

Job Assist Centres

Given the concerns raised regarding the low numbers achieving progressions or employment DEL has further weighted the JAC funding structure to provide less funding for engagement (client assessment, mentoring etc.) and increased funding for clients' progressing towards or entering employment.

The restrictions on caseloading JSA clients remain in place and have been highly effective in reducing the number of caseloaded JSA claimants.

The service provided by JACs is now monitored on a regular basis by means of a 'Quality Panel' and reports on quality assessment have been generally positive, to date.

Transitional Employment Programmes

The TEP ceased recruitment in September 2005 and there was no scope to introduce any of the suggestions raised by the consultants. Their suggestions will however be borne in mind in the development of any future 'TEP type' of initiative.

Stakeholders and Employers Forums

DEL continues to work with these forums and acknowledges the value brought to the Targeted Initiatives through this partnership approach.

Flexibilities within existing DEL Programmes

Following the Interim Evaluation a number of the innovations trialled in the TIs were rolled out to all NI areas. e.g. The Adviser Discretionary Fund and Essential Skills support are now available province-wide and the DAS 'Work Preparation Programme' is being taken forward in conjunction with the Pathways initiative. The Health Sector Initiative initially supported through the Innovation Fund has now received substantial funding through the Department for Social Development's Renewing Communities package.

Incapacity Benefit Claimants and the Local Labour Market: Preliminary Findings

Ian Shuttleworth, Anne Green, and Chris Lloyd, School of Geography, Archaeology and Paleoecology, QUB and Institute for Employment Research, University of Warwick

This research examines the household and individual characteristics, labour market experiences, and decision making of Incapacity Benefit claimants. It is important to understand more about these issues given the tenor of government welfare and labour market policy in the UK. This policy aims to increase the proportions of people in employment in a twin track strategy to improve the efficiency of the labour market and to reduce social exclusion through integration into work. This article gives some preliminary findings from the research.

Background

The numbers of people claiming Incapacity Benefit (IB) are now greater than those claiming unemployment benefits such as Jobseeker's Allowance (JSA) and so policy attention has shifted to helping people leave IB for employment. It is no easy task to reduce the numbers of people on IB; there are real and major obstacles that prevent IB claimants from getting work. Health conditions that limit the ability to work are chief amongst these. Not only does poor health restrict the ability to find work but illness can also be caused by being jobless. To these factors can be added external labour market conditions. There is evidence, for example, that a shortage of available local work prevents IB claimants from gaining and holding on to jobs. People with health conditions in job-rich areas might be able to work but where there are few jobs and many people looking for them, employers can afford to be choosy and benefit claimants with long-term illness and other health-related conditions could be at the back of the queue for jobs. There are complex interactions between local labour supply and demand, the allocation of jobs, individual health status, household circumstances, and decisions about benefit. These are central to exploring the problems that IB claimants face and in considering the strengths and limitations of government policies.

The study

Given this background, the Department for Employment and Learning (DEL) commissioned a research team based at QUB and the University of Warwick to look at the household and individual characteristics, labour market experiences, and decision making of Incapacity Benefit claimants. This research has three general aims which are:

(i) to gather information on the household and personal characteristics of IB claimants;

(ii) to explore the decision making process about claiming and leaving IB; and

(iii) to outline the importance of geographical factors – urban/rural context and the level of local labour demand – that might be expected to influence IB claimant levels.

Specific questions that are of interest include the distance that IB claimants are prepared to travel in search of work; barriers to entering employment; and the role of employers in the local labour market. The project uses multiple methods to achieve these aims. A quantitative analysis of administrative data is the initial step, describing the geographies of employment and IB in NI, and exploring the impact of local job availability on IB levels. Following this, a questionnaire survey of

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900 IB claimants in six different locations (Falls and Shankill in Belfast; Altnagelvin and Foyle in Derry; and Newry and Enniskillen) designed to represent different levels of local labour demand, community background, and urban/rural contexts is being undertaken. The purpose of this is to gather information on the individual, household and health circumstances of IB claimants, as well as to learn more about labour market perceptions and issues like access to transport, investigating whether claimants in different types of place have the same perceptions. Finally, data will be collected via in-depth interviews with claimants, employers and government officials to help to interpret the findings of the questionnaire survey.

In this article preliminary results from the analysis of administrative data and a large-scale pilot questionnaire survey of 132 IB claimants will be presented. The focus is on describing the geography of IB; on relating this geography to local labour market conditions; on profiling the individual characteristics of IB claimants; and on exploring their views of labour market conditions.

Preliminary results

The Geography of IB in NI

The numbers and rates of IB claimants in NI were explored using information provided by the Department for Social Development (DSD). **Map 1** shows the percentage of IB claimants per ward as of August 2005. Maps for earlier years dating back to 2001 are not presented because the overall relative distribution of IB claimants remains similar. In considering the map, two features are noteworthy. Firstly, the rates of IB claimants tend to be higher in the West than in the East. Secondly, there tend to be higher rates of IB claimants in

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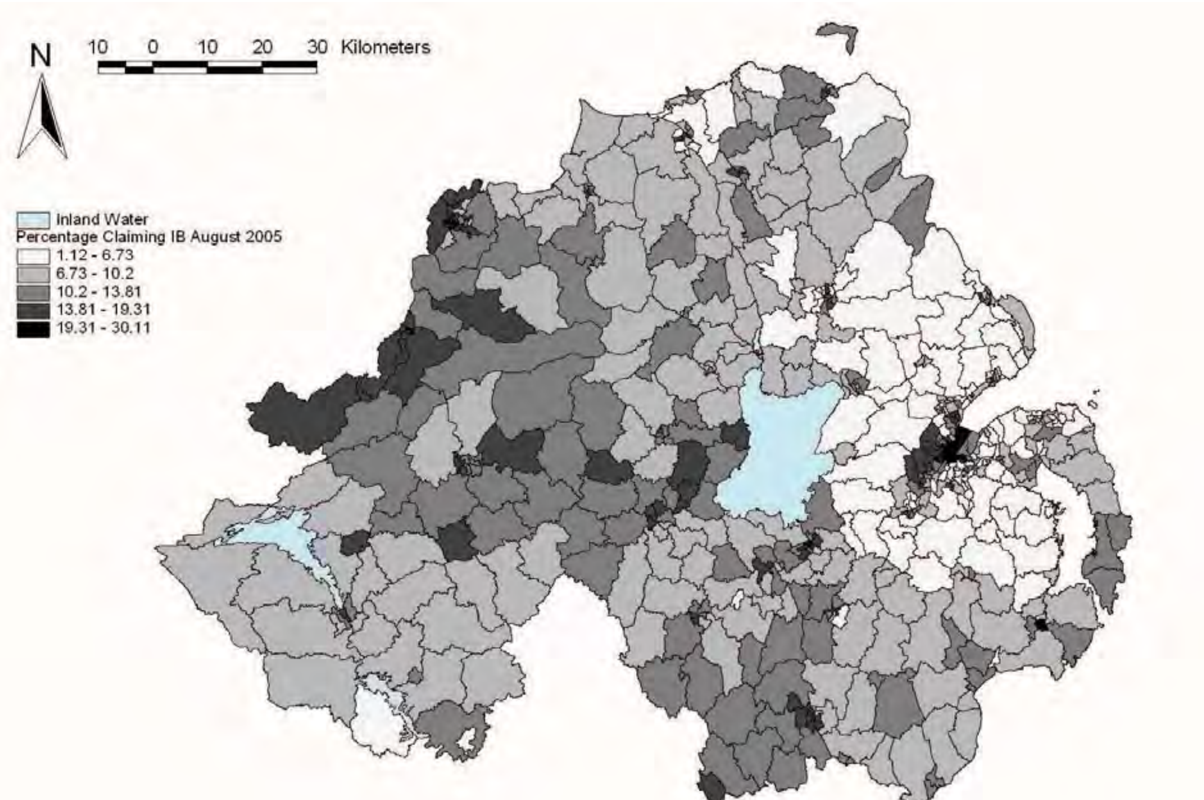
MAP 1: Percentage claiming Incapacity Benefit, August 2005



Source: DSD

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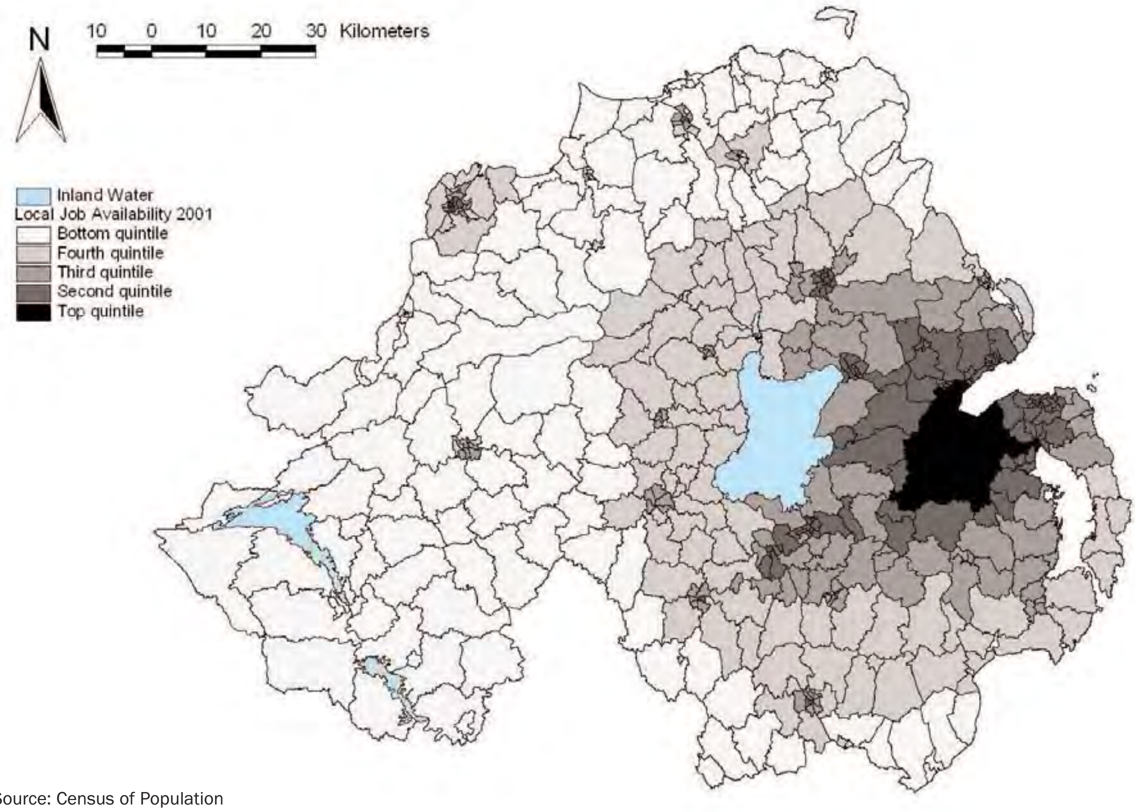
urban centres over and above the East/West differentials in the geography of IB. If we compare **Map 1** with **Map 2** (which shows the availability of local jobs) there is some evidence that local jobs shortages explain IB claimant rates at a regional scale; where there are few local jobs in **Map 2** there are higher IB rates and where there are more jobs (in the East surrounding Belfast for instance) there are lower IB rates. However, this initial interpretation is likely to be over-simplistic. In Belfast there are many available local jobs and relatively high IB claimant rates and the same is true of other urban areas in other parts of NI. This association of urban concentrations of jobs and high IB rates outweighs other patterns in the data and means the local jobs shortages do not appear to lead to higher IB claimant rates. Indeed, if anything, there is a positive link with more jobs sometimes being located in places where there are many IB claimants. It is possible that there are different labour market processes and barriers in different areas and that local job shortages may be an issue in rural areas in the West of NI whereas in urban areas such as Belfast there may be other non-spatial barriers at work. It is hoped that the later results of the full questionnaire survey will explore this theme.

Whilst the relative spatial distribution of IB claimants (as seen in **Map 1**) has remained fairly constant through time it is noteworthy that there has been a small increase in the proportion of IB claimants. In 2001, the mean proportion of claimants per ward was 9.71% but by 2005 this had risen to 10.45%. Over the same period there was some evidence that there were more extremes with, for instance, the top-ranking ward in 2005 (Falls) having 30.11% of its population aged 16-64 claiming IB in comparison with the top-ranking ward of 2001 (Falls) with 24.10%. In contrast, Stranmillis had the lowest proportion of IB claimants in 2001 (at 1.45%) and the

MAP 2: Local Job Availability 2001



Source: Census of Population

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lowest also in 2005 (1.12%). The next two wards with the lowest rates of IB claimants were in North Down. There is thus some evidence that the geography of IB claimants has become more polarised with high rates becoming entrenched in some areas and that there is considerable continuity in the relative ranking of areas.

Preliminary pilot survey results

The barriers that prevent people getting work can be many and varied, ranging from individual obstacles to external constraints such as the shortage of suitable work in the locality. To get the 'employability mix' right it is therefore important to understand more about the individual and external barriers that potential job seekers face. In this section these themes are considered through a description of selected individual characteristics of IB claimants and by outlining their views of opportunities in the local labour market.

It is clear from a preliminary exploration of the pilot survey database that IB claimants face considerable individual barriers to employment. Around two thirds have no formal educational qualifications; and the majority left school aged 15 or 16. Age, in theory, should not be an obstacle to finding work. However, in practice, older jobless people perceive their age to be a major problem in finding work. In this context, with over two thirds of respondents to the pilot questionnaire survey in the 45-64 age band, and with a mean age of 48, it is highly likely that age-related issues could pose a significant obstacle to employment. To these issues can be added health conditions. The leading category of ill health stated by respondents was arthritis or rheumatism experienced by 30% of respondents, followed by heart problems (18%), diabetes (12%) and asthma (11%). In some cases, depending on severity, these conditions could lessen the overall quality of life and lessen the ability to work. Many IB claimants are disadvantaged in other ways. There is a relationship between housing tenure and labour market engagement with owner occupiers being much more likely to be employed than those in other tenure types. Just over half of respondents in the pilot survey were owner occupiers whilst 42% were in public authority housing. Brighter features were that over four fifths of respondents had a driving license and well over half had access to private transport. Nevertheless, the presence of health conditions, no educational qualifications, high rates of public housing tenure, and ageing suggests a pattern of cumulative individual disadvantage for some IB claimants.

This individual disadvantage is potentially added to by the external constraints that are identified in **Table 1**. These responses are to a series of questions that invited respondents to rate job quality and availability in their areas and to comment on physical accessibility and ease of getting about. Respondents largely saw the local labour market as being a harsh environment with few jobs in general, with low job creation (43% of respondents strongly disagreed with the statement that 'there were now more jobs than there were two years ago'), and with employment for which they are unsuited. The local labour markets of respondents, besides being job poor, are also perceived as being dominated by low-paid and insecure work although it is interesting to note that despite the view that jobs are poorly paid, demanding irregular hours, and insecure, there is still a requirement for educational qualifications. The evidence on the physical accessibility of employment is less clear but problems in getting to and from work are significant for a large minority and the high proportion agreeing strongly with the statement that 'you really need a car to get around' indicates that those who do not have access to private transport could be significantly disadvantaged.

Conclusion

The research is still in progress with the results expected in mid 2007. These will permit more detailed analysis of themes such as differences in labour market perceptions of IB claimants

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Table 1: Views of the Labour Market

	Strongly disagree 1	Disagree 2	Neither 3	Agree 4	Strongly agree 5
Lots of jobs in my area	55	21	12	8	5
More jobs than two years ago	43	22	17	8	9
Lots of low-paid jobs in my area	3	6	18	17	55
There are lots of jobs in my area for which I am suited	55	22	11	8	4
Jobs do not need educational qualifications	37	24	24	10	5
Jobs are insecure	5	7	17	24	47
There are problems in getting to and from work in my area	14	20	30	14	22
You really need a car to get around	8	8	3	16	66

Source: Pilot Survey; all figures are percentages

between different places in NI. From this preliminary analysis a number of issues for follow-up analysis are emerging. These include individual obstacles to employment and multiple sources of disadvantage; the diversity in the nature and severity of health conditions; the availability and quality of work in local labour markets; spatial mobility to and from work; and the relative importance of local job shortages in explaining geographical concentrations of IB claimants. Further exploration of these subjects will contribute to the on-going development of the Pathways to Work Programme in NI by providing evidence on the experiences of IB claimants in different situations.

For further details contact:

Ian Shuttleworth/Chris Lloyd
C-STAR
School of Geography,
Archaeology and Paleoecology
Queen's University
BELFAST
BT7 1NN
i.shuttleworth@qub.ac.uk or
c.lloyd@qub.ac.uk
Anne Green
Institute for Employment
Research,
Social Studies Building
University of Warwick
COVENTRY
CV4 7AL
a.e.green@warwick.ac.uk

Working Together? Research into the Role of Inter-agency Co-operation in Improving Employability

Ronald W. McQuaid, Colin Lindsay, Matthew Dutton, Employment Research Institute, Napier University, Edinburgh
Martin McCracken, Business and Management Research Institute, University of Ulster

This article reports the summary of findings of research commissioned by the Department for Employment and Learning on best practice in inter-agency co-operation on employability in 15 countries. The research was conducted by the Employment Research Institute at Napier University, supported by colleagues at the University of Ulster[1], with the overall aim of comparing forms of inter-agency co-operation, and identifying strengths and weaknesses in different partnership models.

Introduction

New forms of partnership working and inter-agency co-operation have gained increasing prominence in the delivery of employability policies in Europe and elsewhere. This has been largely driven by changes in governments' policy stances with regard to employability. For example, in some countries a lessening in the direct role of government in employability issues has opened up new possibilities for more market driven or private sector involvement. The range of factors influencing peoples' employability means that often no single agency has the services and expertise required to deal with all of the key issues, so necessitating increased inter-agency collaboration to provide effective support. When unemployment is low and there is strong demand for labour there is a particular need to improve the employability of those with multiple barriers to work. Faced with increasingly complex and harder to reach client groups, employability stakeholders have come to accept that job search and training services are not alone sufficient to move many job seekers towards work. Promoting inter-agency co-operation and partnership is therefore a priority for the future development of approaches to employability in NI and elsewhere.

There are a multitude of definitions of partnership. The Organisation for Economic Co-operation and Development (OECD) (1990: 18) has provided a useful definition of partnerships as: "Systems of formalised co-operation, grounded in legally binding arrangements or informal understandings, co-operative working relationships, and mutually adopted plans among a number of institutions. They involve agreements on policy and programme objectives and the sharing of responsibility, resources, risks and benefits over a specified period of time." As is explained later in the article, viable partnerships are fundamental to the success of inter-agency co-operation.

The agencies referred to in this review tend to be organisations which are similar, or broadly equivalent, to what exists in NI. Examples are government departments (particularly those engaged in providing or facilitating job search, employment support and training), voluntary and community-type organisations and purely private sector organisations engaged in improving the employability of various types of clients. Inter-agency co-operation refers to the ways in which these organisations interact with one another, in order to provide services aimed at improving the employability of their clients.

Methodology

The initial research involved a review of literature and policy documents on partnership working, combined with a survey

1 Full report will be available in due course on **www.delni.gov.uk**

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completed by national experts located in each of the 15 study countries: Australia; Belgium; Canada; Denmark; Finland; France; Germany; RoI; Italy; Netherlands; Norway; Spain; Sweden; UK; and the USA. In addition four extensive case studies were then undertaken in: Denmark; the Netherlands; and the RoI. Research was conducted into practice in GB and NI, where six examples of good practice in partnership working were studied. This constituted the fourth case study.

Key Issues in Inter-Agency Co-operation and Partnership

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Policy makers have increasingly sought to promote inter-agency co-operation due to a number of potential benefits accruing from such approaches. Effective partnership working can: produce more flexible and innovation policy solutions; result in the sharing of knowledge and pooling of resources; build capacity in organisations and communities; gain the 'buy in' of key stakeholders including at the local level; and engender a more integrated, consistent and aligned approach across policies, agencies and local areas.

However, there can also be significant additional costs of partnerships, and the benefits of inter-agency co-operation can be limited by organisational constraints, lack of leadership and accountability, partners' conflicting interests and priorities, and a lack of capacity among different stakeholders to fully participate. The research sought to explore these issues and identify 'critical success factors' that need to be in place to improve partnerships promoting employability.

A Review of Practice in 15 Countries

There were considerable variations in how different countries have applied inter-agency co-operation and partnerships on employability. However, the evidence from the 15 countries revealed a number of common themes that should be considered, including:

Strengthening the Personal Adviser model

Personal Adviser (PA) services (where a PA tailors services for a job seeker to meet their particular needs) are at the centre of many countries' approaches to delivering intensive job search counselling and support. In countries like Australia and the Netherlands these services have been outsourced by the Public Employment Service (PES) to the private sector, with variable results. In countries such as Belgium and Canada these responsibilities are shared between the PES and regional and local authorities.

Early assessment and early intervention

Policy makers in a number of other countries have particularly prioritised early assessment of job seekers, and the routing of the most disadvantaged to employability services almost immediately. These aims define Australia's Jobseeker Classification Instrument, the Dutch 'Kansmeter' tool, and Denmark's 'employability profiling toolbox'. These tools appear to have offered benefits, by facilitating early intervention, rather than 'waiting for people to become long-term unemployed', and by identifying and addressing fundamental problems at an early stage.

Paid work placements and getting employers to 'buy in'

Work and training placements paid at or near the 'rate for the job' are an important part of provision in Belgium and the Netherlands. The Danish case study showed how local authorities have shared ownership of the design and delivery of training with employers, who have offered job guarantees in return. The message appears to be that engaging with employers, sharing ownership of programme development with them, and using them to provide work placements (and potentially interview or even job guarantees) can be an effective route to high quality training and job entry for job seekers.

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Responding to regional and local labour market conditions

There has been a recent shift across many countries towards a localisation of employability services, in an attempt to move services closer to communities and make programmes more responsive to local labour market conditions.

Joined-up employability services and one-stop shops

There is a need for job seeker support and services beyond job search and training and many countries have moved towards a one-stop shop or jobcentre model that brings together a range of service providers. One-stop shop models of local provision are usually led by the Public Employment Service (PES), with social work, health, financial and housing services. At the most basic level, as in the UK, this involves the co-location of benefits and employability services. However, Finland's Labour Force Service Centres (LAFOS) have brought together a wider range of employability, health and social service providers. In some parts of the United States 'Job Centers' have similarly seen the co-location of job search, lifelong learning, health and welfare services.

The Netherlands case study reported progress resulting from the co-location of benefits and employment services that has opened the way to a number of innovative demonstration projects, which may offer valuable lessons involving: piloting the 'boundaryless' offices, with different employability agencies brought together within one team sharing all administrative and service duties (and therefore learning from each other); testing a 'single employer service point' dealing with all inquiries from employers and acting as a gateway and broker for work placement and training opportunities for all client groups; and developing shared 'digital dossiers' (on-line client records) which can be accessed and updated by all relevant/accredited stakeholders.

However, the outsourcing of virtually all structured employability services for harder-to-help clients to private providers means that professionals working in government Centres for Work and Income have less experience in addressing the day-to-day problems of clients. There is also some evidence that employability funders are not always convinced of the value of the client assessment procedures undertaken by PES staff.

Critical Success Factors

There appear to be a number of 'critical success factors' that need to be in place if key stakeholders are to reap the benefits of partnership, including:

A clear strategic focus

Formalising partnerships, and an agreed clear strategy, is a defining feature of effective local and regional co-operation in a number of countries. In Denmark, the Regional Employment Councils work to annual plans agreed with government, outlining targets and priorities and the roles of stakeholders involved in both planning and delivery. Canadian labour market development agreements (LMDAs) have helped national and regional government stakeholders to agree their different roles and shared responsibilities. Among our GB cases, a clearly defined, formalised strategy detailing a service delivery model and different organisations' roles has been important to Edinburgh's Joined Up For Jobs partnership.

Strategic leadership and support

The leadership of the PES and other central government agencies can be vital to making inter-agency co-operation work. This leadership may be primarily through present and future control of resources and regulation (casting a 'shadow of the future') or through culture or by acknowledging expertise and leadership. It is also important that partnership working is strongly supported across departments within government.

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The importance of organisations and people in partnerships

The best examples of inter-agency co-operation appear to bring together professionals with different but complimentary resources and expertise. This has been the case with the PES-health service partnerships that have been a key feature of Pathways to Work in the UK, and some of the more effective one-stop shop models there and elsewhere. Employers are key players in successful partnerships to promote employability – employers have knowledge of the skills needed if job seekers are to succeed in the labour market; and they have the capacity to offer training and work placements for clients, and incentives to job seekers such as interview or job guarantees. Effective work placement programmes, such as those featured in our Copenhagen and Edinburgh case studies, engaged employers by sharing ownership of the design, development and delivery of employability interventions with them. The result has been programmes that provide clients with tailored, job-specific training, and in some cases 'real work experience', often waged, and supported by employers. Such demand-led models are often at the centre of successful, high quality employability programmes.

Capacity for co-operation and mutualism

Organisations and individuals involved in partnerships need to have both the authority and the flexibility to engage in mutual decision making. This is perhaps particularly the case for the PES and other key government funders/stakeholders. A further issue is the need to explicitly invest in and develop joint working and partnership development and management skills among the full range of operational and policy staff of the partners.

Organisational complimentarity, co-location and co-terminosity (i.e. same or coincident boundaries for service delivery)

Inter-agency co-operation on the planning of employability measures requires input from stakeholders with complimentary areas of expertise, responsibility and competency. The co-location of employability provision with complimentary services has been seen in countries including Belgium, Canada, France and Norway. There is much to learn from various models including the LAFOS facilities in Finland that have co-located complimentary education, social and childcare services alongside employability providers.

Incentives for partners and inter-dependency for mutual benefit

PES officials will only be able to draw other stakeholders into employability partnerships if they can demonstrate that there will be benefits for all partners (these benefits may include financial leverage, expansion of competencies and influence, achievement of organisational goals, or the opening of new markets). The drive for efficiencies in private sector provision appears to have been counter-productive in some cases, as companies seek to gain savings by standardising provision, or target the more employable job seekers so as to claim job entry rewards – the 'parking and creaming' of clients seen in countries such as Australia and the Netherlands.

The value of action-and outcome-oriented procedures

Effective partnerships are formed out of a need for action, and focus on achieving agreed outcomes. Good practice in inter-agency co-operation has tended to be characterised by partners undertaking joint action to achieve measurable goals as articulated in annual action plans, such as those governing Regional Employment Councils in Denmark or simply memoranda of understanding, such as in the Pathways to Work and Working Neighbourhoods pilots in the UK. These arrangements have ensured clarity about goals and responsibilities, with senior managers 'close to' and well informed about the progress of delivery. Where outcome agreements and the roles of organisations and managers are less clear, activities can become more fragmented and services tend to be less consistent, as in *some* Job Centers in the United States.

Use of Research Findings

The research findings can be used to compare current practice in inter-agency co-operation in NI, with 'best practice' elsewhere - whilst having due regard for the differences between NI and other countries, in terms of culture and the policy environment. Any lessons learned have the potential to feed into improving the ways in which employability issues are tackled in NI.

For further information contact:

Professor Ronald McQuaid
Employment Research Institute
Napier University
Edinburgh
EH14 1DJ
E-mail: **r.mcquaid@napier.ac.uk**

Evaluation of the Jobskills Programme

Eric Hanvey and Christine Jones, Peer Consulting

Jobskills is a vocational training programme administered by the Department for Employment and Learning (DEL) which aims to improve the employability of younger people through the completion of National Vocational Qualifications (NVQs) at levels 1-3 both inside and outside the workplace (simultaneously helping to address the skills needs of NI's economy). It is the largest training programme delivered by DEL (13,200 participants at March 2005, costing £55m in 2004/05), and has operated in various forms for more than ten years.

Introduction

Peer Consulting was commissioned in June 2005 to evaluate the Jobskills programme, and the terms of reference for the study can be summarised as follows:

i. To assess the effectiveness, efficiency and equity of the Jobskills programme in delivering its aims and objectives;
ii. To review the strategic context and validity of rationale for intervention in this area;
iii. In particular to assess progression within and destinations from the programme, influencing factors and training and administration quality; and
iv. To provide recommendations for this policy area and any future intervention required.

The broad terms the programme comprises;

- An **Access** strand which provides training at NVQ Level 1 and is particularly aimed at young people with low levels of educational attainment and/or a disability.
- A **Traineeship** strand which provides training to NVQ Level 2 usually within the context of a work placement.
- A **Modern Apprenticeship** strand which provides progression to an NVQ Level 3 for those in employment.

Methodology

Our evaluation focused on the Access and Traineeship strands of Jobskills: Modern Apprenticeships had been evaluated in 2003. The methodology adopted included the following research activities:

- Desk research and review of DEL monitoring data;
- Key informant interviews with 19 training organisations and 8 employer organisations;
- A telephone survey of 472 past-participants from the 2001 cohort;
- A telephone survey of 150 current participants; and
- A telephone survey of 100 employers who had participated on the programme.

Our principal interest was in the effects on individual participants through their achievement of qualifications and subsequent labour market outcomes. Of secondary interest were the effects on firms in relation to the availability of skilled employees and any consequent effects on competitiveness, growth and/or profitability.

Strategic Context

Extensive prior research suggests that improving the skill level of the population delivers benefits at the personal, enterprise and macro-economic levels, and the literature

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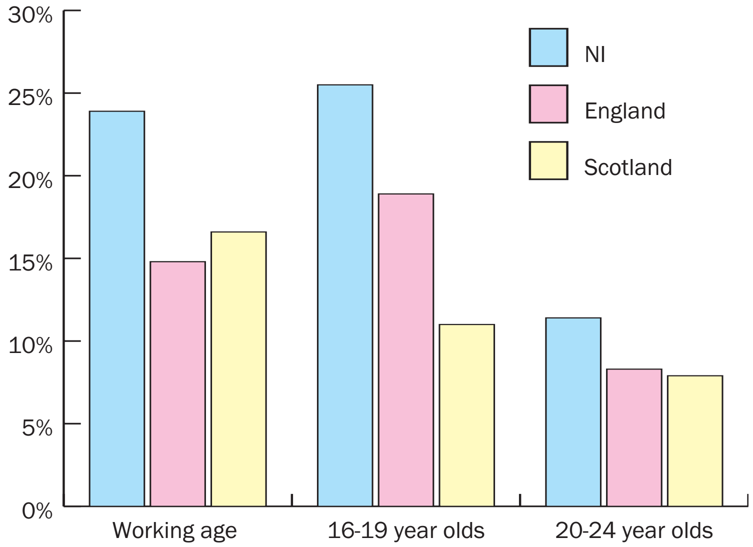
identifies three main market failures that typically justify labour market interventions such as the Jobskills programme:

- Information asymmetries causing individuals to under-estimate the value of training and education;
- Concerns on the part of employers that if they invest in developing their employees this will increase the likelihood of them taking their new skills to a more attractive employer; and
- Short-termism on the part of employers when developing investment strategies.

Figure 1: Population with No Qualifications, 2003/04



Source: Labour Force Survey

The rationale for intervention is also broadened when education and training is viewed as a 'public good' (i.e. there is an intrinsic value in self-development by individuals), and there is also an equality of opportunity argument in assisting disadvantaged people to enter the labour market and/or improve their position within it.

Given this generic rationale for intervention, it would appear that it remains particularly valid in NI when qualification levels are compared across the UK (**Figure 1**), with NI having greater propositions of people with no qualifications that corresponding cohorts in England and Scotland.

In terms of the policy environment, the most significant shifts that are set to impact upon the Jobskills programme are the development of DEL's regional skills strategy "Success Through Skills" and reform within the school system.

The former focuses upon understanding skills demand and improving skills and access accordingly. The strategy proposes improving the production and use of labour market information and delegating sub-regional skills research and planning to Sector Skills Councils and Workforce Development Forums. The Jobskills programme will obviously have to adapt to embrace these new arrangements, requiring more sophisticated supply and marketing controls to reflect more detailed demand information.

The latter relates to the recent review of the post-primary education system in NI, and more pointedly the requirement for schools to deliver an enhanced 'entitlement curriculum' starting in September 2009. This requires all post-primary schools to deliver at least 24 qualification subjects at GCSE and 27 at A-level, with at least a third of these to be vocationally focused. In an environment of a falling school-age population set alongside increasing retention of young people in school post-16 (at least partially resulting from Education Maintenance Allowance subsidy), *prima facie* the diminishing market for FE and work-based training for young people would be exacerbated by the entitlement curriculum. However, as pointed out in the Costello Review of post-primary education, few NI schools will be able to deliver a 24/27 curriculum without collaborating with other schools, and particularly local FE providers on vocational subjects. Although DEL's VE Programme provides a useful model for some types of collaboration between schools and FE, Costello was not prescriptive on the approaches to be adopted, and therefore the biggest questions facing the Jobskills programme are 'how can its NVQ provision be best aligned with schools' and 'if the market for standalone Jobskills does diminish, how can the programme be most efficiently and effectively adjusted'?

Until the full impact of these changes is worked through and greater clarity is developed on local collaborative arrangements between schools and FE providers, it is not possible to be definitive about the operational impact on Jobskills. However, it is obviously important for DEL to co-ordinate any programme changes with developments in these areas, and the recommendations that we have provided fully reflect this need for flexibility.

Jobskills Performance

Participation in the Access strand has been reasonably constant with 1,750-2,000 net starts per annum 2000-05, although a slight decrease is noticeable since 2003. However, in the Traineeship strand participation fell by 29% over five years to around 4,200 net starts in 2005.

School-leavers comprise 75-80 per cent of new starts and tend to have no or a low level of qualifications. Based on our survey of past participants, three in four of those who entered Jobskills via Access did so with no qualifications or with a highest qualification of GCSE grades D-G. This compares with 45% of those entering the Traineeship strand.

The programme is well targeted on disadvantage, particularly in the Access strand in respect of persons with a disability and geographical areas of deprivation. A majority of Access participants (58%) are located in the 30% most deprived areas of NI, compared to 40% in the Traineeship strand.

Attainment of Qualifications

Over the period 2000-2003 the trend in achievement of NVQ qualifications has been flat in both the Traineeship and Access strands. Amongst those entering via Access, 42% achieved an NVQ-level qualification while 56% of Traineeship starts achieved an NVQ qualification.

When the two strands are combined, 53% of those who started in 2001 achieved an NVQ qualification. This compares very favourably with the achievement rates published for the comparable programmes in England which have tended to be in the region of 30%.

Progression

There has been a modest upward trend in progression rates by those on the Access strand, from 29% for the 2000 cohort to 35% in 2002. By contrast, in the Traineeship strand, the trend has, if anything, been downward, from 30% for the 2000 cohort to 26-27% for the 2003 net starts.

In the survey of past participants, the most frequently cited reason for non-progression was leaving to take up a job offer (49%).

Evaluation of the Jobskills Programme

Eric Hanvey and Christine Jones, Peer Consulting

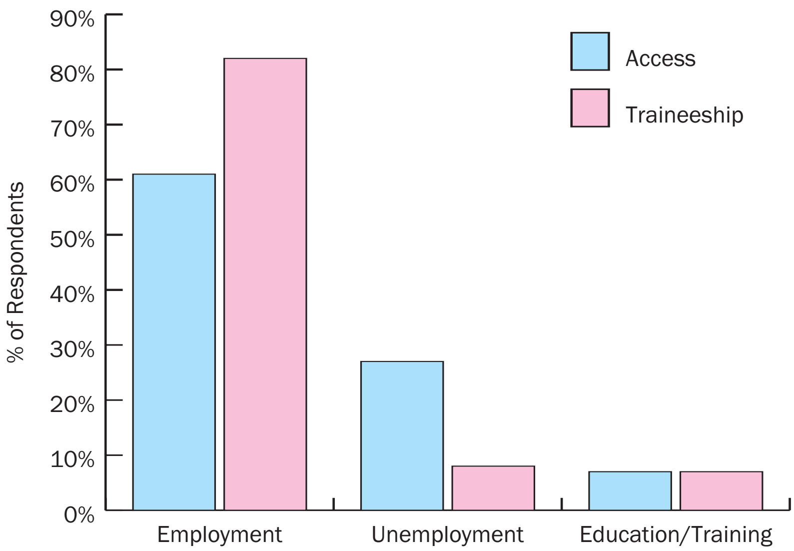
Labour Market Outcomes

Figure 2 presents the first destinations from Jobskills for the 2001 cohort.

This would suggest that just under two-thirds of Access entrants gain employment from the programme and this figure rises to more than four in five of Traineeship entrants. In addition, almost four in five respondents in employment (79%) had found jobs in which they claimed to have made use of the skills learned in their Jobskills NVQ, albeit to varying degrees.

Factors affecting the likelihood of being in employment include highest qualification achieved on the programme and whether the respondent received work experience via a placement or waged employment. Qualifications on entry and location were also found to be significant; those with no qualifications and/or from the most deprived areas had significantly lower employment rates.

Figure 2: First Destinations From Jobskills, 2001 Cohort



Source : Peer Consulting Survey of Past Participants (n=470)

Employers and Training Organisations

Overall employers were reasonably satisfied with the way that Jobskills is delivered. Just over 70% were happy with their training provider's overall service and the programme's promotion by DEL. The largest areas of dissatisfaction related to the quality of the training and the support provided to trainees, where approximately 25% felt that these areas could be delivered better. Only 10% of employers felt that all or most of their trainees were poor performers, and 75% felt that the NVQ qualifications were relevant.

The most important findings from consultations with training organisations (TOs) included a perception that competition to attract 16-18 year olds was continuing to increase. TOs also generally felt that although placement through paid employment tended to deliver better outcomes, to increase its incidence many participants would need increased pre-placement employability training.

TOs also noted a lack of flexibility within the training frameworks, which presented seemingly unnecessary progression barriers to some participants who were largely competent.

Additionality and Economic Effects

The evaluation highlighted few additionality (defined as encompassing deadweight, displacement and substitution impacts) issues within the Jobskills programme as summarised in **Table 2**. The table also shows examples of the economic effects arising from Jobskills.

Table 2: Additionally and Economic effects in Jobskills.

Area	Type of Additionality	Estimated Impact	Comment
1. Qualification Effects	Deadweight	Low	Entrants tend to have low qualification levels & only 25% said that without Jobskills they would have stayed in or enter training or education.
	Substitution	Not Relevant	There is universal provision for all 16-18 year olds to study to NVQ Level 2 or equivalent.
	Displacement		
2. Employment Effects	Deadweight	Low/Med	More than half of participants said they would have been unlikely to get their current job without Jobskills. More than three-quarters said Jobskills helped them to get a better job.
	Substitution	High	This is a positive effect with just over a quarter of employers saying they would have employed the same or similar young people in the absence of Jobskills.
	Displacement	Not Relevant	The programme is open to all employers and the majority of performance expectations were met.
	Economic effects on firms	Long-term	Immediate performance impacts likely to be low for Jobskills employers, but overall impact across workforce and economy likely to be more significant.
	Economic effects on individuals	Long-term	Literature evidences positive impact of training and education on career path and earning potential. NI LFS data also highlights positive wage effects of qualifications.

[Numbers 1 and 2 in the table are additionality effects. Guidance on estimating additionality effects in evaluations has been provided by Her Majesty's Treasury and the Department of Finance and Personnel NI – for example, in the NI Practical Guide to the Green Book]

Value for Money

Our analysis of the cost per participant on the Jobskills programme showed that it has been increasing over recent years, reflecting the increased focus on pastoral care and the drive to improve the quality of provision. The analysis also illustrates the higher level of resources put into the Access strand reflecting the greater levels of need evidenced above. For such reasons, the cost per trainee (including training allowance payments) in cash terms, has increased from £5,118 to £6,305 on Access and from £3,919 to £5,416 for Trainees, over the period 2000/01 to 2004/05.

In relation to the cost per qualification these are significantly higher and the gaps between Trainee (£9,767) and

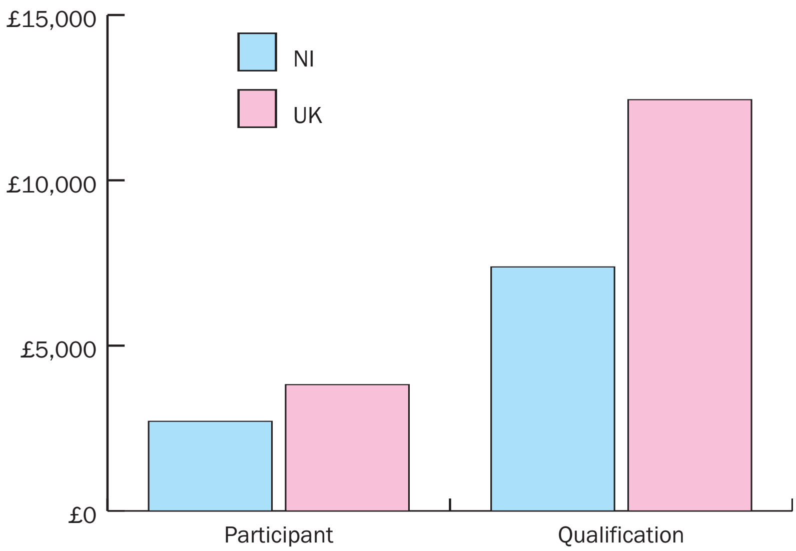
Access (£15,309) costs are increased due to the lower rates of achievement on the Access strand. These costs while high still represent comparative value for money when compared with similar programmes in England as can be seen from **Figure 3**. The better performance of the NI programme in cost terms is due almost entirely to higher levels of achievement: this is clearly the key to achieving better value for money.

Way Forward

Overall our assessment is of a programme that is performing adequately but which still has scope for improvement. The key areas which need to be addressed include;

- Better guidance and assessment for young people on entry to the programme.
- To increase the impact of the programme on young people with low educational achievement, from disadvantaged areas or with a disability.
- Ensure that the training provided is valued and supported by employers.
- Ensure that the quality of training provided is enhanced by the continued implementation of the Education and Training Inspectorate's (ETI) quality assurance programme.

Figure 3: Cost Comparison with English Apprenticeships (adjusted*) 03/04



Sources: DEL, LSC Annual Report 2003/04, LSC Outcome Stats 2003/04
* NI expenditure has been adjusted to take account of the greater proportion of programme spend on Training allowances on Jobskills

Our key recommendations are as follows:

- Adoption of a universal and comprehensive pre-entry assessment process to identify the abilities, needs and barriers facing each of the individual young people coming onto the programme.
- Actions to reduce the financial incentive for young people to leave the programme. We believe that this is an area where DEL could reasonably look to employers to make a contribution towards the programme.
- Closer links with schools through initiatives like the pre-apprenticeship scheme and the new collaborative approaches to provision have the potential to significantly improve the situation of young people coming into Vocational and Educational programmes (VET) run by DEL.
- More systematic monitoring of the performance of training providers in relation to retention, achievement, progression and labour market outcomes, to complement the work of the ETI.
- We would suggest that any new programme adopt a monitoring/reporting approach similar to that

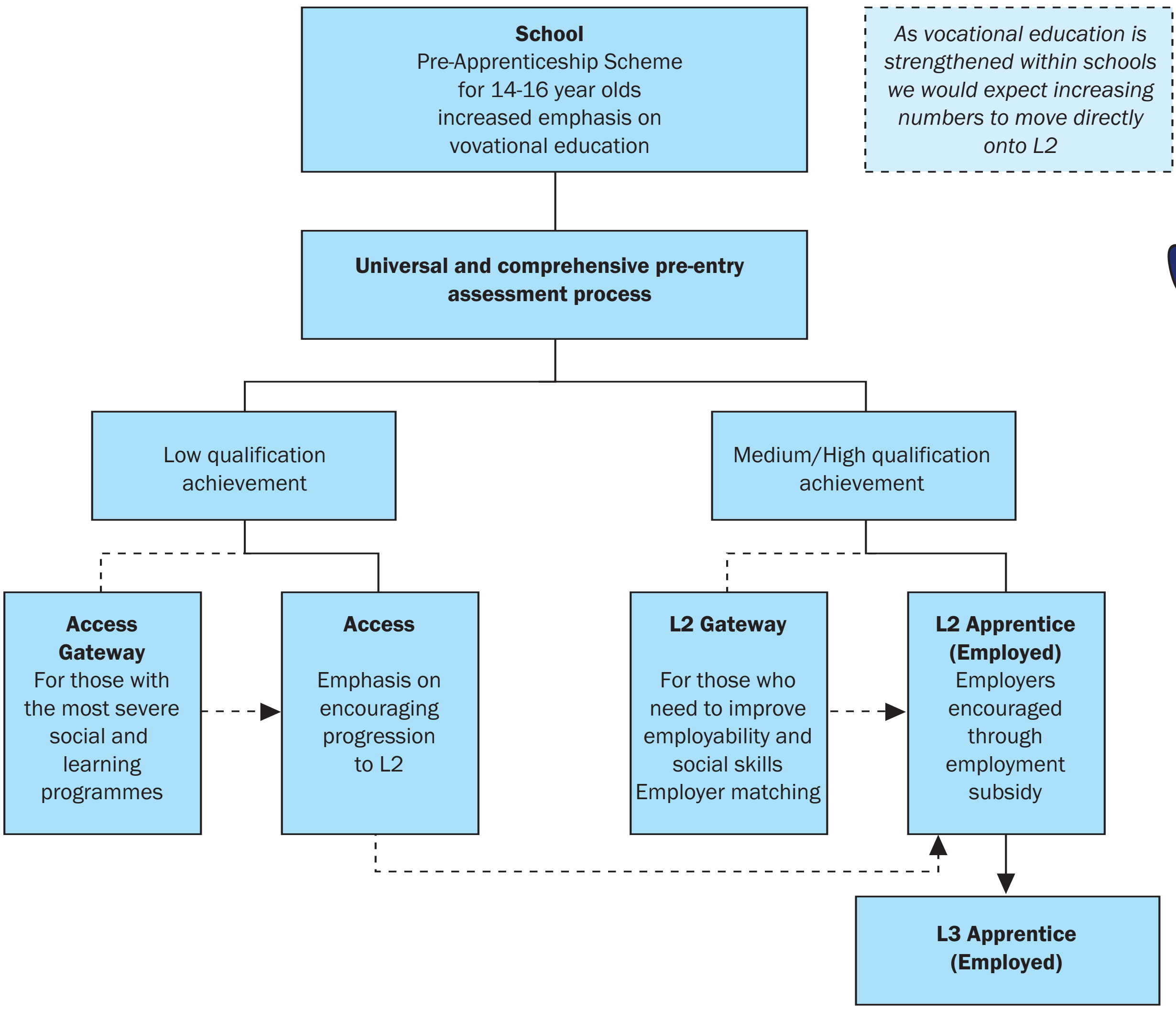
Eric Hanvey and Christine Jones, Peer Consulting

currently used by the Learning and Skills Council in England to measure the performance of their apprenticeship programmes.

- We believe it is vital that DEL continues to build on the quality assurance infrastructure that it has put in place since the NI Audit Office (NIAO) report on Jobskills (published July 2004)[1]. The key issues in ensuring the quality assurance remains a high priority going forward are the following:

  - To ensure that sufficient resources are provided to enable the ETI to undertake inspections on a regular and systematic basis;
  - To provide and publicise analysis of Training Organisations' performance over time;
  - To continue to provide support to those Training Organisations where there is scope for improvement. We suggest that any new programme adopts a monitoring/reporting approach similar to that used by the Learning and Skills Council in England to measure the performance of their apprenticeship programmes; and
  - To include within any contracts for the delivery of the new programme

Figure 4: Proposed VET Programme Structure



1 Northern Ireland Audit Office (2004) Report on Jobskills
www.niauditoffice.gov.uk/pubs/reports/2004/Jobskills/FullReport.pdf

provisions to enable the Department to remove from the contracts Training Organisations that are unable to meet the required standards.

- We believe that some form of contracting on a tripartite basis between employer, trainee and training provider would be extremely useful to make all parties aware of what they can expect from the arrangement and what they need to contribute.

We also welcome and endorse the proposals set out in the Success Through Skills strategy. We have identified a number of changes to the programme structure which we believe will help to align the programme within NI's overall VET policy framework. This has fed into the proposed programme model illustrated in **Figure 4**. It should be noted that some aspects of this model may be subject to change, depending upon the outcome of the public consultation process referred to below.

Position in October 2006 – Department for Employment and Learning

In early 2006 the Department reviewed its provision in this area and took account of a wide variety of information, including the then draft report on the evaluation of Jobskills. The Department's proposals for the future are contained in a Consultation Document published in July 2006[2]. They broadly mirror the three-level structure suggested above, with a flexible menu of options predicated on appropriate advice and guidance at the outset. The consultation period ended in September 2006 and the Department is currently considering responses received in that consultation. The final format of the programme(s) which will succeed Jobskills will be informed by the responses.

For Further Information contact:

Peer Consulting
9 Wellington Park
Belfast
BT9 6DJ

Tel: 028 9066 2888/
07843 376228
E-mail:
eric@peer-consulting.co.uk
www.peer-consulting.co.uk

2 Department for Employment and Learning (2006) "Training for Success" **www.delni.gov.uk/training_for_success.pdf**

A Review of Engineering Training at BIFHE

Eric Hanvey, Peer Consulting

The Engineering Skills for Industry (ESfI) Programme delivers a 19 week full-time entry-level engineering skills training course at BIFHE (Belfast Institute of Further and Higher Education), ideally including a work placement period. The programme aims to support engineering companies in recruiting suitable employees and also to increase the opportunities of long-term unemployed people to re-enter the labour market. The evaluation considers the evidence that suggests that the programme has some success in meeting its objectives in these areas.

Introduction

The ESfI Programme includes basic employability training alongside NVQ Level 1 study in engineering disciplines. The programme was developed in collaboration between the Department for Employment and Learning (DEL), BIFHE, the engineering industry and relevant community organisations. The programme was funded under the Peace II Programme (Measure 1.3) and specifically targets long-term unemployed people and particularly those in North and West Belfast. A total of 132 people had started on the programme by January 2006.

The Study

In early 2006, DEL commissioned Peer Consulting to evaluate the ESfI Programme and the terms of reference for the study can be summarised as follows:

- To assess the effectiveness of the programme in engaging its target group, linking into local initiatives, encouraging equal opportunities and enhancing employability;

- To assess the overall success of the programme against its objectives, and the quality of design, delivery and management;

- To assess continuing need for, sustainability of and potential future positioning of the intervention.

Our research methodology included desk research and review of monitoring data, consultation with key stakeholders and a telephone survey completed with 52 ex-participants (representing a 46% sample).

Rationale

The original rationale for the programme (presented as part of the funding application) was two-fold. Firstly, engineering firms had been reporting recruitment difficulties. Although there was a subsequent slowdown in the global economy, forecasts suggested that this shortage was to become critical once more. Secondly, North and West Belfast still suffered from disproportionate deprivation and unemployment, therefore a targeted initiative such as this was justified on social equity grounds.

Our research suggests that this rationale remains valid, with employers citing current skills shortages across all occupational areas in the engineering/manufacturing sector and North and West Belfast still experiencing disproportionate deprivation, economic inactivity and unemployment. Additionally, employers highlighted an increasingly competitive market where large firms needed to be able to react quickly to short-term contract requests. This in turn requires ready access to a skilled workforce. Furthermore, DEL's new Skills Strategy reinforces the need for greater co-ordination, responsiveness and flexibility between industry and the training sector to drive the economy and ESfI fits this context well.

Performance

The programme is relatively well targeted, with three-quarters of participants living in North and West Belfast, almost two-thirds being aged 18-24 and almost half having never been in employment.

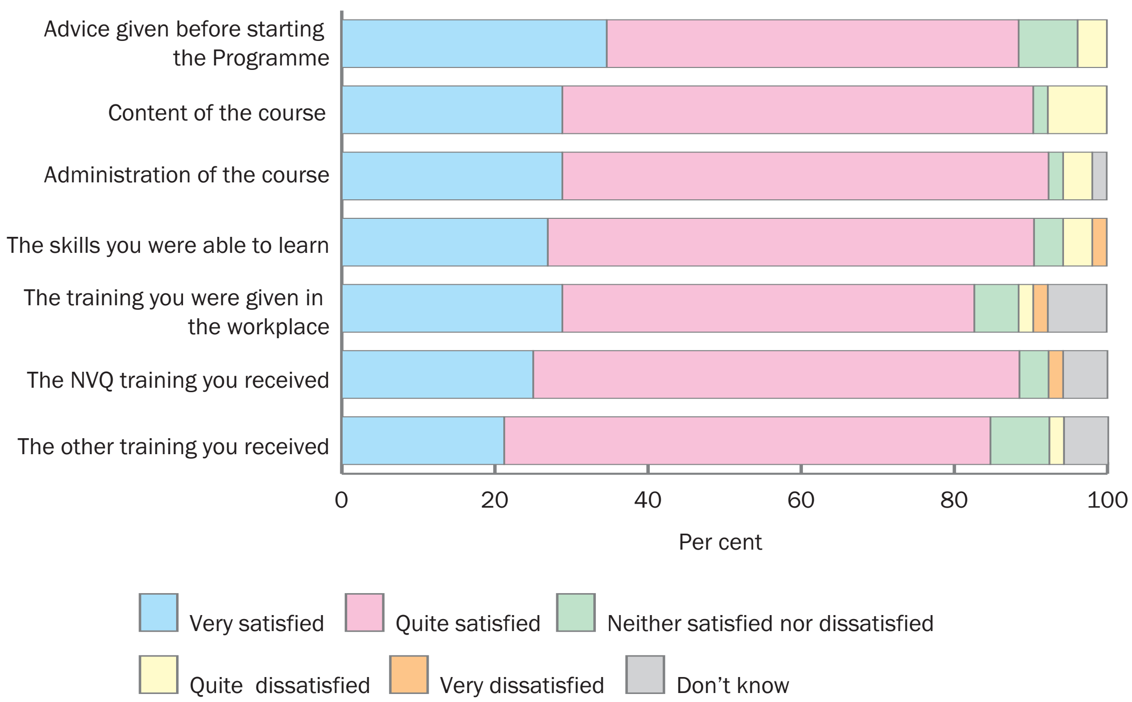
Analysis of the ex-participant survey presents a positive picture of the programme and the impact that it has on course participants, highlighted below in **Figure 1**.

Participant satisfaction was very high across all programme elements, with more than 80% of respondents indicating that they were quite or very satisfied. Overall 94% of the participants stated that they were very happy or happy with what BIFHE did for them during their time on the programme.

While only a third of respondents reported having completed a work placement (mostly for a two week period), programme managers indicated that this was because the engineering training provided was so job-specific and the training operated in such a work-like environment that the value of placements had been lower than expected while remaining difficult to arrange. While records indicate that all participants had studied towards at least one NVQ unit, only two-thirds of respondents were aware of this.

The outcome of the programme for participants was also positive with 65% of the respondents in employment at the time of

Figure 1: Ex-Participant Satisfaction with Programme



Source : Peer Consulting survey of ex-participants, (N=52) interview, and a further 6% in further education or training. Just under a third reported that they were unemployed and claiming benefits. This is a significant improvement on the labour market status that the respondents reported pre-participation when 94% of the participants were unemployed. Additionally, almost two-thirds of those in employment considered their job to be in the engineering sector and 82% of those in employment at the time of survey reported using their Programme skills in their job. The additionality of the programme appeared to be reasonable with just over a third of respondents thinking it likely that they would have obtained employment even without the programme.

The cost per trainee (that completed the programme) for ESfI was £3,728. This was significantly higher than for comparable New Deal and Bridge to Employment programmes. In terms of sustainability, while all employers were prepared to make ‘in kind’ contributions to support relevant training, very few felt able to make cash contributions reflecting a recent sectoral downturn and a lack of willingness to fund the generic ‘employability’ elements of the training. Employers saw the programme very much as foundation training and their role as adding continual value to an individual’s career once they had reached entry-level.

Conclusions and Recommendations

The rationale for the programme remains valid in terms of identified skills shortages and social inclusion, and fits well with the NI Skills Strategy. The programme has also been well targeted in terms of participation.

Overall the Programme received strong support from all interested parties; employers, industry representatives, community interests and participants. Without exception all consultees felt that the programme was well delivered and offered significant benefits to both the engineering sector and participants. Our survey illustrated high levels of satisfaction across all of the programme elements, employment outcomes were positive, and additionality appears to be reasonable.

While the evidence suggests that the programme has been quite successful, the decisions around the future delivery will be based on the outcome of this evaluation. In the absence of future EU funding support, where should programme funding come from and where should the programme sit within DEL’s broader intervention framework?

Given the nature of the target group, financial contribution from trainees is unlikely to be viable, and employers have underlined a reluctance to provide cash support for foundation training provision. Therefore the main burden appears to remain with government, although BIFHE may want to consider attaching a fee to employers for all recruits taken from the programme, reflecting the direct benefit derived by the firms.

In order to find room for the programme within existing DEL budgets, it may be necessary for ESfI to be positioned within one of the Department’s mainstream programmes. ESfI broadly fits within the policy parameters of New Deal therefore with some flexibility it could fit well within that programme. While the intensity of training and cost fit well with mainstream FE provision, there is no mechanism to accommodate the benefit based training allowance currently paid to the ESfI participants. While Bridge to Employment may present the best ‘home’ for ESfI the programme rationale limits its support to new jobs created by inward investing and local companies undergoing expansion.

Overall the evidence presented in this evaluation paints a picture of a good programme with high levels of success; it meets employers’ needs, gets unemployed people from the most deprived part of NI into work and contains all the key characteristics set out in the NI Skills Strategy. In our view it is therefore important that DEL looks at how it can continue to fund this programme and how it can adopt this model of delivery more widely in future education and training provision.

Since the evaluation was completed the ESfI Initiative continues to be supported by DEL having been placed within New Deal provision.

For further information contact:

Peer Consulting
9 Wellington Park
Belfast
BT9 6DJ
Telephone:
02890662888/07843376228,
E mail:
eric@peer-consulting.co.uk,
www.peer-consulting.co.uk.

What Happened to the ex-Adria Workers?

Eric Hanvey, Peer Consulting

Textile employment has been declining in NI for some years, and the Strabane area, in the west of NI has high unemployment and low unemployment rates. In 2005, 132 textile workers in Strabane were made redundant and DEL commissioned a study to examine the labour market experiences of those made redundant. The study found that, of NI residents who lost their jobs, 64% were in employment three months later and 71% were in a job nine months after their redundancy.

Background

Adria was NI's largest textile firm, and was the primary hosiery supplier to Marks and Spencer in the UK and Victoria's Secret in the US. The firm employed 790 people in its Strabane HQ and also has manufacturing arms in Turkey, China and Columbia. The firm was bought over by the multi-national Quantum Clothing Group in late 2004, and between March and May 2005, 132 staff in Strabane were made redundant as a knock on effect of harsh global market conditions.

In July 2005 the Department for Employment and Learning (DEL) commissioned PEER Consulting to undertake a piece of research to examine the impact of the redundancies in terms of the individuals' labour market expectations, outcomes and support provided. The study adopted a two stage survey approach, the first taking place in August 2005 (some five months after redundancies were announced and less than three months after the last of the 132 staff had left the firm). The second survey took place in December 2005/January 2006, some six months after the Stage 1. Of the 132 employees, 85 resided in NI and it is this group that was considered in our research.

The Stage 1 survey was completed on a face to face basis, and of the 85 NI-residents made redundant, interviews were completed with 74 (an 87% response rate). In the Stage 2 follow-up telephone survey, 55 people participated, which represents 74% of Stage 1 respondents and 65% of the original 85 NI-residents.

Labour Market Context

The Strabane District Council area accounts for 2.3% of NI's population, has a substantially lower economic activity rate than the NI average, and working age employment rates are the fourth lowest of all council areas in NI. Unemployment and long-term unemployment are also higher than average in the Strabane area, and workforce qualification levels are substantially lower than the NI average. The local economy is dominated by manufacturing, has a relatively large dependency upon agriculture (both declining sectors) and has experienced significantly higher than average job losses in the manufacturing sector than the rest of NI over recent years. The north west of NI and Strabane in particular have experienced a disproportionate number of redundancies in recent years, and despite only representing just over 2% of the working age population, Strabane accounted for nearly 10% of NI's redundancies in 2004 and 2005.

Exiting Adria

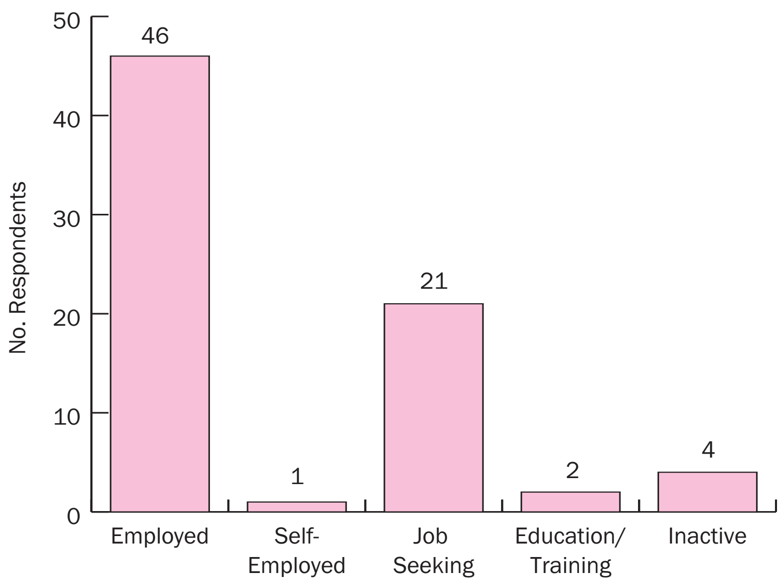
Although the redundancies were made right across the firm, almost 70% of respondents had a process operative role (e.g. packer, dyer, batcher). The respondents' average length of service in Adria was more than 16 years, and more than four-fifths lived within five miles of the factory.

Some 85% of respondents expected to enter employment after Adria and at the time of the Stage 1 survey, 69% had applied for new jobs and almost half of these were outside the Strabane area.

Short-term Employment Outcomes

Some three months plus after redundancy, respondent labour market positions were as follows:

Figure 1: Labour Market Positions at Stage 1 Survey



Source : Peer Stage 1 Survey, Aug 2005 (n=74)

The most commonly perceived barrier to gaining employment was a lack of relevant experience the counterpoint of which was a lack of demand for the individuals' specific skills.

Just over half of those in employment at the time of interview had secured a job before they were made redundant from Adria, with a further 22% finding employment in less than a month. Almost one-fifth took between two and three months to find employment.

The largest sector of new employment was the construction sector, accounting for a third of respondents in employment. Half of employed respondents were in unskilled occupations (e.g. call centres, drivers, other manufacturing). Nearly two-thirds were working full-time and a quarter on a temporary basis. Just over half of employed respondents indicated that they were financially worse off compared to their time at Adria, although 87% felt that their job conditions were better.

Nearly two thirds of unemployed respondents urgently needed to find employment, and just over half had claimed Jobseekers Allowance. While nearly half were willing to travel more than ten miles for employment, almost a quarter stated that they were not willing to travel more than a mile for employment.

Financial Impacts

Only a fifth of respondents indicated that they had faced or were likely to face financial difficulties as a result of being made redundant. Some 27% of the overall sample (n=74) had claimed Jobseekers Allowance or additional benefits at some point since being made redundant. Although three respondents indicated that a member of their household had taken on extra work to make ends meet, no respondents reported that other members of their household had made additional benefit claims as a result of the redundancy.

What Happened to the ex-Adria Workers?

Eric Hanvey, Peer Consulting

DEL Assistance

Almost three quarters of respondents had attended the DEL advice clinic or received help from the JC; just under half of respondents had attended the DEL advice clinic at Adria, while the same proportion received no help from the local JobCentre. Some had received help from both. The most common JobCentre support was job search assistance with two-thirds of relevant respondents rating this support as useful or very useful. Suggested improvements included more information on the redundancy process, advice on benefit entitlements, better advice on options and vacancies.

Stage 2 Survey Findings

Follow-up findings were encouraging with employment levels having increased from 64% within three months of redundancy to 71% within nine months, with limited churn observed. Some 41% of those seeking work at the Stage 1 point had moved into employment by Stage 2, with a further 12% entering training and education. Only seven respondents were job-seeking nine months after redundancy, although the number of inactive Adria ex-employees had risen from four to six.

A number of factors influenced the re-absorption of individuals back into the labour force with those unemployed at August 2006 more likely than those employed to:

- have held an operative position while employed at Adria;
- have been employed at Adria for between 5 to 10 years;
- be aged 25-44;
- live with a spouse/partner in full-time employment;
- have lived closer to Adria;
- be female.

Observations

The labour market was largely able to reabsorb those made redundant from Adria, but it should be noted that a significant proportion moved to jobs in different sectors and had to be relatively mobile. We would suggest that these outcomes reflect the general upturn in the wider NI economy rather than the local labour market itself. Additionally, with just over one-third of those leaving Adria entering the public sector (health and education services in particular) the need for continued economic and labour market development in the area should not be underestimated.

A significant number of those made redundant made use of the services on offer from DEL (i.e. the Advice Clinic held at Adria or the services available through the local JobCentre). The services were well promoted to all those made redundant at the earliest possible opportunity (i.e. through the Advice Clinics held at Adria on the day redundancies occur) and played an important part in helping those made redundant to find employment.

While it is important for DEL to target those made redundant at the earliest possible opportunity, the situation at Adria was not ideal for a number of reasons. The Clinic coincided with the announcement of redundancies and as a result many people found it difficult to make the most appropriate use of the services on offer as they were struggling to come to terms with the announcement. Adding to this pressure was the fact that those made redundant were not given sufficient time by their employer to attend the Clinic, often having to do so during their tea-breaks when demand was high. Although these factors lie outside the control of DEL it may be appropriate in future for DEL to negotiate with the employer to ensure that those made redundant are afforded sufficient time to attend the Clinic and avail of the various support services available.

For further information contact:

Peer Consulting
9 Wellington Park
Belfast
BT9 6DJ
Telephone:
02890662888/07843376228
E mail:
eric@peer-consulting.co.uk
www.peer-consulting.co.uk

Dispute Resolution Patterns: Results from Surveys of Employers and Employees

Kathryn Wilson, Research and Evaluation Branch, DEL

The article is a summary of the *'Employment Relations Survey 2004-2005: Comparison of employee and employer responses to research into workplace attitudes and practices'*,[1] September 2006, which gives comparisons of employer (2004) and employee (2005) responses to research into workplace attitudes and practices. This research was aimed to act as a baseline against which the introduction of future legislation can be assessed against.

Purpose

The Department for Employment and Learning commissioned its first Employer Survey on Dispute Resolution during 2005[2]. This summary report details the main findings of that and the Employee Survey included in the NI Omnibus Survey, June 2004. This initial research is designed to act as a baseline against which the impact of the future legislation being introduced by DEL could be measured by way of comparative research at a later date.

Methodology

The Employee Survey was based on the NISRA Omnibus Survey[3]. During June and July 2004, a sample of 2,200 addresses were drawn from the Valuation and Lands Agency list of addresses. A list of all household members who where 16 years or over was compiled and one person was randomly selected as the respondent for that address. The selected respondent was then asked to complete the interview, resulting in a final sample size for survey of 1,279. In total 532 respondents were employees.

During January and March 2005 the Central Survey Unit carried out a survey of employers. A sample of 1,740 businesses was selected from the BT Business Database throughout NI and a telephone interview questionnaire was conducted. Productive interviews were obtained from 860 businesses.

Employee Survey

Relations between managers and employees

The majority of employees described the relations between managers and employees at their workplace as 'good' (45%) or 'very good' (32%). Only 7% described them as poor, 5% as very poor and 12% neither poor nor good. Women tended to be more content with their employee/manager relationship with 35% stating the relationship was very good in comparison to 28% of men.

Grievances

Over four in five employees (82%) agreed that there was a formal procedure for dealing with individual grievances raised by an employee, 18% disagreed. A higher percentage of women (86%) were in agreement than men (79%). Those from managerial and technical (91%) and professional (86%) socio-economic groups were more aware of a formal procedure for dealing with individual grievances than those from skilled manual (74%) and partly skilled groups (68%). As the number of employees increased in the establishment the proportion of employees who were aware of a formal procedure also increased. Over half (53%) of those employed in firms with 1-10 employees were aware of the procedures, this increased to 100% of those working in establishments employing more than 500 employees.

1 This report can be found in full at: **http://www.delni.gov.uk/employment_relations_survey_2004-2005_analytical_report.pdf**
2 This survey, 'The Employment Relations Survey Northern Ireland 2005' can be found at: **http://www.delni.gov.uk/employmentrelationssurveyni2005.pdf**
3 Details of NISRA Omnibus Survey can be found at: **http://www.csu.nisra.gov.uk/surveys/survey.asp?id=6&details=0**

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One fifth of those who had a formal procedure for dealing with individual grievances (20%) had or knew someone they worked with who had formally raised matters through the individual grievances procedure in the last 12 months. This percentage was slightly higher with females (21%) than males (19%) and with those from a Catholic background (23%) than a Protestant background (18%). Employees from the managerial and technical socio-economic group (27%) were the most likely to have raised a grievance or worked with some one that had raised a grievance whereas those professional employees were the least likely (8%). Those with a degree or higher educational qualification (33%) and those with A-levels (23%) were also more likely to raise a grievance than those with fewer qualifications, like GCSE D-G or equivalent (14%) or those with no qualifications (12%).

Of the employees who stated they had never themselves or never known anyone at work who had formally raised any matters through the individual grievances procedure in the last 12 months 51% stated this was because there were never any grievances. 29% stated this was because of good management – employee relations with a further 16% stating disputes that were raised were resolved informally, before there was a need to use procedures.

Over half (52%) of all employees when asked were they 'aware of which types of grievances, if any, have been raised in the past year, whether through a procedure or not?' replied 'no grievances were raised'. Those in the 65 and over age bracket (88%) and the Protestant community (55%) were most likely to have raised no grievances in the last year, in comparison to 45% of 25-44 year olds and those from the Catholic community (50%). Those working for smaller firms employing 1-10 (72%) and 11-24 (73%) people were most likely to say that no grievances had been raised. Only 38% of employees in establishments with 500 or more employees said the same.

The most common grievances that employees were aware of were pay and conditions (20%), working time, annual leave or time off work (13%) and physical working conditions and or health and safety (12%). These are illustrated, alongside employer responses in **Figure 5**. Additionally, awareness of the latter grievance was sufficiently greater amongst males (18%) than females (7%). Professional employees were most aware of grievances concerning working time, annual leave and time off work (24%) in comparison to only 3% of unskilled manual employees. Skilled manual employees were most aware of grievances relating to pay and condition issues (24%) in comparison to only 6% of unskilled manual employees (8%). On the whole, those working in firms with 500 or more employees were the most aware of the majority of grievances. For example, one fifth of those employed in the largest firms were aware of grievances regarding relations with supervisors or line managers (21%) and bullying at work (18%), in comparison to only 1% and 3% respectively of employees in firms having 1-10 employees.

In raising grievances employees are more likely to attend a formal meeting with a manager to discuss the nature of their grievance (83%) than to set the nature of the grievance out in writing (66%) with 63% undertaking both. In the case of experiencing a grievance at work 45% of all employees would seek advice from their manager, followed by a union representative (38%) or a colleague (29%).

Resolution of grievance

Of all those who were aware of a grievance being raised in the last year, 48% reported the issue was resolved by in-house procedures, 21% were not resolved formally but informally, 10% were not resolved and the complaint was not pursued and 7% were not resolved and were referred to the Labour Relations Agency (LRA). This is illustrated in **Figure 1**. There was little difference between males and females in these results; however males were more likely to refer the unresolved issue to the LRA (9%) than females (6%).

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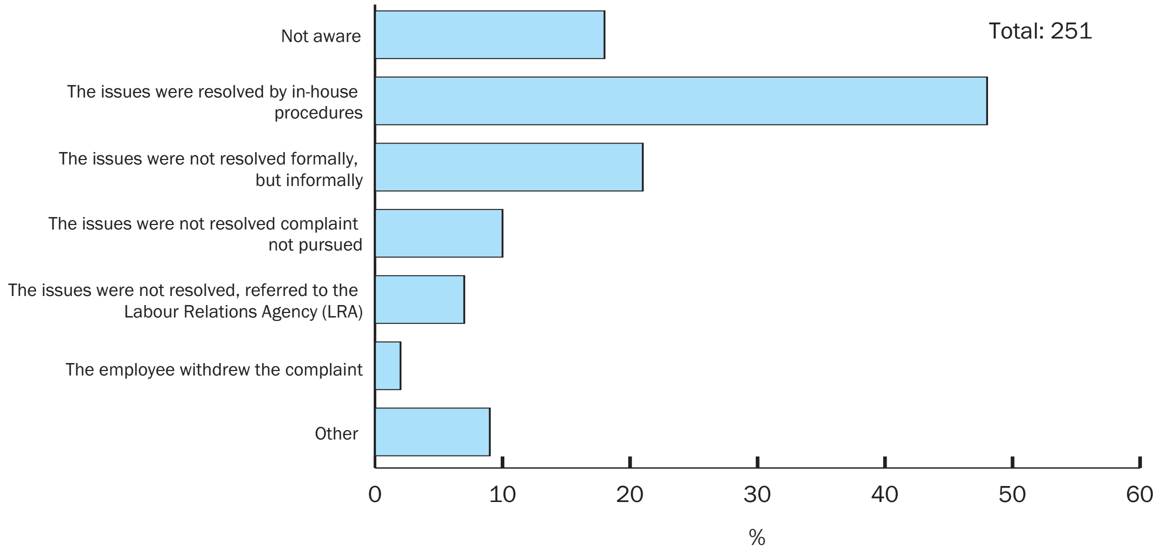
Figure 1: What happened as an outcome of the grievance being raised



* Percentages may add to more than 100% due to multiple responses. **Source: NI Omnibus Survey June 2004**

Of those that said their employer had no formal procedures for dealing with individual grievances raised by an employee 66% said the grievance was resolved through discussions with managers. This was followed by 13% who resolved it through discussion with the person responsible for the grievance.

Of all the employees surveyed 71% thought workplace procedures could be of assistance for resolving disputes. This is less than the percentage of employees (82%) that stated in their workplace there was a formal procedure for dealing with individual grievances raised by an employee. Over a third of employees (38%) felt that the Fair Employment Tribunal could be of assistance where an employment dispute occurs, followed by the LRA (28%) and Industrial Tribunals (22%).

Grievances - employee summary

- Over four in five employees (82%) agreed that there was a formal procedure for dealing with individual grievances;
- One fifth of those who had a formal grievance procedure (20%) had or knew someone they worked with who had formally raised matters through the individual grievances procedure in the last 12 months;
- Pay conditions were the most commonly reported grievance (20%), followed by working time, annual leave or time off work (13%);
- Of all those who were aware of a grievance being raised in the last year, 48% reported the issue was resolved by in-house procedures and 21% were resolved informally;
- Employees thought that workplace procedures (71%), the Fair Employment Tribunal (38%) and the Labour Relations Agency (28%) would be of assistance for resolving disputes.

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Discipline and Dismissals

Over three quarters of employees (84%) agreed that there was a formal procedure for dealing with discipline and dismissals other than redundancies. This was similar to the 82% of employees who agreed that there was a formal procedure for dealing with individual grievances raised by an employee. The vast majority (89%) of employees agreed if disciplinary action is being taken against an employee, he or she is always asked to attend a formal meeting and 84% are required to set out in writing the reason for taking disciplinary action.

Discipline and Dismissals – employee summary

- Over four fifths of employees (84%) agreed that there was a formal procedure for dealing with discipline and dismissals, other than redundancies.

Employment Rights

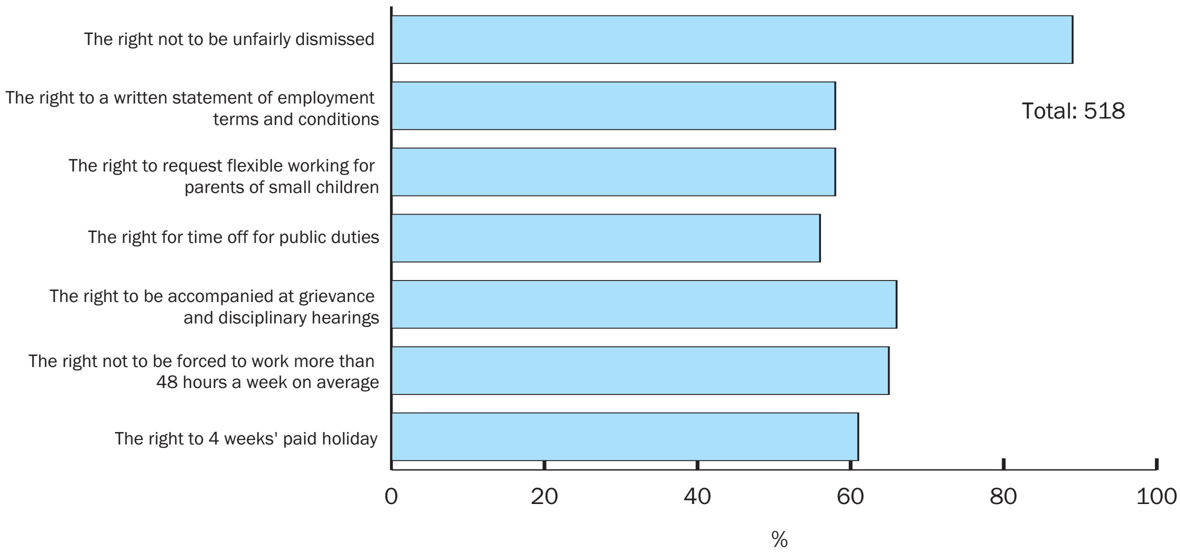
Four in ten employees (41%) would approach a union representative to find out more about their employment rights. This was followed by the Citizens Advice Bureau (37%), their employer (28%) and the Labour Relations Agency (17%). Of those who stated they had a very good or good relationship with their manager 24% would approach their employer to find out more about employment rights.

Of all the employees surveyed 46% reported having read guidance material on employment rights. Employees who had raised a grievance or worked with someone who had done so in the last 12 months were sufficiently more likely to have read the guidance material (67%). Those with a higher educational qualification are more likely to have read the material. Employees with a degree and higher were almost three times more likely (61%) to have read guidance material than those with no qualifications (21%).

Almost half (48%) of all those who have read guidance material stated they got it somewhere 'other' than the options provided, a large proportion of these later specified they got this material from work or their employer, in total this equated to 28% of all who had read the material. Following this 17% obtained material from the LRA and 17% from Employment Rights Branch (DEL).

On the whole there was a high level of awareness of certain employment rights (**Figure 2**). Almost nine in ten employees (89%) were aware of 'the right not to be unfairly dismissed'. Two thirds of employees (66%) were aware of 'the right to be accompanied at grievance and disciplinary hearings', and 65%

Figure 2: Awareness of Employment Rights



* Percentages may add to more than 100% due to multiple responses. **Source: NI Omnibus Survey June 2004**

'the right not to be forced to work more than 48 hours a week on average'. This was followed by 'the right to 4 weeks paid holiday' (61%), 'the right to a written statement of employment terms and conditions (in companies with more than 20 employees)' (58%), and 'the right to request flexible working for parents with small children' (58%).

Females were more aware (63%) of the 'right to request flexible working for parents of small children' than males (53%). Men were more aware (68%) of the 'right not to be forced to work more than 48 hours a week on average' than females (62%). A similar pattern occurred with educational attainment with those employees educated to degree level or above or a higher education qualification were more aware of employment rights than all employees on average, whereas those with no qualifications were less aware of employment rights than all employees.

When asked what would help respondents find out more about their employment rights, over a third (44%) of employees suggested information available from the website, JobCentres, Jobs and Benefit Offices, libraries and post offices. This was followed by a TV and poster campaign (23%) and newspaper or magazine articles (19%).

Employment Rights – employee summary

- Almost every nine in ten employees (89%) were aware of the right not to be unfairly dismissed;
- Two thirds of employees (66%) were aware of both the right to be accompanied at grievance and disciplinary hearings, and 65% were aware of the right not to be forced to work more than 48 hours a week on average;
- Over four in ten employees (41%) would approach a union representative and 37% the Citizens Advice Bureau to find out more about their employment rights.

Trade Unions

Just over four out of ten employees (42%) were members of a trade union or staff association and the same percentage said they had never been members: the remaining 16% stated they were not a member but had been in the past. Those with a higher education qualification (57%) or a degree or higher (51%) were more likely to be a member of a trade union or staff association in comparison to 33% of those with GCE A level and 27% of those with no qualifications.

Of all the employees surveyed 46% described their management's general attitude towards trade union membership as neutral; this was followed by 28% who reported that their manager(s) were in favour of trade union membership and 26% who were not in favour of it. Almost twice as many males (34%) believed that management are not in favour of trade union membership than females (18%).

Employee Representation

Over half of employees (53%) thought that, if they wanted to make a complaint at work, self-representation was the best way to deal with managers in their workplace. 29% preferred to turn to their trade union, a figure 13% below the percentage of employees who stated that they were a member of a trade union or staff association.

Of those who were union members, 58% believed that the union would best represent them in taking a complaint to management. Almost a third (32%) believed, irrespective of their union membership, that they could best represent themselves. This may possibly indicate a lack of confidence in the trade unions and staff associations; alternatively it could be a side-effect of the good or very good relationship between management and employers reported in 77% of cases. Indeed, 66% of employees working for employers who did not have a formal procedure for dealing

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with individual grievances stated that they would resolve a grievance at work through discussions with their managers.

Self-representation proved to be less common (44%) in disciplinary situations. In these circumstances, over a third (36%) of employees preferred to use their trade union. Of those who were members of a trade union, 71% believed that the union would best represent them in this type of situation and only 19% would opt for self-representation. This shift away from self-representation towards trade union representation, when compared to the results in grievance situations, would appear to illustrate a reduced individual confidence in dealing with management where management is perceived as having already arrived at a particular point of view.

Employer Survey

Grievances

Just over three quarters (76%) of businesses in NI had a formal procedure for dealing with individual grievances raised by employees at their establishment. Large businesses with 50 or more employees (94%) were more likely than small businesses with 5-9 employees (61%) to have this formal procedure.

Of those businesses that did not have a formal procedure for dealing with grievances 64% of employees resolved it through discussions with managers.

In the vast majority (95%) of businesses with formal grievance procedures employees were asked to attend a formal meeting with a manager to discuss the nature of their grievance or set out in writing the nature of the grievance (81%).

Employees had raised matters through the individual grievances procedure in the 12 months prior to the survey in less than a fifth (16%) of businesses with such a formal procedure.

Employers who had not had any employee raise any matters through the individual grievance procedures that were in place (84%) were asked why they thought this was. Almost half (48%) said it was because there had never been any grievances and a similar proportion (49%) said disputes had been raised and resolved informally before there had been a need to follow procedures. The largest proportion (60%) thought it was due to good management/ employee relations.

Nearly three quarters (73%) of all businesses surveyed said no grievances had been raised in the year prior to the survey whether through a procedure or not. Pay and conditions (12%) and work practices, work allocation or pace of work issues (8%) were the most commonly reported grievances. These are illustrated alongside employee results in **Figure 5**.

Interestingly, grievances were twice as likely to have been raised in businesses with a

Trade Unions and Employee Representation – employee summary

- Both 42% of employees had been a member of a trade union or staff association, and 42% had never been a member;
- Almost half (46%) described their management's general attitude towards trade union membership amongst employees as neutral;
- If employees wanted to make a complaint surrounding their work over half (53%) thought self-representation was the best way to deal with their managers. Using their trade union (29%) was the next most common option;
- Over four in ten (44%) employees thought that self-representation was the best means of dealing with a manager who wanted to discipline you, whilst 36% of employees preferred to use their trade union.

grievance procedure (30%) than in those without (15%). This may be explained, at least in part, by a higher reporting level in businesses which, because they operate a formal procedure, almost inevitably keep careful record of each individual complaint. There may also be a tendency on the part of those firms without a grievance procedure to minimise (whether because of a lack of formal records or some other reason) the number of grievances faced.

Grievances – employer summary

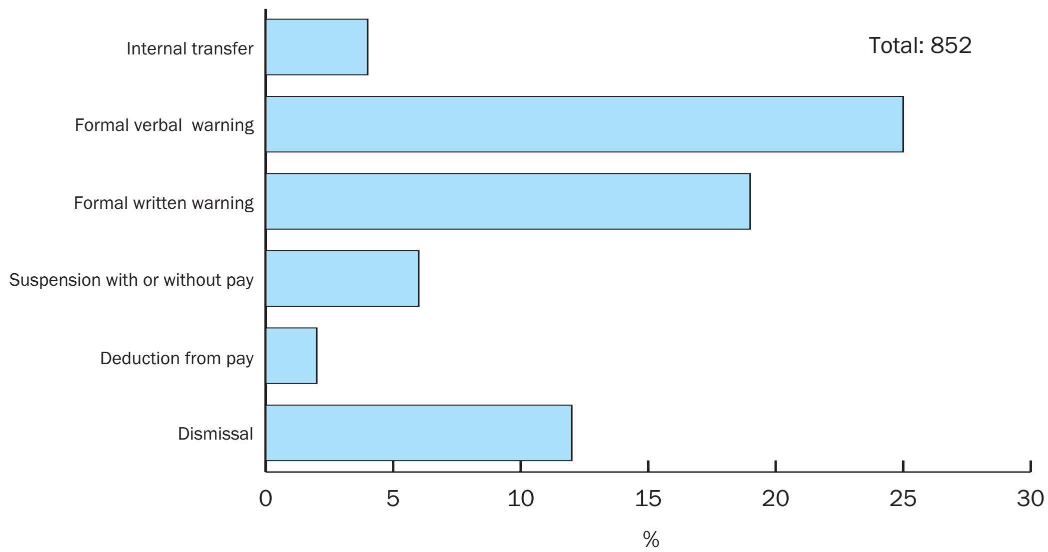
- Over three quarters (76%) of businesses have a formal procedure for dealing with individual grievances raised by employees;
- Less than a fifth (16%) of businesses with formal grievance procedures had had any employees formally raising any matters in the 12 months prior to the survey;
- Pay and conditions (12%) was the most commonly reported grievance;
- Nearly half (49%) of those businesses in which no formal grievances had been raised in the 12 months before the survey said this was because disputes had been raised and resolved informally.

Discipline and Dismissals

More than four in five (82%) businesses have a formal procedure for dealing with discipline and dismissals other than redundancies. Almost all businesses with formal procedures for discipline and dismissals ask employees to attend a formal meeting with a manager to discuss the reason for taking disciplinary action (98%) or were required to set out in writing the reason for taking disciplinary action (96%).

Three in ten (29%) businesses had applied a disciplinary sanction to an employee in the 12 months prior to the survey. **Figure 3** illustrates that 25% of all those surveyed had given employees formal verbal warnings during this time period, 19% formal written warnings and 12% dismissals.

Figure 3: Proportion of businesses that had applied the following disciplinary sanctions in the 12 months prior to the survey



Source: Employment Relations Survey NI 2005

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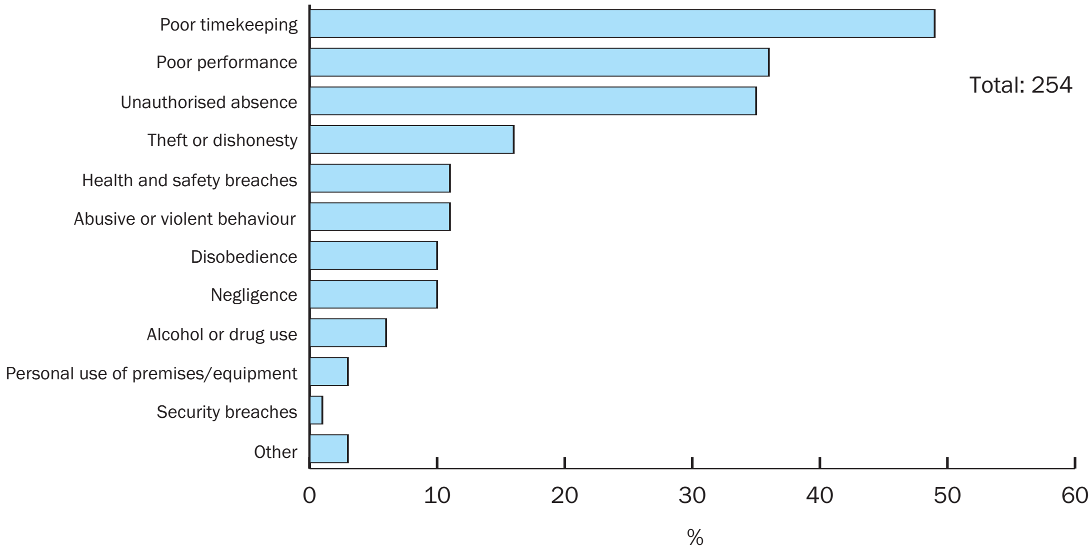
Figure 4: Reasons for taking disciplinary action



* Percentages may add to more than 100% due to multiple responses. **Source: Employment Relations Survey NI 2005**

Figure 4 illustrates the main reasons given for having taken disciplinary action in the 12 months prior to the study were poor timekeeping (49%) and unauthorised absence (35%).

Discipline and Dismissals – employer summary

- 82% of businesses have a formal procedure for dealing with discipline and dismissals;
- Disciplinary sanctions were applied to an employee in the 12 months prior to the survey in 29% of all businesses;
- One quarter of businesses had applied a formal verbal warning;
- The main reasons for applying disciplinary sanctions were poor time keeping (49%) and unauthorised absence (35%).

Employment Rights

Nearly a quarter (24%) of all surveyed businesses had sought information or advice on employment relations issues from the Labour Relations Agency. Nearly three fifths (58%) had not sought such information from any agency or body.

During the 12 months before the survey an employee or ex-employee from one in twenty (5%) businesses had made an application to an Industrial or Fair Employment Tribunal.

Dealing with an Employment Tribunal application resulted in over a third (34%) of businesses with the experience taking some form of action. The most common of which were making sure workplace disciplinary procedures are followed (15%) and revising terms and conditions in employees' contracts (14%).

More than one in ten (15%) surveyed businesses in NI used Temporary Agency Workers. Over a third of those businesses (35%) who use temporary workers have had instances of individual grievances being raised in the past 12 months and almost half (47%) had applied disciplinary sanctions against an employee in the past 12 months. In both cases these percentages are greater than all employers (27% and 29% respectively).

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Employment Rights – employer summary

- Businesses seeking information on employment relation issues were most likely to do so through the Labour Relations Agency (24%);
- One in twenty businesses had an employee or ex-employee make an application to an Industrial or Fair Employment Tribunal;
- Over a third (34%) of businesses who dealt with an Employment Tribunal application took some form of action.

Trade Unions

Over a quarter (27%) of businesses had employees who were members of a trade union with the remaining 73% having no members. Management's general attitude towards trade union membership among employees is neutral in just over two thirds (67%) of businesses. Just over a fifth (21%) were in favour of trade union membership. More than one in ten (12%) are not. Management actively encourages union membership and recruitment in just under a fifth (19%) of businesses, actively discourages it in less than a tenth (7%) and is neutral about it in just under three quarters (74%).

Trade Unions – employer summary

- Businesses had employees who were members of a trade union in 27% of cases;
- Over two thirds (67%) of businesses stated management had a neutral attitude towards trade union membership.

Employer and Employee Comparisons

This section briefly summarises the similarities and differences in the key findings from the employer and the employee surveys. It is perhaps worth reminding readers, at this point, that there was no intentional linkage (though it is possible that there are small numbers of coincidental relationships) between individual employees interviewed and employers surveyed. Variations between the views of employers and employees are not necessarily contradictory, therefore, in that practices may differ significantly between one firm and another. Comparative findings are therefore best viewed as indicative only.

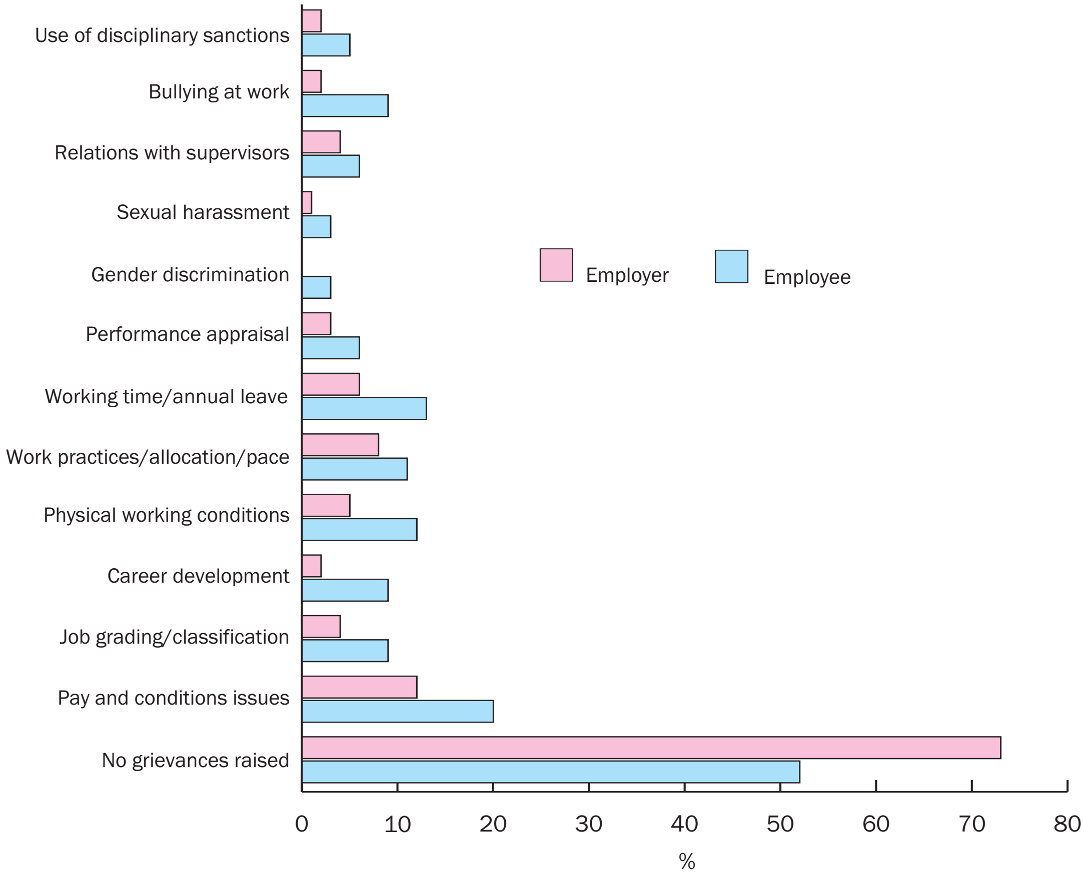
Grievances

Similar amounts of employees (82%) and employers (76%) agreed that there was a formal procedure for dealing with individual grievances raised by employees in the workplace. Using the employer percentages as the expected frequencies and the employee percentages as the observed frequencies the chi-square statistical test was used to determine if the difference between the two sets of results were statistically significant. The results show that there is a significant difference between employees and employers[4] .

Within those workplaces that had a formal grievance procedure employees (20%) were slightly more likely to state that they had or they had worked with someone who had formally

4 Chi-squared with 1 degrees of freedom = 15.32, p = .000

Figure 5: List of the most common grievances raised in the year prior to the study by employers and employees



* Percentages may add to more than 100% due to multiple responses. **Sources: Employment Relations Survey NI 2005 and NI Omnibus Survey June 2004**

raised matters through an individual grievances procedure than employers (16%). Using chi-squared there is a statistically significant difference between employees and employers[5].

Figure 5 illustrates employers (73%) were more likely to say no grievances had been raised in the year prior to the survey whether through a procedure or not than employees (52%). This could be a possible result of the variation in employer sizes between the two surveys. The employee survey has a range of employees from small and large businesses whereas the employer survey was weighted towards smaller employers, and those from smaller businesses were more likely to state no grievances had been raised (p185).

Pay and conditions was the most commonly reported grievance with both employers (12%) and employees (20%). Working time/annual leave, work practices/allocation/pace and physical working conditions were the other most reported grievances, even though their order differed slightly amongst employees and employers.

It is also worth noting of all the grievances listed employees repeatedly had greater percentages that were aware of their occurrence in the year prior to the study. Employees were more than four times more likely to be aware of bullying at work (9%) and career development grievances (9%) than employers (both 2%). Similarly they were more than twice as likely to be aware of physical working conditions (12%), job grading/classification (9%), and working time/annual leave (13%) and the use of disciplinary sanctions (5%) than employers (5%, 4%, 6% and 2% respectively). Once again a possible explanation for this disparity between the levels of grievance reported by

5 Chi-squared with 1 degrees of freedom = 6.57, p = .010

employees and employers could be a result of the differences between business size in both surveys.

A more significant proportion of employees were employed in large businesses and overall there was a greater awareness in larger firms of the types of grievance raised which is possibly related to the numbers of employees working for such employers and the greater statistical likelihood of each type of grievance being raised.

Of those employers who had a formal grievance procedure 95% agreed that those who had raised a grievance should attend a formal meeting and 81% agreed that they should set out the nature of the grievance in writing. Of all employees irrespective if they have a formal procedure or not 83% and 66% agreed respectively. This disparity between reporting by employers and employees is not surprising. Employees were asked about these issues irrespective of whether their employer operated a formal procedure; employers, on the other hand, were only asked about them if they had first stated that they operated formal procedures.

For those who had no formal grievance procedures 66% of employees and 64% of employers stated if an employee had a grievance at work it would be resolved through discussions with managers.

In those businesses where no employees had used the formal procedure to raise grievances in the last 12 months employers (49%) were more likely to state this was because disputes had been raised and resolved informally. Employees had less confidence in informal resolution of disputes with only 16% of employees who had never formally raised matters through the individual procedure stating this was the case. However 29% of employees did state no grievances had been raised because of good management – employee relations.

Discipline and Dismissals

Employees (84%) were more likely to state there was a formal procedure for dealing with discipline and dismissals other than redundancies than employers (82%). This would indicate employees are more aware of both sets of formal procedures than their employers, however the difference is not statistically significant[6].

The majority of employers who had a formal grievance procedure required employees to attend a formal meeting (98%) or the business to set out in writing the reasons for taking disciplinary action (96%). Of all employees irrespective whether they have a formal procedure or not, 89% and 84% agreed respectively. That employers were more likely than employees to mention these issues, in both this context and that of grievances, is hardly surprising given that only those employers who had *already* indicated that they had formal procedures were asked questions about written procedures and formal meetings. By contrast, all employees were asked about these issues.

Trade Unions

Employers (73%) were more likely to state that they did not have any employees who were members of a trade union than the employees, with only 42% of employees stating they had never been a member of a trade union or staff association and 16% stating they were not but had been in the past.

In addition 67% of employers stated that they had a neutral attitude towards union membership among employees, with 21% being in favour of it and 12% stating they were 'not in favour'. The employees perception of managements attitude to trade union membership was more polarised with fewer (46%) stating 'neutral', more (28%) in favour and almost double who were not in favour (26%). Statistically there was a significant difference between employees and employers on this occasion[7].

Overall

On the whole and unsurprisingly, the views of employees largely coincided with those of employers. A similar percentage of both groups stated that there were formal procedures for

6 Chi-squared with 1 degrees of freedom =4.37, p=.037
7 Chi-squared with 1 degrees of freedom =141.39, p=.000

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dealing with both grievances and disciplinary action or dismissals in the workplace. However, employers took a more optimistic view than employees, with a statistically significant differential, of the number of formal grievances raised.

In addition, employers were more likely to state that no grievances had been raised, whether through a formal procedure or otherwise, in the year prior to the survey. This may indicate that, on the whole, employers were less aware of grievances within their businesses than employees; alternatively, it may have been suggestive of the sampling disparities between the two surveys.

Employers were also more likely to maintain that they operated formal procedures, including formal meetings and the setting out of reasons in writing. Employees were less convinced that such procedures were followed. However, this disparity could result from the fact that only employers who first reported having formal procedures in place were questioned about the nature of these, whereas all employees (including, it is assumed, those with employers who had no procedures) were asked comparable questions.

Further Research

The findings detailed in this summary derive from data gathered primarily as a baseline to future research. The findings will therefore be revisited with a view to detailing developments following the initial introduction of legislation in April 2005 governing the resolution of employment disputes at work.

Employer and Employee Perceptions

- Overall, there were slight differences between the views of employers and employees with regard to the issues of workplace disputes;
- Employees were slightly more likely to have formal procedures for both grievances and disciplines or dismissals than employers. The former had a statistically significant difference, the latter had not;
- There was a statistically significant difference in the amount of employees (20%) and employers (16%) who had themselves, or had known some one who had formally raised matters through an individual grievance procedure;
- Employers were more likely than employees in both grievances and discipline and dismissals to state that employees were to attend formal meetings and set out reasons in writing.

For further details contact:

Kathryn Wilson
Research and Evaluation Branch
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: 028 9025 7743
E-mail:
kathryn.wilson@delni.gov.uk

Equality Monitoring in DEL: 2006 Update

Claire Hood, Research and Evaluation Branch, DEL

This article updates the results of DEL's equality monitoring for the Department's programmes and services to March 2006 by gender, community background and disability. HE and FE enrolments are taken over the full academic year 2004/05. These figures have been published in the annual Labour Market Bulletins since 2001. For the first time information has been published on the numbers of participants on New Deal 18-24 and New Deal 25+ who have moved into sustained unsubsidised employment by a number of the Section 75 groups between January and December 2005.

Background

Section 75 of the Northern Ireland 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 racial/ethnic group 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 Labour Market Bulletins since 2001. This monitoring is one way in which 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 shows the occupancy/enrolments on all of the Department's 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, disability and community background was taken from the 2004 Labour Force Survey (most recent annual 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.

Equality Monitoring in DEL: 2006 Update

Claire Hood, Research and Evaluation Branch, DEL

Table 1: Occupancy and Eligible Group Figures[1]

Programme	% Female[2]		% Catholic[3, 4]		% Disabled[5]	
	Occup.	Eligible	Occup.	Eligible	Occup.	Eligible
Job Brokerage[6]	28%	49%	44%	66%	6%	37%
Employment Support	34%	48%	45%	49%	100%	N/A
Enterprise Ulster	41%	57%	43%	69%	0%	46%
Jobskills[7]	26%	N/A	69%	N/A	4%	N/A
Jobskills Modern Apprenticeship	23%	54%	61%	59%	1%	26%
New Deal for Disabled People	43%	42%	47%	45%	72%	94%
New Deal 18-24	31%	N/A	64%	N/A	6%	N/A
New Deal 25+	20%	N/A	62%	N/A	4%	N/A
New Deal 50+	22%	49%	38%	53%	11%	82%
Bridge to Employment	38%	59%	59%	58%	N/A	30%
Walsh Visa Programme	26%	N/A	71%	N/A	3%	N/A
IFI Wider Horizons	36%	N/A	67%	N/A	N/A	N/A
Graduate Management Internship Programme	63%	40%	68%	50%	0%	N/A
Business Education Initiative	57%	N/A	70%	N/A	5%	N/A
HE[8]	61%	N/A	57%	N/A	5%	N/A
FE	57%	N/A	54%	N/A	4%	N/A

25

1 The occupancy figures are as @ 31 March 2006 for all training and employment programmes. HE and FE enrolments are taken over the full academic year 2004/05.
2 Percentages given are of the total number with stated gender.
3 Percentages for community background/religious composition 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 religion 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 Job Brokerage include only those who are ILO unemployed or economically inactive but who would like a job. The Job Brokerage service 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: **http://www.delni.gov.uk/index/publication/pubs-stats/statistical-fact-sheets.htm**

Equality Monitoring in DEL: 2006 Update

Claire Hood, Research and Evaluation Branch, DEL

The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible figures then further investigation may be appropriate.

Examples of some of the differences in the occupancy and eligible figures regarding female participation are given below:

- The level of female participation on Graduate Management Internship Programme (63%) is high compared to the eligible group (40%);
- However the level of female participation on New Deal 50+ (22%) is low compared to the eligible group (49%);
- Similarly the female participation on Jobskills Modern Apprenticeship (23%) is low compared to the eligible group (54%).

Examples of some of the differences in the occupancy and eligible rates as regards Catholic participation are given below:

- The level of Catholic participation on Graduate Management Internship Programme (68%) is high compared to the eligible group (50%);
- However the level of Catholic participation on Enterprise Ulster (43%) is low compared to the eligible group (69%);
- Similarly the Catholic participation on Job Brokerage (44%) is low compared to the eligible group (66%).

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 Job Brokerage, Enterprise Ulster, Jobskills Modern Apprenticeship and New Deal 50+ appear to have low levels of uptake by disabled people. The percentages of disabled people both taking part in the New Deal for Disabled People programme and in the eligible group for this programme raises some issues as only those claiming incapacity benefit, severe disablement allowance or income support disability premium are eligible and it would be expected that all of this group would consider themselves disabled under the Disability Discrimination Act definition of disability. (Under the Disability Discrimination Act (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 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 across NI.

The definitions for the eligibility criteria used for three of DEL's programmes have changed and this could in some way account for the differences between the occupancy and eligible group figures. The changes in definitions we have used for Walsh Visa Programme, Graduate Management Internship Programme and Business Education Initiative are detailed below:

- The previous definition of eligibility criteria for Walsh Visa Programme used was participants aged between 18-35 and resident in NI for at least 3 months. The updated definition used was participants aged between 21 and 35 years of age at time of scheduled departure to the United States and unemployed for at least 12 months at time of scheduled departure to the United States and resident in NI or the border counties of the Republic of Ireland (RoI) for a period of at least 18 months prior to scheduled departure to the United States and be a citizen of the UK or the RoI and not be in possession of, or currently studying for, a Degree as awarded by a

University or an Institute of Further and Higher Education;

- Graduate Management Internship Programme used to be called Premier. The definition of eligibility criteria for Premier used was a graduate within the last 3 years with an HNC or higher degree who is unemployed or a graduate within the last 3 years with an HNC or higher degree who is economically inactive and not currently a student but would like work. The definition of eligibility criteria for Graduate Management Internship Programme used is graduates at HND/Degree level who have graduated within the 3 years previous to the application date and are EU nationals;

- The previous definition of eligibility criteria for Business Education Initiative used was a student in their pre-final year of a degree or HND and studying in NI. The updated definition used was participants who are pre-final year full-time EU students studying for a third level degree/foundation degree/HND Degree qualification, in any discipline, in a college or university in NI.

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 Labour Market Bulletin. It is hoped that in the next issue of the Labour Market Bulletin to publish equality monitoring figures for additional Section 75 equality groups.

Monitoring Outcomes

From this year forward the process of examining the measurable outcomes of DEL's programmes and services has been started. In this year's equality article the measurable outcomes of New Deal for 18 to 24 year olds and New Deal 25+ will be examined.

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.

Table 2 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 2005.

There were a total of 6,584 leavers and of these 28% went into unsubsidised employment and 23% sustained this employment. Just over a fifth (22%) of males and a quarter (26%) of females moved into sustained unsubsidised employment; 23% of single people and 17% of married people did likewise. In terms of community background, 21% of Catholics and 25% of Protestants moved into sustained unsubsidised employment; and the corresponding figures for disabled and non-disabled people were 19% and 24% respectively. More non-white people moved into sustained unsubsidised employment (35%) as opposed to white people (23%). Reasons for this are unclear, although it should be borne in mind that the numbers of non-white participants is small. Apart from ethnicity there does not appear to be a difference within the other equality groups for New Deal for 18 to 24 year olds.

Table 2: Leavers and numbers into sustained unsubsidised employment for New Deal 18 to 24 year olds between January and December 2005

Section 75 groups	Number of leavers Jan – Dec 05	Numbers into unsubsidised employment Jan-Dec 05	Numbers into sustained unsubsidised employment Jan-Dec 05	% into unsubsidised employment Jan-Dec 05	% into sustained unsubsidised employment Jan-Dec 05
Gender					
Male	4742	1284	1058	27%	22%
Female	1842	530	479	29%	26%
Marital Status					
Single	6281	1737	1468	28%	23%
Married	41	7	7	17%	17%
Other	197	45	38	23%	19%
Missing	*65*	*25*	*24*	*38%*	*37%*
Religion					
Catholic	3195	812	686	25%	21%
Protestant	2105	638	533	30%	25%
Other	310	104	90	34%	29%
Missing	*974*	*260*	*228*	*27%*	*23%*
Disability					
Disabled	338	82	63	24%	19%
Non-Disabled	6246	1732	1474	28%	24%
Ethnicity					
White	6423	1751	1481	27%	23%
Non-white	140	56	49	40%	35%
Missing	*21*	*7*	*7*	*33%*	*33%*
Total	**6584**	**1814**	**1537**	**28%**	**23%**

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Table 3: Leavers and numbers into sustained unsubsidised employment for New Deal 25+ between January and December 2005

Section 75 groups	Number of leavers Jan – Dec 05	Numbers into unsubsidised employment Jan-Dec 05	Numbers into sustained unsubsidised employment Jan-Dec 05	% into unsubsidised employment Jan-Dec 05	% into sustained unsubsidised employment Jan-Dec 05
Gender					
Male	5251	913	794	17%	15%
Female	1125	189	175	17%	16%
Marital Status					
Single	3381	604	519	18%	15%
Married	1288	240	224	19%	17%
Other	1672	245	213	15%	13%
Missing	*35*	*13*	*13*	*37%*	*37%*
Religion					
Catholic	3121	459	407	15%	13%
Protestant	1930	374	325	19%	17%
Other	313	80	74	26%	24%
Missing	*1012*	*189*	*163*	*19%*	*16%*
Disability					
Disabled	225	32	28	14%	12%
Non-Disabled	6151	1070	941	17%	15%
Ethnicity					
White	5492	910	797	17%	15%
Non-white	843	190	170	23%	20%
Missing	*41*	*2*	*2*	*5%*	*5%*
Total	**6376**	**1102**	**969**	**17%**	**15%**

Table 3 shows similar figures for New Deal 25+. There were a total of 6,376 leavers and of these 17% went into unsubsidised employment and 15% sustained this employment. The figures for males (15%) and females (16%) were similar and 15% of single people and 17% of married people moved into sustained unsubsidised employment. 13% of Catholics and 17% of Protestants entered sustained unsubsidised jobs compared to 12% of disabled people and 15% of non-disabled people. Again there was an ethnic difference with 15% of white people and 20% of non-white people moving into sustained unsubsidised employment.

We intend in future equality articles in subsequent Labour Market Bulletins to publish measurable outcome data from various DEL programmes and services.

For further information contact:

Claire Hood, Research and Evaluation Branch
Telephone: 02890 257734
Email: **claire.hood@delni.gov.uk**

Key words: equality, monitoring, DEL programmes, Section 75, occupancy, eligible groups, measurable outcomes.

Alternative Education Provision: Findings from a Longitudinal Study

Rosemary Kilpatrick*, Claire McCartan* and Penny McKeown**

This article reports on findings from a two and a half year longitudinal study examining a range of different alternative education interventions at Key Stage 4 and the impact they have in post-16 transitions. The research methodology included the use of peer researchers and shows that alternative education provision has been successful in re-engaging a considerable number of young people and that for many this re-engagement is maintained after they turn 16.

Introduction

Increasingly attention has been paid to young people excluded from school or at risk of being excluded, and the greater chance these young people have of remaining socially excluded once they enter adult life. Since the early 1990s a number of alternative education initiatives has developed across NI in response to those who have disengaged from mainstream education. These initiatives are usually referred to generically as Alternative Education Provision (AEP). More recently there also has been a policy response from the Department of Education (DE) to offer students at Key Stage 4 (age 14-16) a more flexible curriculum with the aim of re-engaging learners; improving behaviour, attendance, motivation; and raising achievement (ETI, 2003).

Despite differences in the rationale for the range of alternative education available, the outcomes for personal and social development are similar. There have been a number of studies examining the successes of AEP in terms of social, educational, and personal development. However to date the published research has paid little attention to documenting academic achievements, qualifications, or economic benefits of any of the schemes, and there has been little follow-up of young people involved to discover if any benefits are maintained in the longer term.

Research Aims and Objectives

In 2003, DE commissioned this research to provide 'a greater understanding of the key factors determining the young people's experiences and destinations and help to guide future planning of AEP provision in terms of in-school provision, school and community-based provision and out-of-school provision'.

The aims of the research were to document and profile the different types of AEP and gather data on the profile and experiences of a cohort of young people engaged in a range of AEP. The post-AEP pathways and destinations of these young people were then tracked and a small sub-sample participated in in-depth interviews. Finally, the destinations and experiences of those in AEP were compared with a small group of young people who were not placed on AEP.

In this research three types of AEP were studied: Community-based Provision; Training Organisation/School Partnerships; and Key Stage 4 Flexibility Initiative (KS4FI). Details of these types of provision are given in **Box 1**.

* Institute of Child Care Research, Queen's University Belfast.
** Graduate School of Education, Queen's University Belfast.

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Box 1: Types of Alternative Education Provision

Community-based Provision tends to be funded by statutory and voluntary bodies and this local community response has traditionally provided for those young people who are out of school either by their own volition or as a result of the formal exclusion process. The young people in this provision have a greater chance of coming from a dysfunctional family, with many having been in care. They may have damaging experiences of bullying, school phobia, family trauma, paramilitary involvement and mental health problems. Teaching is either led by a qualified youth worker or teacher and generally there is a greater emphasis on personal and social development given the limited educational suite they can offer students due to both resources and teaching expertise. Funding is distributed in an ad hoc way and invariably is short term and often unstable.

Training Organisation/School Partnerships are similar to the youth training model of the 1980s and often have experience of delivering training programmes to the young unemployed. Students referred to TO/School Partnerships are either at risk of exclusion from school or unlikely to achieve 5 grades at GCSE. Some young people reported stable family structures but many found school lacking any stimulation and often felt that academic expectations of them were low. Students in this cohort also reported problems of bullying, learning difficulties, mental ill-health and a breakdown of the relationship with the school. TO/S Partnerships offer an out-of-school alternative that is vocationally based with some also able to offer GCSEs in Maths and English. Teaching staff are drawn from both qualified teachers and professionals with a background in vocational training and Essential Skills.

Key Stage 4 Flexibility Initiatives (KS4FI) was introduced in 2000 by DE to encourage schools to explore new ways of approaching the curriculum at 14-16 years. Many schools have developed partnerships with the Further Education sector in order to deliver a range of vocational subjects at NVQ Level 1 that is offered in tandem with a reduced number of GCSE subjects. Students involved in KS4FI are most often recommended to participate by their school and do not view the programme as alternative provision. Students are most likely to live in stable family structures and often seek advice and support from their parents. They also report having a positive school experience up to AEP entry.

Methodology

Research was conducted between April 2003 and March 2006 by a team of researchers based in Queen's University Belfast in collaboration with a group of peer researchers from the community. The peer researchers were recruited and trained to help design and conduct aspects of the research. It was also hoped that they would facilitate the engagement of the young people involved in the study and reduce the expected high attrition rate.

Seven projects were identified by DE to take part in the research (at least two of each type of the three types of provision detailed above), and all those young people who were in their final year of compulsory schooling in 2002/03 and 2003/04 and attending one of the identified projects were invited to take part in the research. This gave an initial sample of 318 young people. These young people were then followed up six, twelve, and eighteen months after they left AEP by means of telephone interviews to ascertain their progress and destination.

The data collected and analysed for the study included:

- Up to three telephone interviews with the young people in the sample drawn from the range of AEP (i.e. Community-based Provision; Training Organisation/School partnerships; and Key Stage 4 Flexibility Initiative);
- Interviews with staff from each project;

- Documentary evidence from each project;
- Focus groups with young people, AEP project staff and relevant professionals (i.e. careers advisors, education welfare); and
- In-depth case study interviews with 18 young people.

Peer Researchers

Increasingly young people are being consulted in research both as participants and as designers and contributors to research studies. Alderson (Kirby, 1999) outlines three different types of involvement, ranging from students using research methods in formal education to young people contributing to adult-led research, whether this is a means of gathering better data by communicating more effectively with the subject; accessing ‘hard to reach’ young people; or by approaching the research and the findings from a ‘youth perspective’, distinct from that of adults.

For the research team, it was important to engage with the ‘hard to reach’ group in our sample in a meaningful way and try not to alienate them further from education. By engaging peer researchers we were able to develop instrumentation and access the young people in a relevant way. It was rewarding working with the peer researcher team; however, it did create some difficulties for managing the research.

The peer researchers were an animated, enthusiastic group with an energy and willingness to be involved. We also found them to be innovative and able to generate good ideas when designing and piloting the instrumentation. A number of peer researchers were also co-opted on to the Steering Group and provided a unique and valuable contribution at this level of the research. It is also important to recognise the true ‘peer’ dimension that some of the young people brought, particularly knowledge of the local area and shared experiences. Many of the peer researchers in our team had good communication skills, with some very experienced in working with young people. A strong local identity, including a local accent, helped to create a geographical bond helping to avoid the fear and alienation of a Belfast-centred approach.

We did, however, find it incredibly difficult to develop a really effective means of communication with the peer researcher team. Deadlines were not met and it was difficult to encourage the team to respond to requests (whether these were invitations to meetings, check meeting availability, or requests for data) either by phone, text or freepost letter. Text messaging was the most effective way of contacting, reminding, following up the team, although responses were entirely dependent on phones being in credit.

A smaller number of the group lacked some confidence and particularly with dealing with ‘hard to reach’ young people they were demotivated at times. This was also demonstrated through some uncertainties in using the telephone for interviews, and a failure to question if they did not fully understand something or to share information with their fellow team members. It was important for the research team to continually encourage and motivate the peer researchers and help them to develop the necessary skills effectively. This consideration was also made more complex in that we were dealing with young people who were in a transitional period in their lives (e.g. GCSE, A-levels, undergraduate) and maintaining momentum over the $2\frac{1}{2}$ year life of the project proved difficult.

Some of the data collected were not detailed enough which in turn identified further training needs for the peer researchers. Time had been set aside for recruiting and training the peer interviewers but the level of on-going support and supervision required was underestimated. Elliott and Watson (2001) refer to the problem of the distance from raw data. A useful suggestion rising from the research that Elliott and Watson carried out was to debrief the interviewers after every second or third interview.

Key findings

Young people's transition into alternative education

A number of young people and staff from Community-based Provision and TO/School Partnerships felt that there was stigma attached to alternative education. Many cited AEP as either a 'sin bin' or as provision for the 'stupid', further stigmatising young people who attend. Conversely, KS4FI was seen as a continuation of school provision in partnership with the local FE College and not considered to be 'alternative provision' by either staff or students.

Many of the young people interviewed did not understand why they had been placed in AEP or had little or no information about the project before they joined. There is little sharing of information about the young person and the circumstances surrounding their referral to the AEP project. In addition, the funding associated with the young person is often not transferred to the AEP project.

The AEP learning and working environment

Concern was raised over the limited access to physical resources including ICT equipment available to young people on AEP. Additionally, in some settings, standards of the fabric of the built environment were worryingly poor. Some staff also experienced difficulties in delivering aspects of the NI Curriculum because of lack of resources and often because of lack of training and support from the appropriate professional services including Education Psychology, Curriculum Advice, and Support Service. It was evident that the available curriculum was very narrow for some young people due to the lack of qualified teachers in many AEP projects. In particular there was little or no access to areas such as Art, Science, and PE. Those in Community-based AEP did not have the same access to work related learning as their counterparts in KS4FI or TO/School partnerships

These restrictions on the available curriculum were compounded by the gendered nature of provision in most projects. Vocational opportunities were limited to traditional roles, and any request for access to courses outside these often was not facilitated.

Except in KS4FI, AEP staff had little opportunity for career progression and job security demonstrated in the fact that they had no access to in-service training (INSET) nor indeed did they have a teacher number. AEP is not an attractive career in that there is little inducement, other than personal satisfaction, to remain in post.

Although many young people left the range of AEP with some qualifications, teachers in schools were disappointed with the alternative suite of vocational qualifications developed to augment the disapplied curriculum and reported that many employers did not understand or rate the alternatives on offer.

Funding instability created further difficulties in providing alternative education, especially for Community-based Provision. A disproportionate amount of time had to be spent by management committees and project staff chasing funds and planning can never be long-term. Given that membership of management committees is on a voluntary basis an undue burden is placed upon their goodwill. The impact of these sorts of problems meant that in some instances essential provision, valued by students and the wider community, was ended.

Outcomes for young people on AEP

Most young people left AEP with some level of qualification (ranging from Entry Level Qualifications to GCSE Grade A*-C). Although most participants enjoyed AEP, the curriculum and qualifications available to them were perceived as having a reduced value in the labour market. This also includes KS4FI students who would have liked to have had the opportunity to study for a greater number of GCSEs.

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The figures illustrated below give some background information on the young people. Most of the respondents did leave the project with a qualification. More than three-quarters of those in Community-based AEP left with a qualification (78%); the corresponding figures for School/TO Partnerships (63%) and KS4FI (57%) were lower. Those who did leave KS4FI with a qualification were much more likely to achieve a Level 2 accreditation.

We also considered the pattern of domicile of those interviewed. Those in KS4 Flexibility did have a greater chance of living with both parents (65%), with a higher percentage of young people in Community-based AEP living with either one parent, alone or with a partner or other family member (71%).

At the final contact point, respondents were asked to share their plans for the following six months and these were categorised for analysis as follows: *planned progression* (are continuing on their current career/education pathway and have a clear identified goal); *unplanned progression* (have decided to work towards entering FE, employment or training but are yet to select a course/job) and; *no plan* (have no plans or clear identified goal for the following 6 months). From **Figure 2**, those from School/TO Partnerships appear to have a stronger notion of their career plan (67%), with KS4FI faring less well (46% no plans). Those

Figure 1: Qualifications gained by project type

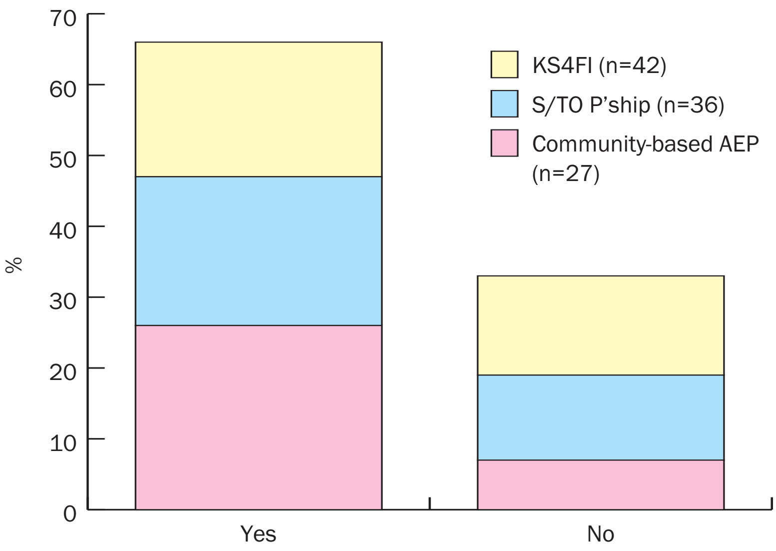
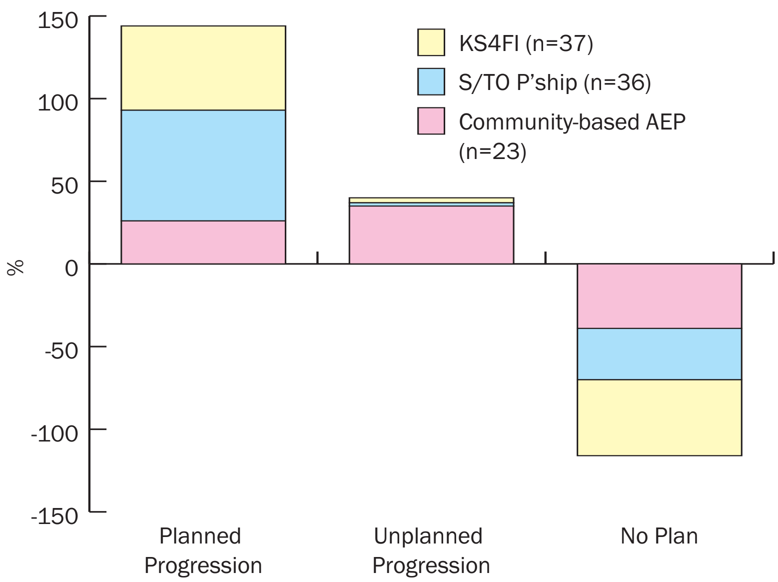


Figure 2: Aspirations & plans by project type



from Community-based AEP appear to have a relatively positive approach and although many have not formulated a clear route, they retain some level of optimism about working towards employment, education or further training (35% unplanned progression).

Gender

Of the total cohort the gender breakdown reflects a much higher instance of boys than girls with 211 (66%) males in the cohort and 107 (34%) females. As may be seen in **Figure 3**, this male/female percentage split is reasonably consistent across project type and reflects local and national trends where boys are more likely to disengage from mainstream education than girls (e.g. Kilpatrick and Barr, 1999, Kendall *et al.* 2003).

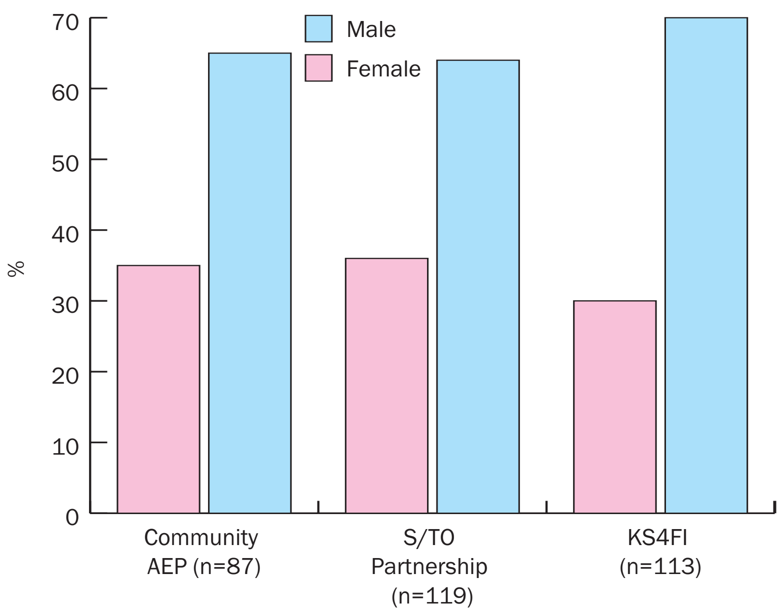
Destination of cohort

Data were collected at six, twelve, and eighteen months post AEP. The following analysis reflects the destination of the respondents at each of these time points. For the purposes of this analysis, destination has been collapsed into two categories, Active (in education, training or employment) and Inactive (unemployed, full-time parent).

Destination 6 months post-AEP (Destination 1)

Six months post AEP those in KS4FI fared slightly better on outcome than their counterparts in both Community-based AEP and TO/School Partnerships (see **Figure 5**). However, it is important to restate that those in KS4FI were less likely to be disengaged from education (as measured by level of risk of exclusion) and also tended to come from more stable family structures that may be able to offer more family support.

Figure 3: Gender breakdown by project type



The males and females in our sample had equal chance of being unemployed. There was a higher percentage of girls in education or training (49%), with a higher incidence of young men engaged in employment (47%).

Destination 12 months post-AEP (Destination 2)

Twelve months post-AEP there was an increase in those who are inactive (n=21), a rise of 12%. At Destination 2 those young people who attended KS4FI continued to do best, those emerging from TO/School Partnership AEP were more likely to be inactive 12 months post-AEP than those educated in Community-based AEP.

The girls in the sample were still more likely to be inactive 12 months after leaving AEP and this figure has now reached significance using a chi-square test (X^2 = 10.974, df = 2, p <0.004). Again consideration must be given to those young women who have become parents and may be unavailable for work.

Destination 18 months post-AEP (Destination 3)

After 18 months away from their AEP project the young people are even more likely to be unemployed with those being inactive having risen from 27% to 32%. There is an increased chance of being active if students had followed either School/TO or KS4 Flexibility routes.

By the final destination, there has been a slight increase in both young men and women in the sample being inactive (3% increase in men, 5% increase in women).

Recommendations

Recommendations for mainstream education

Many of the young people who eventually participate in AEP are at risk of social exclusion and

Figure 4: Comparison of Destination 1, 2 & 3

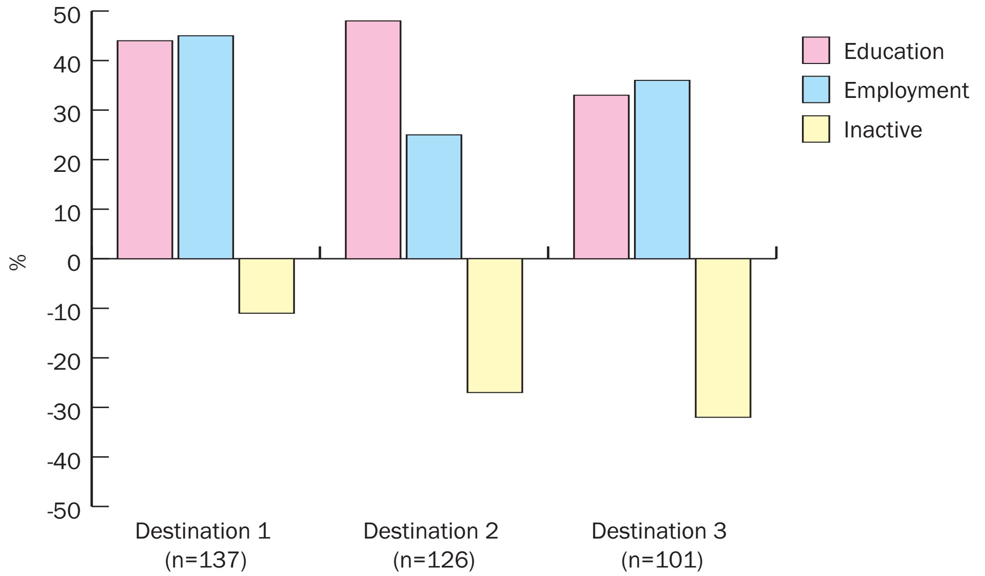
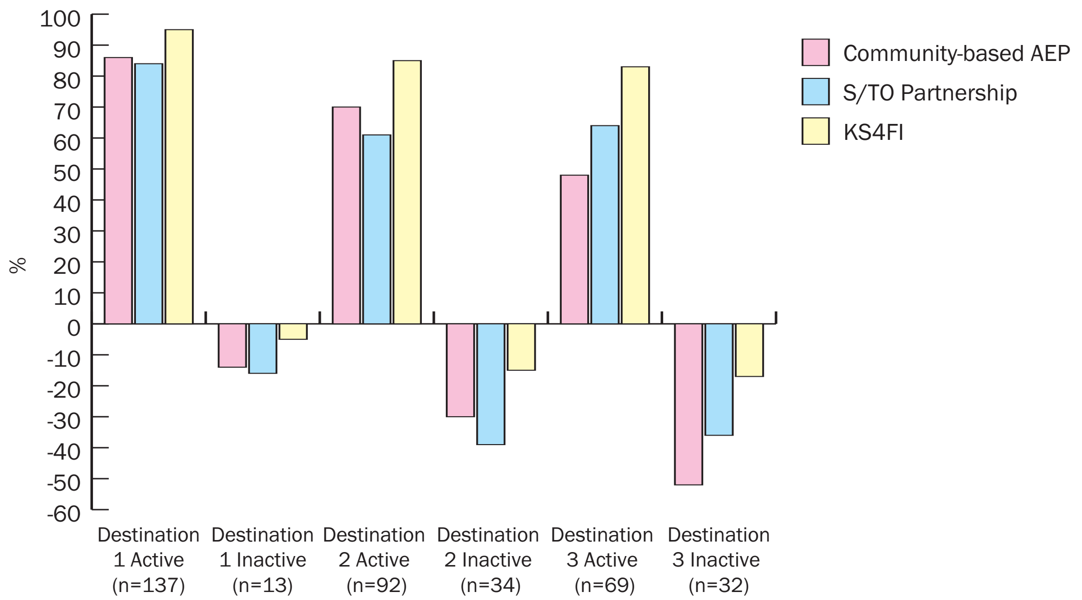


Figure 5: Comparison of Destination 1, 2 & 3 by project type



face a raft of complex and difficult experiences that impacts on their ability to engage in school. These include issues relating to mental health, as well as the impact of family breakdown. Schools require more support and knowledge to help them to support students through such issues. Earlier identification of children's problems and more preventative work in primary schools, including support for children with special needs, is required. Often schools are not equipped to deal with and reroute difficult behaviour. By the time some of these young people are 'in' the system, it becomes extremely difficult to reverse the trend.

Evidence from the research suggests that students experiencing AEP across the range of providers respond very positively to the teaching style, method and learning environment. A challenge for the education system is the transfer of such understanding, skill and expertise from alternative education into mainstream schooling. DE should consider ways of inculcating teaching successes in alternative provision within the mainstream sector.

Young people should be afforded the opportunity to participate more fully in their referral to AEP. Current good practice including family visits could be replicated elsewhere in the sector. It would be important for students to be provided with clear information on the range of qualifications available to them on AEP. AEP providers should also be given a more detailed profile on the young person once referred.

Recommendations to provide additional support for AEP providers

Support should be made available to AEP from a range of professional support including CCEA and the Education and Library Board Curriculum Advice and Support Service (CASS) teams. Consideration should be given to the resource and physical environment of AEP and the potential to share and access mainstream resources with a view to improving the quality and range of activities and subjects available. This would need to be achieved in a sensitive manner to avoid any alienation of the young people and staff concerned.

Successful AEP often relies on the efforts of highly motivated and committed individuals. However, it seems that there is little except personal satisfaction for them in terms of any rewards for their efforts even though they are dealing with the most disadvantaged and vulnerable young people in our society. Funding for AEP should be reviewed to include an economic formula based on the educational entitlement of the young person as opposed to the ad hoc nature and inequalities associated with the current system.

Recommendations to provide additional support to those leaving alternative education

Many of these young people have disengaged from learning for a substantial part of their adolescence and require additional support to assist them in the reintegration process post-16. Further work on personal and social development is required to help these young people maintain the benefits gained from AEP. As young adults entering the world of further training and employment, they will need support in making decisions about competing pathways and qualifications, how to obtain and sustain employment, and how to ground their aspirations in their achievements to date. Unfortunately, young people leaving AEP often do not access the relevant careers support. The Careers Service should consider ways to promote the visibility of their services to this client group.

Young people requiring support from health and welfare services face obstacles in accessing help if they have not been referred to Social Services before the age of 16 years. No agency has responsibility for them, so if services are needed, they must self-refer. Even if support is then forthcoming, it may not be specific to young people under 18 years old, so that for example, a 17-year-old may be referred as an in-patient to an unsuitable adult mental health facility. A real priority for change is the development of a coherent, genuine inter-agency support system, to help those young people leaving AEP, but who still require systematic help in order to move productively into adult and working life. In particular, the identification of a ‘significant’ adult, to monitor progress, and who can intervene where appropriate, in discussion with the young person when support is needed. Such a system has now been developed for young people leaving care, and should be extended to this other group of very vulnerable young people. If resourced properly, this is a service that could be provided by the current network of AEP. A way to share information appropriately about young people’s backgrounds and experiences should be considered to effect real inter agency working.

As boys seem to be achieving better outcomes than girls two years after leaving AEP, the reasons as to why this may be the case needs to be examined in much greater depth.

It is important that more work be carried out locally to build on the existing knowledge base and further develop the practise of co-opting peer researchers when researching young people.

Conclusion

Given the different starting points for young people at AEP entry, those in Community-based AEP and, to a lesser extent, those in TO/School Partnerships fare extremely well when compared with the KS4FI cohort considering the socio-economic barriers they have overcome. Those in Community-based AEP and TO/School Partnerships developed a better sense of career and personal pathways over the transition period than their counterparts in KS4FI. Family support was an important factor in establishing a smooth transition and it would appear that AEP staff provide an alternative support system where family support is limited or unavailable.

AEP is clearly successful in re-engaging a considerable number of disaffected young people with most young people in the study leaving their projects with some level of qualification. Six months after leaving AEP, over three-quarters of the young people were in education, training or employment and 18 months post-AEP, over two-thirds of them were in education, training and employment. AEP is, however, achieving this success despite the difficulties it faces in terms of funding, support, stability and the physical environment. Those young people who are managing to make a significant transition from social exclusion to reintegration are in danger of sustained alienation because of the lack of an integrated support network once they leave compulsory schooling at 16.

Our research clearly shows that many young people placed in AEP are vulnerable and require additional support to avoid the downward spiral of social exclusion and once they leave education, no-one has responsibility for their welfare. Other vulnerable groups in society have been prioritised and it is now essential that those disengaged from education at an early age be provided with the appropriate support to continue to build on the capacity that the AEP profession can develop in a young person.

There is expertise available within the AEP sector that could and should be transferred into mainstream education and in recognising their skills the professional and physical status of this area of work could be raised to provide the basic entitlement of those young people in need.

A copy of the final report for this study is available from the website of the Department of Education ***www.deni.gov.uk***

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DEL Review of the Use of Labour Market Information

Victor Dukelow, Analytical Services, DEL

Good intelligence is a key underpinning both of the development of policy and of the delivery of effective services in the modern labour market. It thus follows that having good information systems – and using the data they provide efficiently – should be a goal to which we strive. The Skills Strategy recognises this and established a review of the way LMI is used within DEL. This article reports on a number of the initial review findings.

In February 2006, the Department for Employment and Learning published a comprehensive skills strategy entitled "Success through Skills"[1]. This emphasised Government's aim to ensure that people are enabled to progress up the skills ladder in order to raise the skills levels of the whole workforce; to help deliver higher productivity and increased competitiveness; and to secure NI's future in a global marketplace.

Achieving this will require a clear understanding of both the current and future demand for skills and that learners and education and training providers are facilitated to respond to that demand based on accurate and timely labour market information (LMI).

The Skills Strategy sets out a detailed implementation plan with actions grouped into four broad themes. It recognises that the availability of comprehensive and up-to-date labour market information will underpin and facilitate delivery of each of these themes. For example:

- **Theme 1. Understanding the demand for skills** – the Skills Strategy requires that a Regional Employment and Skills Action Plan be developed which will articulate the skills needs at the local and regional levels and determine NI's priority skill areas. Robust labour market information will be central to ensuring that this Skills Action Plan and other key policy decisions are based on sound evidence;

- **Theme 2. Improving the skills levels of the workforce** – there is evidence of skills mismatches and of students dropping key subjects too early. Relevant LMI, disseminated in an effective way, is needed to influence subject and career choices. In this regard, LMI is particularly relevant to the work of the NI Careers Service;

- **Theme 3. Improving the quality and relevance of education and training** – the success of the skills strategy depends on the extent to which the education and training sectors can respond quickly and effectively to meet the skill needs of the economy. Their responsiveness, in turn, will be dependant upon the quality of labour market information and it being presented in a manner that can be used to influence planning, promotional activity and curricular content;

- **Theme 4. Tackling the skills barriers to employment and employability** - there is recognition that LMI will play a central role in the more targeted approach of the Employment Service so that appropriate advice can be offered to clients in Jobs and Benefits Offices.

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

DEL Review of the Use of Labour Market Information

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Review Objectives/Terms of Reference

The review has 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.

The review has been informed by an extensive consideration of what LMI is available in or relevant to NI. Analysts examined how this LMI is currently used with particular reference to the four themes underpinning the skills strategy. The Washington DC based National Centre for 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. Pilot projects were established and evaluated in two NI Jobs and Benefits Offices to test how LMI could be better used in that context. Finally, the review team has undertaken extensive consultation to ensure that the focus of the review is appropriate and the recommendations coming forward are consistent with other strands of work flowing from the Skills Strategy. The remainder of this article looks specifically at the availability and use of LMI in NI and looks at how this compares with good practice elsewhere.

Current Availability and Use of LMI in NI

LMI Data Availability

A very wide range of information relating to the labour market is available in NI. This covers key areas such as: numbers in employment; unemployment; inactivity; earnings; qualifications; hours worked; redundancies and numbers in education and training. NI LMI is derived largely from sample surveys, particularly the Labour Force Survey (LFS), although other surveys contribute to the overall picture eg Annual Survey of Hours and Earnings (ASHE), Quarterly Employment Survey (QES) and the biennial Census of Employment. Information from each of these sources is published and is available from the Statistics and Economic Research section of the Department of Enterprise, Trade and Investment (DETI) website[2]. Information is also disseminated widely through this publication, the *Labour Market Bulletin.*

Data in relation to the unemployed and those claiming other benefits are derived from administrative sources and are published on the Statistics and Research section of the Department for Social Development website[3]. Information about the general population is derived largely from the decennial Census of Population, which not only provides basic demographic information, but also data relating to the labour market. Census and related population data are available from the NI Statistics Research Agency (NISRA)[4] . Information on enrolments and the types of courses studied in tertiary education and training is available from DEL, which also provides information on numbers participating on the New Deal programme for the unemployed and their subsequent destinations[5].

In most cases the data available from these sources permit secondary analysis. For example it is possible to examine the probability of being inactive according to qualification level - we know that those with higher qualifications are less likely to be inactive. However because the bulk of information is derived from sample surveys, sample sizes can act as a constraint on the level of detail provided in such analysis.

LMI Based Research, Analysis and Evaluation

There is an extensive and growing body of research, analysis and evaluation which enhances the understanding and promotes the use of LMI. Much of this work is summarised and reviewed annually within the *Labour Market Bulletin* and the DETI NI Economic Bulletin. This work includes a growing body of

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2 www.detini.gov.uk
3 www.dsdni.gov.uk
4 www.nisra.gov.uk
5 www.delni.gov.uk

literature investigating the link between skills and earnings; forecasts of occupational and sectoral employment; comparisons of NI labour market performance with other regions; research into migrant workers and evaluations of government programmes which intervene in the labour market.

There is also a significant body of research looking at specific sectors in NI to assess current and future labour demand and supply and any skills gaps. The Priority Skills Unit in ERINI has, for example, delivered high quality studies into the priority skill areas in NI. This work is being augmented currently by the research being undertaken by the Sector Skills Councils (SSCs). The DEL Research Agenda provides a conduit by which this body of research can be updated and expanded into new relevant areas. The Department also reviews regularly research work that has been undertaken outside NI but is relevant to policy development and service delivery within the region.

Use of LMI in NI

The following maps out the use of LMI against the four themes underpinning the skills strategy.

Theme 1: Understanding the demand for skills

The previous section pointed to the significant volume of LMI data, research, analysis and evaluation work that is available. The review has found compelling evidence that this material is being used extensively to understand the demand for skills and, in turn, shape policy. It has, in the past, been used to inform selection of the NI priority skill areas. It has provided an underpinning for the recent DEL strategic reviews including the NI Skills Strategy, Further Education Means Business[6] and the Essential Skills Strategy[7]. It is also clear the demand for this information is expanding, driven by the demands of the Skills Strategy.

Theme 2: Improving the skills levels of the workforce

There is a growing appreciation within NI of the key role that can be played by LMI to ensure that those in or entering the workforce have access to robust labour market information to help them make better informed and effective choices in relation to career or course selection. There is an acceptance that individuals respond to labour market signals. For example the downturn suffered by the global IT industry in the early years of the current decade resulted in a significant drop in enrolments in courses related to that area. That demonstrates the need to ensure that messages in relation to the labour market need to be accurate and put across appropriately so that unhelpful over reactions are avoided.

Currently the Careers Service in NI uses LMI to assist individuals make career choices. For example the Careers Service's web site[8] provides a suite of information for a wide range of occupations including current wage rates (albeit largely at the UK level); employment prospects; and qualification requirements. It also provides links to the NI Employment Service's online vacancy system[9]; to education and training providers; and to relevant research findings.

In Higher Education (HE) LMI and other information has been used to encourage pupils to consider HE as an option. The objective here was primarily to help widen access.

Theme 3: Improving the quality and relevance of education and training

Improvement in the relevance of education and training requires a clear understanding of the demand for skills and students that are prepared to take up courses in areas of skill need. There is evidence that LMI has been used to good effect to shape provision. For example, in Further Education (FE), LMI has been used to help shape funding (eg through additional funding for Priority Skill provision). In addition there is evidence of FE colleges developing systems to better understand local labour market needs and, in turn, using that information to shape provision.

There was also evidence that the local universities are increasingly using LMI to publicise and market courses being offered in their prospectuses. For example,

6 www.delni.gov.uk/further_education_means_business_executive_summary2-2.pdf
7 www.delni.gov.uk/index/publications/pubs-further-education/essential-skills-action-plan.htm
8 www.careersserviceni.com
9 www.jobcentreonline.com

these increasingly include information about the earnings and employment status of previous undergraduates so that prospective students are better informed about labour market prospects when choosing HE courses.

Theme 4: Tackling the skills barriers to employment and employability

There is a clear acceptance of the value of LMI within the NI Employment Service and a commitment to use it to better serve its clients including job seekers, the unemployed, the inactive and employers seeking to fill vacancies. For example, Jobs and Benefits Office (JBO) clients are enabled, via the JBO online service, to access the Careers Service NI website referred to above and also, where appropriate, to careers advisors. However, the use of LMI by staff within the JBOs is less formal and often relies more on their accumulated knowledge of the local labour market.

The use of labour market information elsewhere

The Department commissioned the Washington based National Centre for Education and the Economy (NCEE) to undertake a wider study. As part of that, the NCEE examined best practice in the US and a number of English speaking countries regarding the use of LMI. NCEE started its review by identifying the LMI requirements of seven different customer groups. These are:

- Youth (10-16);
- Teens and Young Adults (16-24);
- Adults (24+);
- Employers;
- Economic Development Professionals;
- Intermediaries (School Guidance Counsellors, Job Centre Staff, Career Counsellors); and
- Education and Training Providers.

The NCEE described: (1) the specific labour market information needs for each of the customer groups; (2) the type of system(s) required to fulfil those needs - including data collection or adaptation and display; and (3) the current US State level or national systems that target the customer need.

A number of common themes have emerged from the NCEE review of best practice which are very relevant to the NI LMI review. They are as follows:

Comprehensive Data Availability – As set out above NI has access to extensive LMI across a wide range of indicators. Indeed the types of LMI available in NI are not significantly different from what is available in countries and regions elsewhere that are regarded as areas of best practice. However the extent to which the NI data can be used to provide detailed analysis is often constrained by sample size. In other countries, notably the US, there are examples of administrative systems being used to provide data across entire populations on a real time basis. For example, by using information from the US taxation system, detailed earnings analysis by industrial sector and occupation can be conducted at a level that would not currently be possible in NI.

In addition there is evidence of very effective linking between a range of administrative data systems which can facilitate longitudinal analysis.

Tailoring Data and Delivery Systems to meet Customer needs - The NCEE report examined seven different customer groupings which are set out above. In those regions that are most successful at tailoring data effectively to meet customer needs, there are two central ingredients to their success. Firstly they are particularly adept at understanding the LMI needs of a wide range of customer groups. They are creative in ensuring that the relevant data is presented in a manner which can engage those customers and addresses their needs in a meaningful way. Secondly, carefully designed IT systems provide a platform to present LMI and engage with different customer groups effectively.

Integration of LMI into other Systems – There is much to learn from good practice elsewhere to ensure that LMI is properly integrated into other labour market systems so that it informs career choice and job search activities. A very strong example of how this is being done elsewhere can be found in North Carolina where an innovative job seeker/employer matching system, called Job Connector, is being developed. This system is being designed to enable job seekers to construct and place their CV online. At the same time it will allow employers to post vacancies electronically. The Job Connector system will allow electronic matches of job seekers to vacancies. Not only has this potential to add to the efficient operation of the North Carolinian labour market but it could also provide a very valuable stream of real time labour market information on difficult to fill vacancies and reasons for those vacancies not being filled. It is envisaged that this information will be particularly valuable to education and training providers as they design curricula to meet local labour market needs. The system provides a "one stop shop" platform integrating job matching with careers advice and labour market information analysis.

Conclusion

The review of LMI is reaching its final phase. It has found that there are a number of key strengths in the NI system and a strong desire to ensure that LMI is moved centre stage in terms of its influence on policy development, delivery and the choices of those entering or engaged in the workforce. It has also found that, in order to deliver such a system, there are a number of very valuable lessons that can be learned from good practice elsewhere. The challenge now for the review is to bring forward a set of actions and recommendations so that the NI LMI system can be shaped to deliver the vision set out in the NI Skills Strategy.

Recent UK Research into Higher Education and Further Education and into Labour Market Issues

Catherine Grimley and Kathryn Wilson, Analytical Services, DEL

The Department for Employment and Learning 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 article 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

- **Raising Sector Skills Levels: How Responsive is Local Training Supply?**

The authors of this study sought to shed new light on the extent and nature of any mismatches between employers training requirements and local vocational and educational training provision. The research shows that skills upgrading needs could be met through short course provision, but there were a number of factors that prevented local training providers from meeting these needs. The authors identified these factors as; funding restrictions, availability of materials, staff skills and the perception that employers are unwilling to contribute toward the development or delivery costs of such courses.
www.ssda.org.uk/ssda/pdf/Skills9.pdf

- **Data Analysis of In-Employment Education and Training in Ireland**

The study analyses the data currently available in regard to participation in education and training by those in employment in Ireland. The study covers both public and private expenditure, provides an international comparative perspective on in-employment education and training and indicates where gaps exist in the current availability of relevant data.
www.skillsireland.ie/press/reports/pdf/egfsn051206_inemployment_education_training_webopt.pdf

- **Skills for All**

This article looks at the life choices and life chances of the many young people in the UK who do not go to university. It also summarises the key findings and what they mean for recent government initiatives to improve vocational education and upgrade the nation's skills base.
http://cep.lse.ac.uk/centrepiece/v10i3/steedman.pdf

Recent UK Research into Higher Education and Further Education and into Labour Market Issues

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- **Literacy, Numeracy and the Labour Market: Further Analysis of the Skills for Life Survey**

This paper examines the relationship between adult literacy and numeracy skills, participation on basic skills courses and subsequent labour market outcomes, namely private earnings and probabilities of being employed and participating in the labour market. This analysis is the first of its kind to be based on the 2003 Skills for Life survey, which to date is the most comprehensive survey to explicitly measure adult basic skills for a representative sample across England.
www.dfes.gov.uk/research/data/uploadfiles/RB712.pdf

- **The Geography of Poor Skills and Access to Work**

This report by the Joseph Rowntree Foundation analyses access to work for people with poor skills in the context of important changes in the industrial and occupational profile of employment and the location of jobs. The key message from the report is that those with poor skills have fewer opportunities and face more constraints in the labour market both in skills terms and geographically than their more highly skilled counterparts. The quantity and quality of jobs available locally is of particular importance for them: geography matters most for those with poor skills.
www.jrf.org.uk/bookshop/eBooks/1859354300.pdf

- **Working Futures 2004-2014**

The link below leads to the three volumes that present findings from *Working Futures 2004-2014.* Together they represent the most detailed and comprehensive set of employment projections ever published for the UK. It focuses upon the future patterns of demand for skills as measured by occupation.
www.ssda.org.uk/ssda/default.aspx?page=5

- **Changing Skill Mix**

This report outlines key aspects of the changing skill mix agenda that has been witnessed in recent years, particularly in the public sector, as part of workforce modernisation. The private sector has also been involved in changing the skill mix of its staff, more often through creating a more flexibly skilled workforce.
www.employment-studies.co.uk/pubs/report.php?id=mp68

- **The Impact of Learning on Unemployed, Low-Qualified Adults: A Systematic Review**

This review was initiated to explore the impact of learning on employment outcomes for low qualified, out-of-work adults. There is a long tradition of subsidising education and training for this group, although the evidence on returns to adult learning, especially for this low-qualified group, is not clear.
www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep375.pdf

- **Learning and Skills Planning and Provision for Migrants from the Accession States**

Between May 2004 and September 2005, following the accession of eight new states into the EU, around 293,000 migrant workers (A8 migrants) registered in the UK under the Home Office's EU Worker Registration Scheme. Very little is known about the learning needs of this large group. Meeting the needs of a diverse range of learners is central to the LSC Annual Statement of Priorities. A8 migrant workers are one of the groups that require further investigation in terms of their learning and skills needs so that the LSC can plan to best meet their needs. This exploratory study has aimed to collect and map relevant information about learning and skills planning and provision for migrants from EU accession states.
www.lsneducation.org.uk/user/order.aspx?code=062435

- **Skills Upgrading: New Policy Perspectives**

Skills are key to a better job and a better life. Yet acquiring them is often most difficult for the people who need them the most: those trapped in low-paid jobs with hard working conditions. The result is an imbalanced labour market with

Recent UK Research into Higher Education and Further Education and into Labour Market Issues

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unused human resource potential, misused government resources and unmet employer needs.
www.oecd.org/document/47/0,2340,en_2649_201185_36427887_1_1_1_1,00.html

(b) Higher Education

- **Participation in Higher Education: A Study to Determine whether the Higher Education Initial Participation Rate should be Disaggregated**

This report discusses the possible disaggregation of the Higher Education Initial Participation Rate (HEIPR) by ethnicity, social class and disability. The report found that in relation to ethnicity, there was potentially a valid mechanism for disaggregating the HEIPR although some work would be needed in order to ensure the numerators and denominators were comparable. In relation to social class alternative approaches were identified and finally in relation to disability, it was concluded unwise to consider any disaggregation of the HEIPR by disability. It also identifies general issues relating to the statistics about Higher Education entrants and also about the National population estimates which should constitute the denominators.
www.dfes.gov.uk/research/data/uploadfiles/RR676.pdf

- **The Class of '99 – A Study of the Early Labour Market Experiences of Recent Graduates**

This report presents results from a detailed investigation of the early careers of graduates who gained their degrees in the mid and late 1990's. The investigation was designed to relate the experience of higher education to later outcomes, notably career opportunities, given the expansion of higher education and significant changes in the funding of undergraduate degree programmes that took place during the 1900's.
www.dfes.gov.uk/research/data/uploadfiles/RR691sum.pdf

- **Demand for HE to 2020**

In 2005 Higher Education Policy Institute (HEPI) published a report "Demand for Higher Education to 2015-16", using the same methodology that had been used in previous years to produce projections of demand to 2010, and extending this with a tentative look to 2015. This present report refines and extends the projections further, and looks in detail at the various factors that will influence demand for higher education over the next 15 years to 2020.
www.hepi.ac.uk/pubdetail.asp?ID=204&DOC=Reports

- **University Admissions: School Effect and HE Achievement**

The author of this article found that, in admitting students, universities already take into account information beyond exam results. He suggests a further refinement that comes from treating the candidate as an individual and not a statistic represents the best way forward as the university system expands further. He also concludes that a student's results in the A-level examination remains the best single indicator of success at university. Interestingly, from a policy perspective the author found that there is no case for instituting formal procedures to secure entry of maintained school pupils on lower entry qualifications. He supports this by pointing out that school type is only one of a number of factors having a bearing on participation and performance in HE. Other factors were: father's occupation; gender; ethnicity; postcode; and even month of birth.
www.buckingham.ac.uk/education/research/ceer/pdfs/univadmiss.pdf

- **Higher Education Participation and Graduate Destinations in Ireland (Summer 2005)**

This article describes higher education participation rates and first destination of graduates' statistics in Ireland. It is evident that the number of young people entering higher education in Ireland has been increasing steadily over the past 20 years. According to the Organisation for Economic Co-operation and Development (OECD) report on higher

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education in Ireland, 62% of net new jobs are estimated to be likely to require third level education. Overall the percentage of graduates that found employment after completing a primary or higher degree was greater than those who continued their studies or those still seeking employment. **http://www.prospects.ac.uk/cms/ShowPage/Home_page/Members___Log_in/Labour_market_information/Graduate_Market_Trends/Higher_education_participation_and_graduate_destinations_in_Ireland__Summer_05_/p!ejFkcXm**

- **Beyond the Financial Benefits of a Degree**

This article highlights how getting a degree is not only about money but that graduates and society benefit in a far wider and more profound sense from a high-skill workforce. For example, research suggests that graduates enjoy higher quality jobs than non-graduates and they also enjoy better health outcomes as they're less likely to smoke etc. **www.prospects.ac.uk/cms/ShowPage/Home_page/Labour_market_information/Graduate_Market_Trends/Beyond_the_financial_benefits_of_a_degree__Autumn_05_/p!eXeLcmm;jsessionid=a630ba2e7967$3F$3F$3**

- **Destinations of Graduates from NI**

This article provides an overview of the destinations of graduates from NI institutions six months and four years after graduation. Highlights include:

- 44% of NI graduates from the 1999 cohort were working in non-graduate occupations immediately after graduation. Four years later, this stood at 17%;
- Graduates working in NI are more likely than their non-graduate counterparts to be working in the public sector, rather than in the private sector;
- The province's graduates earn around 70% more than non-graduates;
- Although NI has one of the highest graduate retention rates in the UK, political and educational leaders have expressed concern at what they see as a 'brain drain' of talent. Various initiatives have been developed in response.
- 79% of NI graduates with repayable debt said that their debt had not affected their options after university.

www.prospects.ac.uk/cms/ShowPage/p!eLaXFlj

- **Pathways to Higher Education**

This report describes the attributes, progression to higher education, achievement within higher education and outcomes after graduation of students who have undertaken access courses. These courses, first established in the late 1970's, remain an important route into higher education for mature entrants: one in four first-time mature entrants to full-time degree programmes still enter via an access course. **www.hefce.ac.uk/pubs/hefce/2006/06_16/**

- **Survey of Higher Education Students' Attitudes to Debt and Term Time Working and their Impact on Attainment**

This study aimed to investigate full-time higher education students' attitudes to debt and term time working and their impact on academic studies and attainment. The findings are based on a postal survey of final year, full-time home undergraduates in seven universities across the UK and on focus groups with students and university staff. **www.hefce.ac.uk/pubs/rdreports/2005/rd15_05/**

- **Student Income and Expenditure Survey**

The 2004/05 Student Income and Expenditure Survey (SIES) was jointly conducted by a research team from the National Centre for Social Research (NatCen) and IES. The survey covered a random sample of a little over 3,700 full-time and part-time (including Open University) students in higher education, in England and Wales at 88 institutions, conducted between January and April 2005. It was the first comprehensive assessment

since 1998/99 and was designed to set a baseline against which future changes, following the 2004 Higher Education Act, could be monitored. The survey collected data on students' income, expenditure, debt, savings and financial hardship and a range of personal information.
www.dfes.gov.uk/research/programmeofresearch/projectinformation.cfm?projectId=14256&type=5&resultspage=11

- **How Exposed are English Universities to Reductions in Demand from International Students**

This research undertakes an analysis of English HEI's dependence, or otherwise, on their income from international student fees; and the impact of a hypothetical 25% drop in international fee income.
www.hepi.ac.uk/pubdetail.asp?ID=206&DOC=Reports

- **Deferred and Income Contingent Higher Education Fees: An Empirical Assessment using Belgian, German and UK Data.**

Arguments for shifting part of the Higher Educational cost burden from public spending to Individuals largely rest on the capability to offer deferred and income-contingent payments. This paper considers the different ways of financing the cost of income-contingency and shows that investing less on students opting for less profitable programs helps mitigate the risk of poor course selection.
cep.lse.ac.uk/seminarpapers/04-11-05-VAN.pdf

- **Economics of Knowledge: Why Education is Key for Europe's Success**

A study released by the Lisbon Council shows that educational progress in Europe is lagging behind, in terms of the quality and quantity of its graduates, in openness of its education systems to students from all social backgrounds and in the availability of continuing education and training to those who need it most.
www.oecd.org/dataoecd/43/11/36278531.pdf

(c) Further Education

- **Education at a Glance: 2006**

The 2006 edition of *Education at a Glance* enables countries to see themselves in the light of other countries' performance. It provides a rich, comparable and up-to-date array of indicators on the performance of education systems and represents the consensus of professional thinking on how to measure the current state of education internationally. The indicators look at who participates in education, what is spent on it and how education systems operate and the results achieved. The latter includes indicators on a wide range of outcomes, from comparisons of student's performance in key subject areas to the impact of education on earnings and on adults' chances of employment.
www.oecd.org/document/52/0,2340,en_2649_201185_37328564_1_1_1_1,00.html#HTO

- **Education Trends in Perspective: Analysis of the World Education Indicators – 2005 – Edition**

This report is the fourth in a series that analyses indicators on key education policy issues, bringing together data from participating countries with comparable data from OECD countries. It focuses on trends in education between 1995 and 2003, identifying which countries have made progress and the contextual and policy factors that have contributed to the different educational outcomes.
www.oecd.org/document/62/0,2340,en_2649_201185_35525374_1_1_1_1,00.html

- **Can we Compare Post-16 Performance with the Best in the World?**

This article explores the extent to which it is possible to compare countries performance in knowledge and skills. This study considers the following questions: Who are the best in the world in knowledge and skills? What indicators reflect the best in the world in generating knowledge and skills? To what extent is it possible to measure the best in the world in generating

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knowledge and skills? How well does England's post-16 education sector perform compared to the best in the world in generating knowledge and skills?
www.lsneducation.org.uk/user/order.aspx?code=052090&src=XOWEB

- **Attitudes to Fees in Further Education**

This report presents the findings from the research with members of the general public aged 19+ in England, conducted by MORI Social Research Institute on behalf of the Department for Education and Skills (DfES) and Central Office of Information (COI). The objective of the research was to explore the attitudes of the public towards paying fees for Further Education (FE) and to identify whether people are aware of the current government subsidy of adult education and training.
http://www.dfes.gov.uk/research/data/uploadfiles/RW54.pdf

- **E – Learning in FE: The Impact on Student Intermediate and End – Point Outcomes**

This study was carried out on behalf of the DfES to look in depth at the way e-learning was being incorporated in colleges of Further Education, and the impact it was having on the intermediate and end-point student outcomes. The main research focus was detailed case studies conducted in six general FE colleges.
www.dfes.gov.uk/research/data/uploadfiles/RR739.pdf

- **The Role of Training Allowances in Incentivising the Behaviour of Young People and Employers**

The objectives of this study were to develop a better understanding of how training allowances influence young people's decisions to enter, and remain in, vocational training programmes and determine what impact the availability of training allowances has on employers offering training opportunities.
www.dfes.gov.uk/research/data/uploadfiles/RR756.pdf

INCREASING THE LEVEL OF RESEARCH AND DEVELOPMENT

- **Survey of Research and Development in the Higher Education Sector 2004 (HERD)**

This survey gives an analysis of expenditure and personnel resources allocated to Research and Development performed within the higher education sector for the academic year 2004 with additional information on time spent on research. Information is also broken down by field of science, sources of funding, type of spending, occupation and gender.
www.forfas.ie/publications/forfas060118/webopt/forfas060118_herd_report_webopt.pdf

- **Gross Expenditure on Research and Development 2005: Research and Development in Ireland - at a Glance**

This report provides an analysis of Ireland's R&D activity and includes data on domestic and International sources of funding, sectors of performance, research personnel and gender, and other indicators. It brings together data from a number of Forfas publications including: Business Expenditure on R&D, State Expenditure on Science & Technology (S&T) 2004/05, and Higher Education R&D 2004.
http://www.forfas.ie/publications/forfas060207a/webopt/forfas060207a_gerd_report_webopt.pdf

HELPING INDIVIDUALS ACQUIRE JOBS

(a) Routes to Employment

- **What Employers Look for when Recruiting the Unemployed and Inactive: Skills, Characteristics and Qualifications**

This study aims to examine what employers seek when recruiting, and the extent to which government provision meets their needs. The focus is on unemployed and inactive adults

aged between 16 and State Pension Age (SPA). A secondary aim is to explore whether there are differences in employers' requirements by age.
www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep295.pdf

- **More Choices, More Chances: A Strategy to Reduce the Proportion of Young People not in Education, Employment or Training in Scotland**

This document sets out the Scottish Executive's strategy to reduce the proportion of young people not in education, employment or training (NEET) in Scotland. Currently, 35,000 young people aged between 16 and 19 are NEET in the country. The strategy targets seven NEET hotspot areas, as well as particular sub-groups who are most likely to become NEET (eg care leavers, young offenders, low attainers).
www.scotland.gov.uk/Resource/Doc/129456/0030812.pdf

- **New Deal for Disabled People: Second Synthesis Report – Interim Findings from the Evaluation**

The evaluation design incorporates a longitudinal dimension, and this report presents selected findings from the evaluation. It covers developments up to and including spring 2004, and synthesises findings from fieldwork with NDDP participants, employers, members of the eligible population, those delivering the programme (notably staff from Job Brokers and Jobcentre Plus offices), and from administrative data.
www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep377.pdf

- **Gateway to Work New Deal 25 Plus Pilots Evaluation**

The key aims of this study have been to: identify and explore the impact of the pilots; identify best practice, in terms of which elements of GtW have been most effective in moving clients into employment.
www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep366.pdf

- **Jobseekers Allowance Intervention Pilots Quantitative Evaluation**

This report provides the findings of the quantitative component of the evaluation of the Jobseeker's Allowance (JSA) Intervention Regime Pilots. The pilots were introduced in January 2005 to test different approaches to the fortnightly jobsearch review (FJR) within the first 13 weeks of the JSA regime, with 13 districts and 137 offices participating at the outset. The pilots aimed to deliver resource savings without reducing unemployment off-flow rates or increasing fraud and the failure to report changes of circumstances.
www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep382.pdf

- **Early Quantitative Evidence on the Impact of the Pathways to Work Pilots**

Since October 2003 the Department for Work and Pensions (DWP) has been piloting reforms in England, Scotland and Wales that provide greater support (financial and non-financial) alongside greater obligations to encourage many new claimants of incapacity benefits to move into paid work. This report presents early quantitative evidence on the impact of the Incapacity Benefit 'Pathways to Work' pilots on various outcomes of interest.
www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep354.pdf

(b) Other Labour Market Research

- **The Impact of Free Movement of Workers from Central and Eastern Europe on the UK Labour Market**

The UK granted free movement of workers to nationals of the A101 countries following the enlargement of the European Union (EU) in May 2004. This paper describes the key features of migration to the UK since accession and evaluates the impact of migrant flows from these new EU Member States on the UK labour market, building on the initial assessment presented in Portes and French2.
www.dwp.gov.uk/asd/asd5/wp29.pdf

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- **Factors Affecting the Labour Market Participation of Older Workers**

Britain, like many western countries, faces the prospect of an increasingly ageing population. Tackling the structural, social and economic consequences of this demographic change and making long-term plans for managing it successfully represent significant challenges for current and future governments.
The Department for Work and Pensions (DWP) commissioned this qualitative study to expand knowledge and understanding about factors influencing participation in, and withdrawal from, the labour market, to explore the retirement process fully and to examine the barriers to continued labour market participation by older workers (aged 50-69).
www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep281.pdf

- **Towards Full Employment: Tackling Economic Inactivity**

This report focuses on the UK being one of the highest employment rates in the developed world, and while some regions and localities are operating close to full employment, others have levels of employment that are far from ideal. Therefore, tackling economic inactivity needs to remain the government's labour market priority.
www.ippr.org/ecomm/files/full_employment_execsum.pdf

- **The Productivity Gap in NI**

In 2001, HM Treasury produced a paper on labour productivity at the regional level, which presented data on economic performance in 1999 for all the UK regions. NI stood out as the poorest region with an output per head figure nearly 40 per cent below that of London, the richest region. The paper broke down output per person into four factors: labour productivity, working-age population share, labour market participation, and unemployment. The most relevant conclusion for NI was that the region suffered from poor labour market performance in terms of both low participation rates and high unemployment, in addition to a low working-age population share; however, the main negative contributor to economic performance in NI was labour productivity.
www.detini.gov.uk/cgi-bin/downutildoc?id=1581 (Article 9)

DEVELOPING AND MAINTAINING THE FRAMEWORK OF EMPLOYMENT RIGHTS AND RESPONSIBILITIES

- **Carers in the Workplace**

As the population ages and employers increasingly seek to offer competitive terms and conditions in order to attract and retain key staff, interest in employers' policies on the provision of time off for eldercare - and other forms of care besides childcare - appears to be growing. This briefing reviews recent research on, and practice recommendations for, the growth of the caring population, and the implications for employers.
www.employment-studies.co.uk/pubs/report.php?id=mp61

- **Employment Rights at Work: Survey of Employees 2005**

The main aims of the study were:

- to assess employees' general awareness of the scope of their employment rights;

- for selected topics, to establish employees' knowledge of specific employment rights provision (e.g. level of the National Minimum Wage, NMW, qualifying period for taking action on the grounds of unfair dismissal and discrimination cases, and rules for the award of costs in employment tribunal cases);

- to find out the main sources of information and professional advice about employment rights issues and, when employees have had a recent problem (e.g. in the past five years), where they sought advice and guidance and what they did to try and resolve the problem;

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- to identify the personal and employment characteristics that influence employees' levels of awareness, knowledge and preparedness to seek advice and take action to enforce their individual employment rights (including employment status).

www.dti.gov.uk/files/file27222.pdf?pubpdfdload=06%2F837

- **Maternity and Paternity Rights and Benefits: Survey of Parents 2005**

A telephone survey was carried out in 2005 of a nationally representative sample of 2,504 mothers, 17 months after the birth of their child. The questionnaire, similar to a postal survey of such mothers in 2002, asked about their use of maternity leave and their receipt of maternity pay. It was shown that increases in maternity leave and pay introduced since 2002 had been matched by increased take-up of leave, from an average of four to six months. As many returned to work as before, eight out of ten working mothers, but mothers in 2005 found fewer obstacles and greater flexibility that aided their return, including more part-time work. The proportion that changed their employer halved from 41 to 20 per cent. Financial considerations most guided the decision to return. Fathers took more leave than previously around the birth of their child and also reported more chances to work flexibly. A quarter of mothers and a third of fathers welcomed proposals to share leave between them.

www.dti.gov.uk/files/file27446.pdf?pubpdfdload=06%2F836

- **Fair Treatment at Work Survey 2005: Executive Summary**

DTI's Fair Treatment at Work Survey 2005 is Britain's first large-scale official survey of unfair treatment, perceived discrimination, bullying and sexual harassment in the workplace. The survey involved face-to-face interviews with 3,936 employees across GB, between November 2005 and January 2006.

www.dti.gov.uk/files/file30625.pdf?pubpdfdload=06%2F1380

- **Work Life Balance and Productivity**

The Economic and Social Research Council (ESRC) has published a report entitled "Work-life balance, management practices and productivity", which argues that companies which are bigger, more globalised and better managed provide a better work-life balance for their employees. Moreover, tough product market competition improves management practices but without any detrimental impact on work-life balance. The study uses an innovative survey tool on over 700 manufacturing firms in France, Germany, the UK and the United States to ask questions about management practices and work-life balance.

http://cep.lse.ac.uk/management/worklifebalance_research.pdf

- **The Third Work-Life Balance Employees' Survey**

The Survey, has found high levels of employee satisfaction and a significant increase in the availability of most flexible working arrangements since 2003.

www.dti.gov.uk/files/file32116.pdf?pubpdfdload=06%2F1372%2FES

- **Ethnic Penalties in the Labour Market: Employers and Discrimination**

The aim of this study was to:

- review the current position of ethnic minorities in Britain's labour market;
- explore how ethnic minority representation and achievement varies by different employer characteristics;
- establish how far these variations might be linked to discrimination in the workplace.

www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep341.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 Trade and Industry	**www.dti.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**
• Sector Skills Development Agency	**www.ssda.org.uk**
• 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**

Migrant Workers in Northern Ireland: What is the Current Position?

Dave Rogers, Analytical Services, DEL

This article is based on a review that was carried out for the Thematic Group on Migrant Workers which was established under the auspices of the Race Forum – see Chapter 30. It reviews the current position with regard to migrant workers in NI 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.

Background

The number of migrants has been rising at global, European, national, and local levels over recent years. At a global scale, data from the United Nations show that the number of international migrants at the world scale rose from around 75 million in 1960 to 175 million in 2000. By 2005 this number had reached 191 million people[1]. Given that lack of local economic opportunities (along with social conditions) is cited by the UN as a primary factor behind migration[2], it seems reasonable to conclude that numbers of migrant workers have been rising similarly.

At a European Union level, the level of migration into the EU15 countries from the new accession countries, as measured by the percentage on non-nationals in the population, remained stable in the period immediately before and after enlargement[3]: this is perhaps not surprising given that all of the EU15 countries (with the exception of Sweden, Ireland, and the UK) placed considerable restrictions on the employment of nationals from the **A8 countries**[4]. However data quoted by the European Commission show that there are growing incidence of non-nationals in the populations of the UK and Ireland. In 2005, for example, an estimated 7.5% of the working age population of Ireland were non-nationals[5] and the figure for the UK was 6.2%. In comparison other countries had widely differing rates from 1.7% in Finland though 5.4% in France to nearly 11% in Germany and Austria (Luxembourg was by far the highest at 42.1%).

With this growth in migration has come the emergence (or sharpening) of issues such as the labour market impact of migration (including that on indigenous workers and earlier migrants); access to services for migrants eg housing, health; issues around growing racism and racist attacks[6] etc. These issues are compounded by difficulties in measurement and associated lack of robust data. Some research has taken place (both within NI and outside) but coverage is currently patchy. This paper will attempt to bring together current state of play in this area and point to gaps and possible options to fill them.

Four main areas have been identified for attention. These are:

- **Numbers of migrant workers:** Accurate and timely information on the numbers of migrant workers is an essential underpinning of both policy and service delivery;

- **Experiences of migrant workers:** eg employment; access to services; language; racism etc;

1 United Nations Population Division **http://esa.un.org/migration/p2k0data.asp**
2 United Nations (2006) "International Migration and Development" p19 **http://www.un.int/iom/IOM%20Perspectives%20and%20Experiences.pdf**
3 European Commission (2006) "Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004 – 30 April 2006) COM(2006) 48 final" **http://ec.europa.eu/employment_social/news/2006/feb/report_en.pdf.**
4 The A8 countries are Czech Republic; Estonia; Hungary; Latvia; Lithuania; Poland; Slovenia; and Slovakia. Cyprus and Malta, which also acceded in May 2004, were not subject to similar restrictions.
5 *op cit* p17
6 For example, the Police Service of NI benchmarked race crimes in 2004/05 in which year 634 were reported. In the following year, this figure rose to 746, a rise of 18%. Source: **www.psni.police.uk/3._hate_incidents_and_crimes-4.pdf**

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- **The impact of migrant workers on the NI labour market:** eg levels of employment and unemployment; wages; skills gaps; employer experiences etc;

- **Attitudes towards migrant workers:** The response of the indigenous population to migration and migrant workers is also an important factor.

It is perhaps worth bearing in mind the current state of the NI labour market. At the time of writing, the most recent data published by DETI[7] show that employment in NI is at an all-time high, with more than three-quarters of a million people in work and an employment rate of 70%; a lower unemployment rate than either the UK or EU average rates (most recent figures show an ILO unemployment rate of 4.3%, very low by historical standards); earnings which are lower than the UK average but which are growing by nearly 5% per year, faster than in the UK as a whole; but stubbornly high economic inactivity rates – currently 27% for the working age population, considerably in excess of the UK figure of 21%. Finally, there remains a dependence on the public sector - around three out of ten jobs in NI are in the public sector, compared to around two out of ten in the UK as a whole.

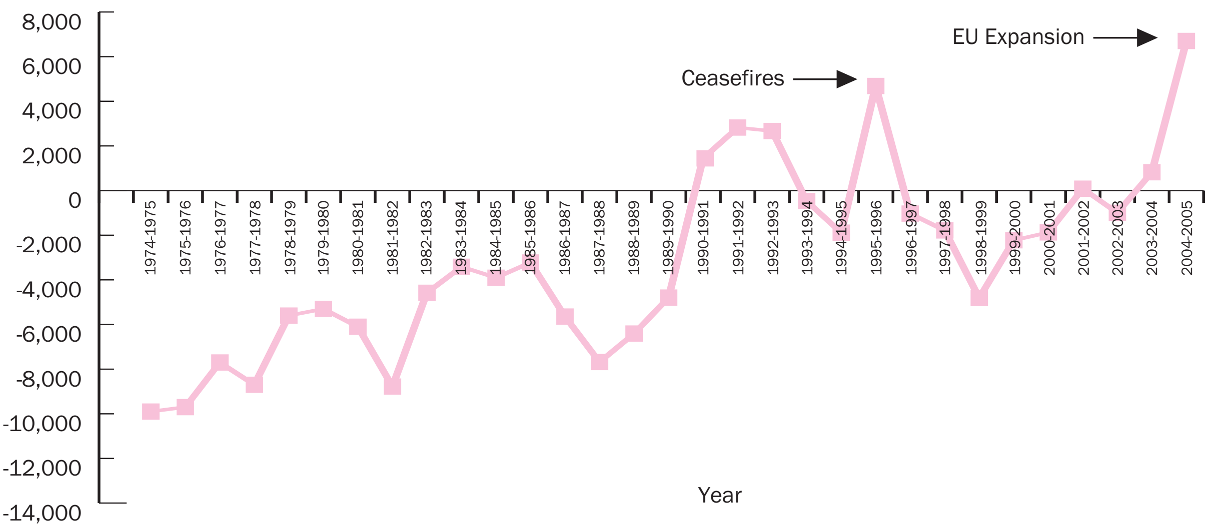
Information on Migrant Numbers in NI

NI has traditionally been a region of high net outmigration. This has been the case since at least the Famine of the1840s (although Ulster suffered less than most of the rest of Ireland at that time) and has also been true of modern NI. Recently outmigration was high in the 1970s and 1980s (see **Figure 1**). Migration was then broadly in balance from 1990-2000 (with a brief period in the 1990s around the time of the first paramilitary ceasefires of significant net in-migration). However until as recently as 2002/03 NI experienced net out-migration with around 1,000 people more leaving than arriving. Latest figures for 2004/05 show highest net in-migration (+6,700) recorded in recent times. This in turn is linked to the recent expansion of the EU and the accession of the A8 countries (see **Figure 1**).

Impact of accession of A8 countries

At a UK level, the migration position has been transformed since accession of A8 countries in May 2004. Most recent figures from the Home Office show that nearly 450,000 applications were made by A8

Figure 1: Estimated Net Long-Term Migration (Northern Ireland) 1974-2005



Source: NISRA

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7 DETI Labour Market Report, October 2006
http://www.detini.gov.uk

nationals under the Worker Registration Scheme (WRS) from May 2004 to June 2006[8]. Further reported statements by Tony McNulty MP, Minister of State at the Home Office, show that if self-employed and other workers without work permits are added to this total, the estimate reaches around 600,000 workers[9]. Of course, this figure shows only those entering the UK as measured through the use of one instrument – the WRS. It does not use information from other sources nor does it take account of those who subsequently leave the UK: and this is an important point, as subsequent discussion will show. However the WRS data are useful as they give an insight into the areas of origin and nature of employment of most – if not all – incoming A8 workers. In particular, the most recent Monitoring Report shows that:

- Accession workers are taking up employment in a number of occupations, mainly at the lower end of the occupational scale. The largest numbers were working as Process Operatives (30% of those for whom occupation was stated); Warehouse Operatives, Packers, and Kitchen and Catering Assistants (8% each); Cleaners and Farm Workers (both 6%); and Waitress/Waiter (5%);

- Most (97%) were working full time;

- The majority of Accession workers are young, with more than four out of five (82%) aged between 18 and 34. Nearly all (93%) had no dependents with them when they registered for work in the UK;

- Just under 6,000 claims for income Support and Jobseeker's Allowance were made between May 2004 and June 2006.

Research carried out on behalf of DWP attempts to use other sources to estimate the stock of migrant workers in the UK population[10]. In particular, it uses data from the Labour Force Survey (LFS), a household-based sample survey. LFS data are able to take account of those who leave the UK as well as those entering as the survey only includes those resident at the time of the survey. LFS data show that there has been a sharp rise in the A8 adult population of the UK – rising from some 110,000 in summer 2003 to 245,000 in summer 2005 (although some of this rise took place **before** accession).

It has been recognised that migration data are imperfect at a UK level and the National Statistician, Karen Dunnell, has been charged with chairing a Taskforce to examine how migration statistics could be improved[11]. At the time of writing the report of this Taskforce is imminent and it will be necessary to take cognisance of its findings and recommendations when considering how these issues are taken forward in NI.

NI Position

The 2001 Census of Population showed that fewer than 27,000 people (less than 2% of the population) living in NI were born outside the UK or the RoI[12]. With migration at such a low level, there was little incentive for in depth research but initial work began, for example at the Institute for Conflict Research, with an examination made of data from the Worker Registration Scheme but also of applications for National Insurance Numbers (NINOs)[13]. However there are a number of caveats that have to be borne in mind when considering NINO application data. These are discussed in greater detail below.

Recently the NI Statistics and Research Agency (NISRA) has reviewed the evidence in respect of number of migrants in NI and have published estimates of long-term international migration in the year June 2004 to June 2005 alongside detailed information from administrative and survey sources[14]. Note that these data do not relate to migrant workers *per se* and concentrate on those staying for more than 1 year – the United Nations definition of a long-term migrant.

8 Accession Monitoring Report May 2004 – June 2006. Joint Online Report from the Home Office, DWP, HMRC and DCLG (**www.ind.homeoffice.gov.uk/6353/aboutus/accessionmoniotoringreport6.pdf - search=%22a8%20monitoring%20report%22**)

9 Reported for example in the Times, 22 August 2006 (**www.timesonline.co.uk/article/0,,13509-2323386,00.html);** BBC, 22 August 2006 (**http://news.bbc.co.uk/1/hi/uk_politics/5273356.stm**)

10 Gilpin, N *et al* (2006) "The impact of free movement of workers from central and eastern Europe on the UK labour market" DWP Working Paper No 29 (**www.dwp.gov.uk/asd/asd5/wp29.pdf**). This paper in turn draws from an earlier version by Portes and French (2005) DWP Working Paper No 18 (**www.dwp.gov.uk/asd/asd5/WP18.pdf**)

11 See **www.statistics.gov.uk/about/other_letters/downloads/TaskForce260506.pdf**

12 Jarman, N (2005) "Changing Patterns and Future Planning: Migration and NI" Institute for Conflict Research Working paper No 1 (**www.conflictresearch.org.uk/ documents/Changing%20Patterns%20and%20Future%20Planning.pdf**)

13 For example, Bell, K et al (2004) "Migrant Workers in NI" (**www.conflictresearch.org.uk/ documents/Migrant%20Workers%20in%20Northern%20Ireland.pdf**); and Jarman, N (2005) "Migrant Workers in NI" Labour Market Bulletin 18 Chapter 5 (**www.delni.gov.uk/index/publications/pubs-stats/labour-market-bulletin/labour-market-bulletin-18-individual-chapters/chapter-5.htm**)

14 Beatty, R *et al* (2006) "Long-Term International Migration estimates for NI (2004/05) – Sources and Methodology" NISRA (**www.nisra.gov.uk/archive/demography/publications/NI_Migration_Report(2005).pdf**)

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The main data sources reviewed by NISRA were:

- **Worker Registration Scheme (WRS):** in the period to March 2006, some 15,000 registrations under the WRS had been made in respect of people living or working in NI – some 3.8% of the UK total: NI has on per capita terms more WRS registrations than any other UK country. The WRS is a measure of gross in-migration to NI as there is no requirement for workers to de-register when leaving NI;

- **Health Cards (registration with GPs):** This is taken to be the best measure of long-term migration available as short-term migrants are unable to register with a family doctor. Examination of Health Card data can also be used to estimate out-migration by consideration of de-registration. In 2005, there were some 13,600 applications for Health Cards from outside the UK, a considerable rise from 7,200 in 2003. At the same time there were 5,500 de-registrations to areas outside the UK in 2005, up from 4,000 in 2003;

- **National Insurance Number (NINO) Registrations:** Previous analyses have used NINO application data but there is a fall-off between application for a NINO; the subsequent allocation of a NINO to an individual, and finally registration. There are a number of reasons behind this. These include the fact that it is possible that multiple NINO applications from the same person can be made, and also that applicants can return home before allocation or registration. The shortness of stay of many migrant workers has been noted in the RoI, where an analysis of Personal Public Service Numbers (PPSNs - RoI equivalent of NINO) issued in May-December 2004 showed that out of 53,000 PPSNs issued, only 43% were present in Revenue records by the end of December 2004 and that the average length of insurable employment was 16 weeks[15]. In 2004/05 there were some 5,600 NINOs registered to non-UK nationals (up from 2,700 in 2000/01 and compared to 16,000 applications in the same year). Further details have been published by the Department for Social Development (DSD)[16];

- **School Census:** The Department of Education (DE) carries out an annual census that includes information on pupils whose first language is other than English. The 2005 school census revealed that there were nearly 1,800 pupils in years 1-7 in that category, including some 400 pupils with an A8 language as their first language. Although comparable figures for earlier years are not available it is worth noting that there were fewer than 20 people of primary school age from A8 countries recorded in the 2001 Census of Population;

- **Work Permits:** The Home Office issue work permits to those from outside the EU who require one to work or study in the UK. In the year to March 2006 there were 2,800 issued to people in NI, down from nearly 4,000 in the previous year; and

- **Household Surveys:** NISRA also reviewed evidence from a number of other sources, including language services and household surveys. The Omnibus Survey was used as a partial estimator of out-migration. This work showed that some 6% of households had a household member leave in the year prior to the survey – the vast majority to elsewhere in NI. Of those who did leave, around 7% left the British Isles – although this result should be treated with caution as numbers were very small. This work needs to be developed further. The NISRA work did not cover the Labour Force Survey (LFS) – sample sizes in LFS are considerably smaller than in GB (or the equivalent survey on the RoI) which severely limits its use as a measure of migration.

Findings of NISRA work:
NISRA's comprehensive analysis of the current situation in NI has enabled robust estimates of the migrant population of NI to be

15 Presentation by Central Statistics Office to NI Delegation, March 2006.
16 DSD (2006) "National Insurance Allocations to Overseas Nationals Entering NI" (**www.dsdni.gov.uk/nino_allocations_to_overseas_nationals_entering_ni.pdf**)

made. In summary the main findings are:

- **Overall Figures:** The key estimate for net migration to NI for mid-2004 to mid-2005 is net in-migration of 6,700. This compares to a net outflow of 1,000 in 2002/03 and a net inflow of 800 in 2003/04. The 2004/05 figure is the highest in recent times as shown in **Figure 1**. These figures include migration from GB but are largely dominated by international migrants: and there are indications that some of the inflows from GB include people whose origin is outside the British Isles;

- **In-flows and out-flows:** However the above figures tell only part of the story – they are net figures showing the balance between in- and out-migration. In fact out-flows hardly changed over the period – an estimated 19,300 left in 2002/03 and this rose to 20,200 in 2004/05. The reason for the change was a sharp rise in inflows – from 18,300 in 2002/03 to 20,300 in 2003/04 and then to 26,900 in 2004/05;

- **Destination within NI:** This was not even across NI. The biggest net recipients were Dungannon and Craigavon LGDs, with around 1,000 net international in-migrants. Indeed overall one-year population growth in Dungannon, Craigavon and Banbridge was between 1.8% and 2.9% which is significant when set against historic NI annual growth levels of around 0.5%; and

- **Gender and Age:** Nearly two thirds of the net in-migrants were male and the vast majority were aged under 35.

Ongoing and Further Work

The discussion above pointed to difficulties migration data. The most serious of these is that currently information systems are not good at picking up short-term migration: in turn this is linked to the difficulty of measuring out-migration. Whereas many of the current systems used to estimate migration are (fairly) good at counting people in, they are less good at counting them out. In the current situation, where many people are coming to NI many of whom may be staying here only a relatively short time, these problems could be exacerbated. This is one of the difficulties that is being examined by the UK Taskforce under the auspices of the National Statistician described above.

There are a number of possible options which could be examined which may include:

- **Enhancing existing administrative data:** This might be achieved, for example, by developing the data on NINOs to factor in those who leave the country. This will require input from Her Majesty's Revenue and Customs (HMRC). Cognisance will have to be taken of developments at a UK level in this area. In NI, DSD and NISRA have opened exploratory discussions with HMRC;

- **Enhancement of existing Surveys:** The main survey used in this regard in GB is the Labour Force Survey (LFS). There are a number of issues with LFS which limit its usefulness for estimating the migrant worker population of NI. These mainly centre around the fact that the sample size for the survey is insufficient to give other than headline figures about migrant workers in NI, and is certainly of little effectiveness if wanting to examine say geographical distribution or sectoral/ occupational profiles or telling us anything about the other characteristics of migrant workers. Examination for survey effort across Government may require scoping as to if and how these instruments can be improved. However, even if feasible and cost-effective, these developments are likely to take some time to come into play and the sample size issue is likely to prove difficult to resolve;

- **New Surveys:** It might be possible to develop new surveys in an NI context – for example the recent NISRA paper discusses the possibility of extending the International Passenger

Survey, which collects information from passengers as they enter or leave GB. Obstacles in the way of greater utility of this approach for NI include the land border with the RoI and the fact that sufficiently large sample sizes for NI would likely to prove costly; and

New Research Tools: Methodologies exist to estimate the size of unknown population using modelling and other techniques. However these have never been applied to the estimation of numbers and characteristics of migrants or migrant workers, and scoping would need to be carried out to see if an approach would be feasible.

Summary.

We are in a considerably better position than we were given recent work by NISRA. However there is an ongoing need to consider further work in the light of developments at a UK level whilst taking account of the position with NI, particularly in terms of resources; the availability and/or robustness of data (eg sample size constraints); and practical issues such as the land border with the RoI (which could render the concept of a NI Passenger Survey nugatory, even if it might be suitable on other grounds). There is also need to consider how future population projections might appropriately factor in the impact of migration. In this context it is worth bearing in mind that outmigration from NI is still running at a high level, particularly in respect of young people.

Experiences of migrant workers

Migrant workers encounter a number of issues when they arrive in NI to work. These issues include (but are not limited to) employment, for example in relation to employment rights and their enforcement; access to services; language difficulties; racism – including racist attacks.

Current Position

Existing work in GB. Key work has been carried out recently by Oxford University and the Joseph Rowntree Foundation (eg Ruhs *et al* (2006) and Anderson *et al* (2006))[17]. This research looks at the experiences of migrant workers mostly from eastern Europe and in low wage sectors in the UK as a whole in a project entitled “Changing Status, Changing Lives?”. This project is focusing mainly on migrants working in low-wage occupations in selected sectors of the UK economy (agriculture, construction, hospitality and the au-pair sector); and the nature and determinants of employer demand for migrant labour in these sectors. It also investigates the role of immigration status – including “illegal residence” – as a potential determinant of both employer demand and the conditions of migrants' employment. In total, more than 600 migrants and over 500 employers of migrants were surveyed and interviewed before and after EU enlargement on 1st May 2004. The questionnaire used in the survey is publicly available and could operate as a template for work here and used to derive findings which could be compared in a wider context (subject to agreement with the researchers).

Similar work has been carried out in Scotland. For example Highland and Islands Enterprise commissioned a study that examined migration into the area[18], including a survey of migrant workers and of employers. The main findings of the research echoed the COMPAS study and included:

- Most of the migrants were young (80% were aged under 35);
- Migrants who participated in the study were mainly employed in semi-skilled or unskilled work, often in jobs below their qualification level. Employers valued the commitment and flexibility of migrant workers – often comparing these favourably to indigenous employees;
- Barriers for migrants included difficulties with language, lack of accommodation; banking issues; and lack of information and advice; and
- Employers recognised that many of the jobs taken up by migrant workers were

17 The ESRC Centre on Migration, Policy and Society (COMPAS) at the University of Oxford has published widely on migration issues. Key Papers include Anderson, Bridget *et al* (2006) “Fair Enough? Central and East European Migrants in low-wage employment in the UK”; and Ruhs, Martin *et al* (2006) “Changing Status, Changing Lives? Methods, participants and lessons learnt”. These papers are available from the COMPAS website at **www.compas.ox.ac/changingstatus**

18 De Lima, Philomena *et al* (2005) “Migrant Workers in the Highlands and Islands” UHI/National Centre for Migration Studies. (**www.hie.co.uk/migrant-workers-2005.html**)

unattractive to locals due to low wages or irregular working conditions.

Existing Work in NI. There is a considerable amount of research in NI about the experiences of minority ethnic communities – many of whom will of course be migrants. However until recently there has been little research on migrants and migrant workers *per se.* One of the first examples is by Tony Soares on the experiences of the Portuguese community in Portadown and Dungannon[19]: Soares reported a number of issues that resurface in later work – for example he pointed to a perceived lack of understanding between the Portuguese and indigenous communities (which had not, at that time, evolved into serious racial/ethnic problems, although some incidences emerged); the importance of the provision of information in appropriate languages; and lack of knowledge of employment rights in particular and access to services in general.

The first significant and wide-ranging work was carried out by the Institute for Conflict Research (ICR) and published in 2004[20]. In addition to reviewing the literature this study comprised interviews with 176 migrant workers and with key service providers. Key issues reflect findings elsewhere and have again been echoed by later researchers:

- **Employment issues:** Issues reported by ICR included:

  - Employment rights and pay, including unfair dismissals and holiday and sick pay;
  - Difficulties experienced by some migrants – nearly a quarter – in relation to the recognition of qualifications;
  - Harassment and/or discrimination at work. 22% reported having experienced some kind of harassment or discrimination in the workplace;
  - Undocumented workers felt particularly vulnerable especially to exploitation from employers (eg long hours, low pay, insecure employment); and
  - Migrant workers perceived many recruitment agencies as being fair, but reported that others were less scrupulous.

- **Racism and Harassment:**

  - In addition to discrimination/ harassment experienced at work, migrant workers reported a high incidence of racism/abuse in general – in fact just over half (51%) reported having received some form of racism or abuse. This was mostly on the street, but also contributed to fear even at home.

- **Contact with statutory agencies:** Migrants had contact with a range of statutory agencies. In general each of these bodies had begun to acknowledge the existence of migrant workers and to respond – but a number of concerns were identified, including:

  - Difficulties accessing information and services, including language service and the provision of translators; and
  - Mixed response of services to demands from migrant workers. For example whilst there was evidence that the PSNI had begun to respond to the needs of migrant workers in areas such as Dungannon, Portadown, and Ballymena, some migrant workers complained about the attitudes of the police.

- **Housing:** Housing emerged as a significant issue:

  - There were particular problems in relation to housing provided by employers – including undesirable living conditions and issues about tied housing; and
  - The report indicated that there were some signs that NIHE were responding to issues.

Other work has followed in recent years. Animate (Action Now to Integrate Minority Access

19 Soares, A (2002) "Realtor Sobre Trabalhadores: Experiences of Portuguese migrant workers in NI" **www.mcrc-ni.org/publications/pub_peng/rst_eng.htm**

20 Bell, K et al (2004) "Migrant Workers in NI" (**www.conflictresearch.org.uk/documents/Migrant%20Workers%20in%20Northern%20Ireland.pdf**)

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To Equality) have been particularly active in the Mid-Ulster area and, working with others, have produced research on the health and wellbeing of Migrant Workers in both the Cookstown and Craigavon areas[21]. This research highlighted the issue of health problems (including mental health problems and those associated with poor living conditions); difficulties in accessing services including language, staff indifference and discrimination; and lack of information. Animate have also examined the issues raised by ICR in the local Mid-Ulster context[22]. Finally in this area, Animate will shortly publish a series of 28 case studies of Portuguese migrant workers in NI[23].

ICR have also published further research carried out for East Tyrone College of Higher and Further Education which examined issues in an FE setting – language proved to be the biggest barrier[24].

Finally the "dark side" of migrant workers is reported on by Women's Aid who have examined the incidence of human trafficking in NI[25]. This research points out that estimating the number of people trafficked to NI (mostly but not exclusively for work in the sex trade) is very difficult to estimate and did not attempt to quantify the issues, but it did report estimates of 20 and 50 known to one voluntary staff member. The report reviews the evidence of trafficking in NI and concludes that there is an issue and that it impinges on a number of agencies, both statutory and voluntary. This issue has also been noted in a recent report by Anti-Slavery International[26].

The issue of how public authorities link to minority ethnic groups has been covered in work reviewing experiences in NI, the RoI, and Scotland[27]. Much of the approach would also be applicable to the migrant population. This work looked at case studies in health, education, policing, and employment and identified a number of emerging themes. These include mainstreaming (making existing services inclusive); targeting (developing specific responses where appropriate to meet needs); benchmarking (inkling the setting of targets); and engagement (doing things with minority ethnic and migrant groups, not to them). With regard to health, DHSSPS have carried out a literature review to examine access to health and social service provision in NI in respect of minority ethnic groups (including specific consideration of migrant issues)[28], and issues identified include language difficulties and lack of information about services.

Ongoing and Further Work

At the moment there is a fair amount of work that is ongoing – some of it in an advanced stage – but which is not ready at the time of writing. This work includes:

- NIHE have conducted research on migrant workers and housing needs which will be available shortly;
- STEP (South Tyrone Empowerment Programme[29]) in Dungannon are working on mapping health provision for migrants, and are also developing a longitudinal study of migrants;
- The Institute for Conflict Research (ICR) are working with Belfast City Council on a study of migrants in the City Council area; and with the Joseph Rowntree Foundation in a UK-wide qualitative study of the experiences of migrants through case studies (there will be one in NI centred around Dungannon). ICR are also linking with the National Consultative Committee on Racism and Interculturalism in Dublin to develop work on minority ethnic communities; and
- Research commissioned by the Office of the First Minister and Deputy First Minister (OFMDFM) on the public service response to minority ethnic groups – this research builds on the work mentioned in para 3.1.9 above and was published on 9 October[30]. The research notes that as ethnic diversity continues to grow, the challenge will be to ensure that migrants and existing minority ethnic groups are fully included in key services such as health, employment,

21 Animate (2005) "Migrant Workers in Craigavon: A Health and Wellbeing Needs Assessment Focus Group" **www.animate-ccd.net/publications/CraigavonNAFINAL%20pdf.pdf**; and Sobieraj, Ola (2005) "Migrant Workers in Cookstown: A Health and Wellbeing Needs Assessment Focus Group" **www.animate-ccd.net/publications/pub_research/ANIMATECookstownFocusGroupReportpdfnew.pdf**

22 Animate (2004) "Baselining exploitation of migrant workers in the Dungannon, Cookstown and Criagavon areas" **www.animate-ccd.net/publications/ANre_exp.pdf**

23 Will be published on the Animate website **www.animate-ccd.net**

24 Betts, Jennifer and Hamilton, Jennifer (2005) "New Migrant Communities in East Tyrone" **www.etcfhe.ac.uk/publications_folder.php?folder=669**

25 Dudley, Rebecca (2006) "Crossing Borders: preliminary research on human trafficking in NI" **www.womensaidni.org/home%20page/Crossing%20Borders%20trafficking%20report.pdf.pdf**

26 Skrivankova, Klara (2006) "Trafficking for forced labour: UK country report" Anti-Slavery International **www.antislavery.org/homepage/resources/PDF/Policy%20recommendations.pdf#search=%22%22trafficking%20for%20forced%20labour%22%22**

27 Watt, Philip and McGaughey, Fiona (2006) "How Public Authorities Provide Services to Minority Ethnic Groups: Emerging Findings Discussion Paper" **www.nccri.ie/submissions/NESF_Appendix_1.pdf**

28 **www.dhsspsni.gov.uk/ehr-sect3.pdf**

29 **www.stepni.org/**

30 Watt, Philip and McGaughey, Fiona (2006) "Improving Public Service Delivery to Minority Ethnic Groups" **www.research.ofmdfmni.gov.uk/nccrireport2.pdf**

education, policing and housing. The report will be an invaluable resource for planners and deliverers of frontline services, and consideration now needs to be given as to what actions need to be taken on the findings and recommendations.

Despite the above activity, there is no holistic view of the experience of migrant workers in NI. Resources have been secured through the Equality and Social Need budget to carry out a survey of migrant workers that should be undertaken to explore the key challenges that face migrant workers. This would take cognisance of work already carried out in NI and could examine the feasibility of using approaches consistent with those adopted elsewhere (eg in the Oxford and Scottish work referenced above for which model questionnaire etc are already available).

Labour Market and Employer Perspectives

Current Position

Labour Market Impacts. At a UK level, the evidence in relation to the impact of recent migration from eastern and central Europe has been reviewed by Portes and French (2005) for the Department for Work and Pensions (DWP)[31]. This paper gives a useful summary of the existing research evidence to date: broadly positive in relation to the economic and labour market benefits of migration with very few contra-indications. Research in general supports the view that in-migration helps rising employment & prosperity. However some negative impacts were identified especially in low wage sectors both in terms of wages and unemployment.

Further work by DWP[32] specifically examined the impact of migration on wages and unemployment. In particular, this was to address concerns that migrant labour would depress wages in certain sectors and/or lead to the displacement of indigenous workers who would then become unemployed – and hence contribute to a rise in unemployment. Detailed statistical analysis failed to find any significant negative impacts on the whole economy scale (i.e. there was no evidence that migration impacted negatively on wages or unemployment). In fact, as migration was found to be broadly beneficial to the economy (through stimulating output) it could be seen as acting to push wages up and to maintain employment rates. However, there were some negative impacts identified for low wage and low skill occupations. By and large this analysis has been supported by work carried out at the Centre for Research and Analysis of Migration (CReAM) at University College London, which reported that there was little evidence of net negative results of immigration: they found some data pointed towards slightly poorer outcomes in terms of employment and wages for some groups, but that this was counterbalanced by positive outcomes for other groups[33]. Some researchers and thinkers go even further – they point to the fact that certain sectors of the UK economy are already so dependent on migrants (eg agriculture, healthcare) that migrants can be seen as an essential underpinning of the economy[34].

The impact of migration on the labour market has been examined in the Scottish context[35] which consider key labour market and economic outcomes under a range of migration scenarios, including wages, employment, GDP, and competitiveness.

There is little data about labour market impacts of migration in NI to date, but given that employment levels are rising and unemployment remains low – and earnings in NI continue to rise at a rate higher than both inflation and the GB average (see above), there does not appear to be any indication of a significant negative impact on the labour market. Further work would be needed before any definitive judgement could be made, and the situation would need to be kept under review.

Employer Perspectives. Work by COMPAS in Oxford and by Highlands and Islands in Scotland (see footnotes above) also cover the views of employers. Employers are keen to use migrant labour for a number of reasons, the key ones being:

31 see footnote 11
32 Gilpin *et al* (2006) see footnote 11
33 Dustmann, C *et al* “The Impact of Immigration on the UK Labour Market” Centre for Research and Analysis of Migration Discussion Paper 1/05 **www.econ.ucl.ac.uk/cream/**
34 The Royal Society for the encouragement of Arts, Manufactures and Commerce (2005) “Migration: a Welcome Opportunity: A new way forward by the RSA Migration Commission” **www.migrationcommission.org/pdf/summary.pdf**
35 Wright, Robert (2006) “Demographic Change and the Labour Market” Paper given in the ERINI Scott Policy Seminar Series, 17 May 2006 **www.erini.ac.uk/dsp_seminars.cfm/sem_key/79/sem_category_key/2**

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- **Labour shortages:** Migrants are seen as filling gaps left in occupations and sectors where it is difficult to attract sufficient indigenous labour, either because wages are unattractive (especially in relation to benefit levels) or working conditions are poor. The fact that many migrant workers are engaged in low level (and low pay) occupations (see discussion above) bear this out;

- **Skills shortages:** This reason is not quoted as often by employers but in some sectors (for example health) there are known shortages of certain skills amongst locally available workers and in these circumstances employers look to migrant workers to fill this gap;

- **Cost.** There is some indication that employers are attracted to migrant workers because wage costs rarely exceed those of indigenous workers and they can be lower; and

- **Attitude to work.** Many employers report that migrant workers tend to demonstrate a positive attitude to work which helps them in business terms.

Although there is no definitive evidence from NI, a discussion involving local business leaders in "Ulster Business" magazine suggests that similar views may be prevalent amongst at least some NI employers[36]. Animate have also recently published an economic impact assessment of in-migration into the Dungannon, Craigavon and Cookstown District Council areas[37]. This review concluded that the economic impact of migrant workers in the area, whilst complex, has been predominantly positive. The report makes reference to localised positive economic impacts including: the retention of local industries that otherwise may have been outsourced, the arrival of additional skills, the delivery of essential services, additional spending power being brought to local shops and services, increased fiscal contributions and other factors. Where negative economic impacts are identified these are mainly associated with the (often unlawful) underpayment or exploitation of migrant workers due to their extra vulnerability. The primary victims of such practices are clearly migrant workers themselves but there are potential consequential effects for all workers.

Ongoing and Further Work

Work mentioned above by DSD and NISRA on the possibility of obtaining permission from HMRC to merge NINO registrations with P45 employment data to ascertain number of NINOs issued to migrants that are still in use will shed some light on the persistence of migrant workers in the NI labour market and thus enhance assessments as to the longer term labour market impacts of migration.

Consideration could also be given to carrying out research with employers on their attitudes towards and use of migrant workers. Research previously carried out in Scotland could provide a possible model/ template for this work.

Attitudes towards Migrant Workers

Current Position

Service providers. Animate have published research on the attitudes of service providers to migrants in the Cookstown, Dungannon and Craigavon areas[38]. The study was based on two anonymous staff surveys in a health trust and in a district council. The main findings, based on 750 completed questionnaires, were:

- The majority of staff were accepting of migrant workers, giving positive attitudes towards their contact with them. However the research also shows that a significant minority articulated highly prejudiced and racist attitudes towards migrant workers. The minority of staff expressed unwillingness to accept migrant workers in specified capacities on the basis of their nationality. A number of negative attitudes towards experiences with migrant workers were given due to racism, language difficulties and the lack of support infrastructure within service delivery;

36 Ulster Business Magazine (2005) "Skills Gap – Real or Imagined?"
37 McVeigh, R and Fisher, C (2006) "An economic impact assessment of inward migration into the Dungannon, Craigavon and Cookstown District Council areas" **www.animate-ccd.net/publications/pub_research/McVeigh-AnimateMigrantWorkerEconomicImpactAsspdf.pdf**
38 Animate (2005) "Racial Attitudes and Prejudice Towards Migrant Workers: A Survey of staff in statutory agencies in the Cookstown, Craigavon and Dungannon Areas" **www.animate-ccd.net/publications/animate_staffattitudes.pdf**

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- Only a significant minority of staff support a proactive anti-racist position;

- A number of factors contributed to the prejudice and racism towards migrant workers. These included misconceptions of economy and employment which fuel considerable hostility to migrant workers and specific stereotypes relating to alleged deviance. There was considerable prejudice regarding taxation and use of public services based on false premises. Respondents also showed prejudice against migrant workers in relation to language. Some respondents suggested that migrant workers should be able to speak the English language fluently before arriving in NI or being allowed to work. Some even accused migrant workers of faking the difficulties they experienced in speaking English;

- The majority of staff suggested that specific training is needed in order to tackle racism within the workforce; to increase awareness of the specific needs of migrant workers; to help overcome language difficulties and to support capacity building measures for migrant service users. A number of staff also indicated that training should be aimed at the practical issues rather than focusing on cultural stereotypes. A small minority said they were either not interested in training in this area or that it was not required;

- The prejudice against migrant workers is reduced when there is regular interaction with migrant workers at service provision level;

- The data suggested that there was a low uptake of some services by migrant workers. In order to carry out further analysis in this area, ethnic monitoring including nationality is required; and

- The majority of staff articulated positive comments in relation to equality, general integration and treatment of migrant workers. However there are clearly worrying attitudinal patterns in a minority of staff. There was also an indication of the need for proactive outreach to promote equality and the use of positive generalisations regarding migrant work. A number of staff also articulated the importance of the local community doing more than the migrant worker population.

Public Attitudes. Some information on this is available from the NI Life and Times Survey (NILT). In 2005, a number of questions were asked on attitudes to minority ethnic people. The sample itself had only 10 respondents (out of 1,200) from a minority ethnic background, and only 1% were of a nationality other than British or Irish, so responses to the survey can be taken as responses of the indigenous community. Although most of the questions were couched in terms of ethnic minorities rather than migrants, some questions were related to minority ethnic community members in the workplace. The survey showed, for example that 12% of respondents would not willingly accept a member of a minority ethnic group as a work colleague[39].

Ongoing and Further Work

Fieldwork for the 2006 NILT was ongoing at the time of writing. The scope of the questionnaire has been extended to include a range of questions on attitudes of those from eastern Europe, so some more detailed data on attitudes towards A8 migrants (or a reasonable proxy for them) will be available next year and can be compared with attitudes towards other minority ethnic groups. Also this year's NILT will ask questions of respondents about their views of the value or otherwise of migrants to the local labour market and economy. NILT 2006 will provide a valuable addition to the research base on public attitudes to migrant workers but it may also be necessary to carry out additional research for example via NISRA's Omnibus survey.

39 NI Life and Times Survey 2005 **www.ark.ac.uk/nilt/2005/Minority_Ethnic_People/index.html**

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Conclusion

The sudden change in NI's position re migration has shown us that we were exposed in terms of the lack of data and research that was available to effectively underpin both policy development and also in terms of proving services for migrants. As this article shows the position is getting better – but there is still a long way to go. However there are two areas that this article has not covered but which are important for any holistic consideration of migration.

First, the above discussion has been wholly confined to in-migration. As the "new phenomenon", perhaps this is inevitable. But we must not forget that NI is still a region of considerable outmigration, particularly of young, well-qualified people who move mostly to GB.

Secondly, the above discussion has been wholly confined to the impact on NI. We should not forget that there are impacts elsewhere – particularly the donor countries. One of the drivers behind our need for migration is that fact that demographic factors means that our populations are growing only slowly or are about to decline, thus contributing to a labour deficit. These changes have been largely brought about by falling fertility over recent decades which means that the UK population is barely at replacement level and will undoubtedly fall below it in the near future: the position for NI is not as severe, but on current trends we too will soon drop below replacement level.

However many of the countries that are proving our current crop of new workers – ie those from eastern Europe – have even lower fertility rates and therefore declining populations. There will thus be a considerable impact of substantial out-migration – and selective out-migration, with the young and skilled most likely to leave – on these countries. How long will it be that this too becomes a major policy issue at EU level?

Migrant Workers in Northern Ireland: Responding to the Challenge

Tim Devine, Skills and Industry Division, DEL

Increased numbers of migrant workers in recent years in NI have contributed significantly to the NI economy but have also highlighted the need for both Government and the Voluntary/Community sector to respond to the needs of this section of our community and to deal with issues that have arisen which blight our community – such as racially-motivated attacks. The Race Equality Forum established a Sub-Group to determine how these issues could be tackled and this paper describes the partnership approach that the Sub-Group has endorsed.

Introduction

Since the accession of the A8 countries to the EU in 2004 there has been a dramatic increase in the level of migrant workers arriving in the UK and indeed NI. There is general acceptance that these migrant workers have made a positive contribution to the economy and society. However, increasing numbers of racial attacks and several high-profile incidents have raised the public profile of migrant workers as an issue. Government departments had actively been addressing the problems and issues associated with migrant workers largely within their individual legislative, policy, and service delivery remits. The non-state side found itself with a key role, not just in terms of advocacy, information and advice, but also providing help for those people who had no access to, or who had difficulty in accessing, government services.

It is current UK government policy that people from abroad (essentially the non-EU15 states) should not generally be in a position to access benefits or services unless they have made a contribution to the UK economy. Whilst numbers in this category are relatively small, they attract a high level of public interest and the individuals affected are undoubtedly particularly vulnerable. It became increasingly clear over time that there was a need for effective coordination in this area in NI.

Migrant workers in a Global Context

Internal migration and global migration have long been an economic reality: the British industrial revolution saw a huge movement of people from the countryside to the cities in order to service the demand for labour and the USA's growth as an economic power was made possible through massive immigration. In today's single global economy, the location of world economic activity, wealth generation, income and production is in a continual state of flux. Linked to the growth in low-cost air travel this has served to increase the flow of labour around the world. At the same time irregular migration has also increased, with all its accompanying problems.

Migrant workers in a European Context

In addition to the global factors outlined above, migration within the European Union has the added dimension of a citizen's right to free movement and to work. When the A8 accession states[1] joined the EU in May 2004, only three states - the UK, Sweden and Ireland - allowed immediate, open access to their labour markets. Since that time, however, many of the other EU states that imposed restrictions have gradually relaxed these restrictions and are beginning to permit citizens from the accession states to enter their labour markets. The European

1 The A8 states are Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia.

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Commission has completed an initial analysis of the impact of the new accession states and has broadly found that impact to be positive[2]. It also appears likely that a EU framework will be developed on integration and that this will be enshrined by Directives.

The UK Position

The UK government view is that there have been labour and skills shortages in the UK for some time and that migrant labour is needed to fill vacancies that have arisen as a result of these shortages. Relevant sectors quoted include agriculture, hospitality, construction, and health. The skills required vary from low (e.g. mushroom pickers) to professional (e.g. doctors).

Immigration policy, including work permits, is in the competence of the Home Office. In the wake of the recent accession of the A8 countries, the broad policy position is that the free movement of labour within the EU should meet the majority of the UK labour requirements, resulting in a reduced need for work permits. Immigration systems are also being overhauled to reduce them from some 80 methods of arrival to a simplified, five tier system. There is no doubt that the number of EU citizens arriving in the UK (including NI) since accession has risen dramatically, although there appears to be some evidence that numbers are levelling out.

It is worth noting the changing lexicon in use on this topic. For example, the recent expansion of the EU has resulted in what some would consider to be large numbers of migrant workers arriving in the UK. In reality, however, this is actually largely a new phenomenon, namely that of EU citizens exercising their entitlement to free movement and the same employment rights as local citizens. In other words, many of the issues facing NI arise from the comparative novelty of managing free movement of labour between European countries. In a UK sense, NI has no policy remit in this matter. In general policy terms, however, it is nevertheless useful to regard such individuals as migrant workers simply because they are likely to experience the same problems, vulnerabilities and needs as those workers who require permits to work in the UK. Also, it is useful to point out that A8 nationals do not have access to the same range of services or benefits as indigenous UK citizens, or citizens of the pre-expansion EU (the EU15 states).

The NI Position

NI employers have been actively recruiting foreign labour to take up hard to fill vacancies. This trend is by all accounts set to continue with employers in some sectors e.g. meat processing, stating that if they could not fill these vacancies they would have to give serious consideration to relocating their businesses.

In policy terms, the NI position is clear; NI government departments have no remit to make policy or legislate on immigration/migration matters. However, within this policy constraint, NI government should provide information, advice and access to services to migrant workers within UK policy guidelines and according to departmental competences. NI government also needs to work effectively with the non-state side on a range of areas of overlap. For example, there is a need to agree respective roles in information provision and publication; access to relevant service provision; and to ensure that there are appropriate referral processes in place. In addition, the non-state side has developed some excellent best practice models and government needs to evaluate these and consider roll out on a regional basis.

Recognising that the significance of the problems faced by migrant workers (which may be separate from and different to those experienced by established minority ethnic groups who have been here for some time), it was agreed that the Race Equality Forum was best placed to lead and coordinate work on this issue. A thematic sub-group, chaired by DEL membership of which includes all government departments and the relevant non-state organisations, was established in June 2006 and was tasked to produce a strategy and action plan over the summer period.

2 The current state of the data and research about migrant workers is reviewed in Chapter 29 of the Bulletin

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Race Forum Thematic Sub-Group: Strategy and Action Plan

The Thematic Sub-Group is representative of all NI government departments and of the social partners e.g. the voluntary/community sector, advisory and advocacy bodies, employers and unions. The Sub-Group agrees that, whilst relatively new to NI, the issue of migrant workers will require action for the foreseeable future. The Sub-Group has developed a strategy and action plan (action plan attached at **Annex A**) that sets out the group's findings and maps out the way forward. The strategy seeks to meet the needs of migrant workers whilst recognising that there are service and legislative constraints on government and also recognising the important role that the non-state side has to play in meeting migrant worker needs. It aims to:

- specify the role of NI government and the non-state side;
- assess what the core information needs are;
- identify any gaps in information and provision of services; and
- produce an action plan that will address immediate, medium and long-term needs in relation to this issue.

This initial action plan seeks to identify the key action areas and provides an agreed starting template for both state and non-state members. The strategy and action plan focus on four key strands of action:-

- Information
- Best Practice
- Inspection and Enforcement
- Data gathering and research

Current position

The strategy and action plan have been endorsed by the Race Forum and submitted to the Permanent Secretary's Group and full implementation can commence (although much work is already being undertaken). It is envisaged that the work of this Race Forum Thematic sub group will continue for the foreseeable future and that it should now become responsible for overseeing the implementation of the Action Plan.
It has been recommended that the Strategy and Action Plan should be formally reviewed and approved annually and Ministers updated as necessary. It is envisaged that this work should be led and overseen at a senior level within government.

Copies of the Full Strategy and Action Plan are available on the DEL website at **http://www.delni.gov.uk/annual_progress_report_05-06_final_version.pdf**

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Annex A: Migrant Workers Strategy – Action Plan – **Key Targets**

Migrant Worker Theme	Action Point	Key Actions	Timescale	Organisations
1. Employment Inspection & Enforcement	**1.1** To ensure effective employment inspection and enforcement in NI.	**1.1.1** DEL to Chair state sub-group to develop an effective inspection and enforcement model for NI and make recommendations to Ministers. (Options range from sharing information to creation of a "labour inspectorate"). Model to take account of need for data sharing and the sensitive role of the non-state referral role. **1.1.2** Implement the agreed model. **1.1.3** Work with local government to link them into inspection and enforcement system. **1.1.4** Work with employers and their representative bodies to ensure understanding of legislative requirements. **1.1.5** Work with employee and other advisory bodies to ensure legislative understanding and consistent provision of advice and referral processes. **1.1.6** Ensure any EU and GB changes in policy in relation to migrant workers are taken account of. **1.1.7** Ensure that RPA planners are fully aware of the work and recommendations of this group when considering structural changes.	December 2006 2007 2007 Ongoing Ongoing Ongoing Ongoing	DEL, DETI, DSD, NIHE, ECNI, GLA, HMRC. All departments to consider sharing information aspect. All relevant bodies Thematic group Thematic group Thematic group Thematic Group OFMDFM/DEL DEL/OFMDFM
	1.2 Develop relationships with UK bodies on employment inspection and enforcement.	**1.2.1** Develop links with IND, Revenue and Customs, PSNI, etc. **1.2.2** Agree data-share agreements and/or MOU where appropriate.	Now Ongoing	DEL/OFMDFM DEL/OFMDFM
	1.3 Develop links with RoI viz employment inspection and enforcement	**1.3.1** Explore with the Home Office the possibility of developing reciprocal inter-jurisdictional agreements in relation to information sharing and inspection and enforcement on employment matters e.g. employment agencies.	December 2006	DEL/OFMDFM/NIO/HOME OFFICE AND RoI.
2. Information	**2.1** Finalise and publish the Law Centre/Animate/ NIHRC information pack	**2.1.1** Provide core, comprehensive information for foreign citizens, migrant workers, employers and advisory bodies. **2.1.2** Translate into six core languages. **2.1.3** Ensure information regularly monitored and updated – quarterly. **2.1.4** Distribute to relevant stakeholders and advisory bodies. **2.1.5** Arrange distribution to exporting countries through Home Office and FCO.	January 2007 Ongoing April 2007 December 2006	Authors & OFMDFM Authors Authors & coordinator All & authors OFMDFM/DEL

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Migrant Worker Theme	Action Point	Key Actions	Timescale	Organisations
2. Information (continued)	**2.2** Establish a migrant worker "Gateway" section on Online NI site	**2.2.1** To provide an agreed, central source of NI information. Key content to include relevant departmental information, best practice guides, Law Centre/Animate/NIHRC pack, as well as contact details of relevant organisations. **2.2.2** Establish hyperlinks to all relevant NI departments and advisory agencies, with contact details. **2.2.3** Identify high level Departmental contacts e.g. Racial Equality Champions as the key contacts on migrant worker issues. **2.2.4** Hyperlinks to relevant UK department sites and to all relevant NI non-state bodies' sites. **2.2.5** Site to include information pack, a variety of translated information, advisory material from a variety of sources, and key government forms - translated. **2.2.6** Ensure that systems are in place to quality-assure content of information on the site and disclaim contents of other sites.	As soon as possible	Online NI - OFMDFM/DEL Most Departments and relevant NGOs Working group will specify Thematic group to manage process and vet bodies and content
	2.3 Departments, agencies and advisory organisations to continue to produce demand led material where appropriate.	**2.3.1** All advisory body information & advice to be consistent and complementary. **2.3.2** Promote and circulate material from e.g. CBI, FSB, BITC. **2.3.3** Government to investigate how best to ensure translation and interpreting standards are set and complied with. **2.3.4** Thematic group to continue to monitor work to ensure that information and service "gaps" are identified and filled. **2.3.5** DSD Advice Strategy to explore how new local advice structures can be fully accessible to migrant workers.	Ongoing April 2007	Authors LRA & ECNI – others (?). Thematic sub group Thematic sub group DSD Advice Services Alliance
3. Best Practice	**3.1** Share NI best practice with key stakeholders	**3.1.1** Thematic group to identify existing non-state best practice in NI and then roll out agreed best practice models on a regional needs basis. Initial project plan to be developed and agreed. **3.1.2** Validate and publicise existing best practice publications and Codes of Practice e.g. BITC, ECNI, etc. **3.1.3** Clarify and agree role of lead best practice/publishing agencies e.g. LRA, ECNI, BITC. **3.1.4** Develop and agree new best practice publications for employers, advisory bodies etc, where required. **3.1.5** Ensure that organisations roll out best practice to front line staff (possible training implications). **3.1.6** Liaise with thematic sub group on translation/interpretation standards.	Urgent Ongoing Ongoing Ongoing Ongoing Ongoing	OFMDFM/DEL and non-state representatives – sub group required Thematic group Thematic group ECNI and LRA, Thematic group Race Equality Forum

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Migrant Worker Theme	Action Point	Key Actions	Timescale	Organisations
3. Best Practice (continued)		**3.1.7** Agree monitoring, review and updating process in relation to best practice.	Ongoing	
	3.2 UK and RoI best practice	**3.2.1** NI to contribute to best practice events with RoI through contacts with e.g. ECNI/NCCRI/DETE, etc. **3.2.2** Participate fully in the Anti-Racist Workplace week. **3.2.3** NI to feed into UK best practice and policy through BIC and developing contacts with GB and RoI colleagues. **3.2.4** Government contracts to ensure protection of migrant workers, and have appropriate monitoring and enforcement systems in place. **3.2.5** Investigate equivalency measures for both academic and vocational qualifications obtained outside the UK.	Ongoing November 2006	Thematic Group ECNI, all. DFP and government departments DE and DEL DE and DEL
	3.3 Other best practice	**3.3.1** Monitor European and international activity to take account of best practice initiatives. **3.3.2** Monitor ILO and other sources of best practice.	Ongoing	Thematic Group (Govt)
4. Research and data gathering	**4.1** Review existing data sources on migrant workers and consider how these might be improved.	**4.1.1** Produce report for consideration by PSG. **4.1.2** Report to review existing data sources on migrants and their limitations. **4.1.3** Describe what these sources tell us about the numbers of migrant workers in NI and their characteristics. Factor in recent NISRA publications and DEL survey of callers to DEL offices. **4.1.4** Outline possible ways in which data sources on migrants and migrant workers might be improved taking cognisance of UK developments.	Report September 2006 Further work to be determined by report. As above.	NISRA, DSD, HMRC, DETI, DEL and others.
	4.2 Research on experiences of migrant workers	**4.2.1** Review existing research on the experience of migrant workers and develop further research as required. **4.2.2** Paper to outline existing research base of issues facing migrant workers with special reference to NI, including work done by or on behalf of other Departments, the voluntary and community sector, and the academic community. **4.2.3** Scope and, if appropriate, develop and execute a survey of migrant workers to gain a robust insight into issues they face, to inform policy and service delivery. **4.2.4** Identify other work as appropriate.	Report September 2006 Possible Survey of migrant workers Further work to be determined Ongoing	DEL/OFMDFM/all departments and voluntary and community sector

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Migrant Worker Theme	Action Point	Key Actions	Timescale	Organisations
4. Research and data gathering (continued)	**4.3** Research on migrant workers and labour market/ employment issues from an employer perspective	**4.3.1** Review existing research on the impact of migrant workers on the labour market and issues connected to the employment of migrant workers. **4.3.2** Paper to outline existing research base of labour market impact of migrant workers and issues facing employers. There is anecdotal evidence but little robust research from NI to date. **4.3.3** Scope and, if appropriate, develop and execute research into employment issues from the perspective of employers, including a possible survey and focus groups. **4.3.4** Identify other work as appropriate.	Report September 2006 Possible Survey/focus groups with employers of migrant workers Further work to be determined	DEL/OFMDFM/DETI – possibly others
	4.4 Research on public attitudes to migrant workers.	**4.4.1** Review existing knowledge of public attitudes to migrants in general and migrant workers in particular. **4.4.2** Paper to outline existing research base on public attitudes. There is some evidence from NI (e.g. from the NI Life and Time Survey) but this needs developing. **4.4.3** Scope and, if appropriate, develop and execute module in the NISRA Omnibus Survey into public attitudes towards migrant workers. **4.4.4** Identify other work as appropriate.	Report September 2006 Possible module in NISRA Omnibus Survey Further work to be determined	DEL/OFMDFM/NISRA (CSU)– possibly others

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BULLETINS OR CONTACT:

Department for Employment and
Learning
Research and Evaluation Branch
Adelaide House
39-49 Adelaide Street
BELFAST BT2 8FD
Tel: 02890 257683/983
e-mail: **reb@delni.gov.uk**

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