people:skills:jobs:



Crakes

24

10

11

20

Thousands

10

D

Females

Labour Market Bulletin 19

ET Employee

29

December 2005

Contents

Edit	orial1
1.	The Northern Ireland Labour Market - Overview3
2.	The NI Labour Market 'At a Glance'9
3.	Labour Market Statistics: 2005 Update13
4.	Progress in the NI Economy – A UK Regional Comparison35
5.	Employment Change by District Council Area 1995-200345
6.	North-South Labour Market Comparisons53
7.	Travel to Work in Northern Ireland: a District Council Analysis63
8.	The New NI Skills Strategy – Underpinning the Government's Economic Vision69
9.	Progress in Skills Research73
10.	The PA/NI Skills Task Force Executive Skills Recruitment Watch 200479
11.	Where are we going? – Labour Market Forecasts 2004 - 201487
12.	Recent Trends in ICT Employment: Benchmarking NI101
13.	PISA 2003 – NI and International Results Compared113
14.	Graduates in the NI Labour Market123
15.	Are Students who Study in GB Different from those that Study in NI?133
16.	Northern Ireland's Graduates: the Classes of '95 and '99141

17.	Regional Variations in Labour Market Outcomes for the Disabled: What can we learn from the Labour Force Survey?147
18.	Pathways to Work Pilots – the next stage of welfare reform in NI157
19.	Evaluation of New Deal for Disabled People161
20.	Evaluation of New Deal for Self-Employed165
21.	Evaluation of Training for Work171
22.	Strategic Review of Construction Industry Training Board175
23.	DEL Research Agenda 2004-07181
24.	Recent UK Research into HE and FE and into Labour Market Issues185
25.	The Role of ReferNet in European Research: Can Networks Work to Provide Local Detail on the European Scale?199
26.	Flexible Working Patterns: Results from Surveys of Employers and Employees203
27.	Equality Monitoring in DEL213
28.	Employment and Training Needs and Aspirations of Travellers215
29.	Labour Market Dynamics in Northern Ireland221
30.	Leading Labour Market Research Organisations231
	Book Reviews233
	Index of Previous Articles (LMBs No. 14 - 18)235



Editorial

The NI economy is improving but I suspect that you know that already. Results from the 2004 NI Life and Times Survey¹ show that more than two-thirds (70%) of respondents thought that the economy had improved over the past decade, against 10% who thought that it had got worse. This is a far cry from the mid 1990s, when another survey revealed that more than a quarter (26%) of people thought that "unemployment" was the most important problem facing NI (second only to "The Troubles" on 51%)².

This confidence in the NI economy and labour market is well founded – as many of the chapters in this Bulletin show, there have been significant improvements over the past decade or so, and on many indicators the improvement here has been at a faster pace than in the UK as a whole or than in virtually every other UK region – for example in terms of rising wealth and employment, and of falling unemployment.

However there remains the 10% of people here who think that the economy has got worse. A further 16% thought the economy had remained about the same, and the remainder didn't know. Thus around 30% of people here don't feel that the NI economy has improved over the past decade. Although using objective measures, it looks as if these views cannot be reconciled with the facts about the NI economy, perhaps they speak a deeper truth. For all the progress that the NI economy

has made over the past decade, there remains around a third of working age people who do not have a job: our working age employment rate – the proportion of people in work – is lower than in any other UK region. So, despite the undoubted progress, many issues remain. Some of these are explored in the Bulletin.

The Labour Market Bulletin seeks to inform debate – and hopefully to stimulate interest – in this area. Although it is a DEL publication, interest is wider than this. To this end, as in previous years we have sought relevant contributions from other sources: from other government departments; from leading research organisations; from the universities; and from other researchers working in consultancies.

Since publication of last year's Bulletin, the Department for Enterprise, Trade and Investment (DETI) have produced their own publication, the Economic Bulletin³. There is a degree of overlap between the two publications in terms of consideration of supply-side issues, particularly skills, but most of DETI's Bulletin concerns the demand side issues of enterprise, innovation, and competitiveness, so the two publications complement each other.

I would like to thank all those readers of last year's Bulletin who took the time to complete our readership survey. It is heartening to report that 97% of respondents found the bulletin to be useful (with 54% finding it very useful). It's also obvious that the Bulletin is put to a number of uses: nearly three in five (59%) respondents reported using it for research purposes; more than two fifths (43%) for education and training; and more than a third (28%) to inform policy. Some respondents signalled up that they wanted more local data - local information has been included as part of the NI labour market statistical overview (Chapter 3), and this Bulletin also contains information on local employment (Chapter 5) and local travel to work data (Chapter 7). This is an area that we hope to develop further for next year's Bulletin.

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 2006 – 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 competed - I have been learning "on the job" as this is my first year as Editor, and I have needed all the help I can get. First, I would like to thank Terry Morahan, editor of the LMB 1995-2004, for his guidance both as former editor and as member of the Editorial Board. If I can maintain the quality and diversity of the Bulletins that Terry edited I will consider myself a success in the job.

¹ Available at www.ark.ac.uk/nilt/2004 2 See LMB #13, Chapter 5. Data from the 1996 Social

Omnibus Survey. Available from www.delni.gov.uk

³ Economic Bulletin available from www.detini.gov.uk

Editorial

Thanks also to members of the Editorial Board for their oversight of the Bulletin, and to the many contributors of articles without whom - trite but true - there would be no Bulletin for me to edit or for you to read. In the production of the Bulletin we have been very ably assisted by Roisin McAuley and Leslie Stannage from Leslie Stannage Design. Finally I would like to offer a special "thank you" to members of the REB administrative team - Etta Wilson, Karen Algie, Nicola McGarrigle and Chris Lawless, who have worked tirelessly in getting this Bulletin into shape.

I hope that you find the Bulletin both informative and enjoyable.

Dave Rogers Editor – Labour Market Bulletin

Dave Rogers, Analytical Services Group, DEL

The Northern Ireland labour market is in a lot healthier shape than it was 10 or 15 years ago – but it still faces many challenges. This article give a brief overview of the strengths and weaknesses of the NI labour market; 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

In many ways, times have changed considerably since the time that the first Labour Market Bulletin - then entitled the Labour Market and Skills Trends Bulletin - was published in 1990. Then, the working age employment rate in NI was around 64%: now it is typically around 68-69% and recent figures put it even higher. This has happened at a time of considerable growth in the working age population: the additional jobs created in NI have more than kept pace with the expanding population. At the same time, unemployment has fallen sharply. But not everything has changed: for example, the level of economic inactivity has remained stubbornly high – NI's economic inactivity rate has varied only in a narrow band between 27%-30% since the mid 1980s.

Introduction

The salient facts about the NI labour market are laid out in the opening chapters of the Bulletin. Chapters 2 and 3, prepared by statisticians from the Department of Enterprise, Trade and Investment (DETI) present the key figures in terms of labour market structure and in terms of employment, unemployment, economic inactivity, and labour demand for NI as a whole and also more locally within NI. In Chapter 4 Terry Morahan discusses the - almost exclusively positive, and at the

time unforeseen – changes that have occurred in the NI labour market since 1990. Of course, as Morahan's article points out, this labour market improvement is but one aspect of the general economic improvement that has occurred especially since the mid 1990s¹. The Bulletin contains a wealth of detail, but the key developments can be summarised as follows²:

Increased wealth: GVA per head more than doubled in NI (+101%) in period 1990-2003: this is the biggest change of any UK region and exceeds the UK rate (+86%)

•

- More jobs: Employee jobs grew by 30% in the period 1990-2005: UK growth in the same period was 9%.
- Lower unemployment: figures from the LFS show that NI unemployment fell by 58% in the period 1992-2005: more than in the UK as a whole (-50%)
- But, persistently high economic inactivity: as Chapter 18 of the Bulletin discusses, economic inactivity has remained high in NI over the past 20 years³, the working age rate varying in the range 27%-30% for most of that period. There is no discernable downward trend. Economic inactivity in NI remains higher than in the UK as a whole and than other UK regions.





Dave Rogers, Analytical Services Group, DEL

6	Strengths	Weaknesses
Economy	Rapid recent economic growth underpinning labour market successes of recent years	 But most recent forecast for UK and NI show perhaps a slowdown in growth over coming years
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 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 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 	 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 30% of NI jobs cf 19% in GB) NI productivity still lags behind UK average.
Non-employment	Falling unemployment	 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) 	 Lack of devolved administration/political uncertainty Global economy and shocks (eg oil prices)

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

Dave Rogers, Analytical Services Group, DEL

Strengths and Weaknesses of the NI Labour Market

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

Labour Supply

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 fall⁴.

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 by lvor Johnston in Chapter 13 of the Bulletin. However, although NI fares well compared to GB, there remains a "tail" of poorly performing young people who leave school with no or poor qualifications⁵. Last year's Bulletin reported on research on **Alternative Education Provision** in NI which targets those pupils who are difficult to help under normal arrangements: this research is being led by the Department of Education⁶ and due to be completed in the spring of 2006. Of course, good Careers Guidance is essential for this age group and this is one

of the areas discussed by Heather Stevens in her article outlining the new NI Skills Strategy (Chapter 8). 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 commissioned an independent evaluation of Jobskills which is due to report in early 2006, and the outcomes of this evaluation will be reported on in next year's Labour Market Bulletin. The Department has also produced proposals to reconfigure the FE Sector in NI to best deliver its FE Strategy especially in regard to the needs of young people in NI. Finally in relation to young people there is the issue of NI graduates: Peter Elias, Kate Purcell, and Rhys Davies in Chapter 16 discuss what happened to NI students who graduated in 1995 and 1999, and Ann Mallon in Chapter 15 examines NI students who stay and study here and those who go to GB. In Chapter 14 DETI statisticians outline the current position of graduates in the NI labour market.

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. However they represent only part of the story – the other part is the stock of



Levels (43.4%) of any UK region with the exception of the South East, and higher than the UK average (37.6%) At the other end, NI also performs relatively well with only 4.4% of students in their last year of compulsory education failing to attain a graded qualification. However more recent figures from the Department of Education (www.deni.gov.uk) relating to 2003/4 show that this latter percentage rose to 5.6%: on it in 2003/04

6 See LMB #18, Chapter 22

See NI Annual Abstract of Statistics #23, NISRA (www.nisra.gov.uk)
 Figures from Regional Trends (available at

www.statistics.gov.uk) show that for the most comparable year available (2001/02), NI had the highest proportion of students attaining 2 or more A

Dave Rogers, Analytical Services Group, DEL



people of working age – both those inside and those outside the labour market. And, as Heather Stevens outlines in Chapter 8, 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 Strategy⁷. Research on the delivery of the strategy is underway as outlined in Chapter 8 of last year's Bulletin and a key research project in this area is due to complete in early 2006 and will be reported on in next year's Bulletin. Also at present the OECD are proposing to run a successor to IALS in 2009, and consideration will have to be given to NI's participation in this survey which would allow us to benchmark progress since 1996 (and our position compared to other jurisdictions).

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 9 of the Bulletin. The 2005 NI Skills Monitoring Survey, the fieldwork for which is now completed and which is due to report in spring 2006, will provide key information in this

area that will be considered by the Skills Expert Group as outlined by Heather Stevens in her article on the DEL Skills Strategy (Chapter 8). Another key element described in that Chapter is the establishment of local Workforce Development Forums - this is particularly important in the NI context as evidence from the Labour Force Survey suggests that NI workers are less likely to get on-the-job training than their counterparts in the rest of the UK⁸. In the meantime, skills research on key sectors of the NI labour market continues - Mike Crone of the Economic Research Institute of Northern Ireland (ERINI) reports on the IT sector (Chapter 12) and Terry Morahan paints the likely future in Chapter 11 reporting on labour market forecasts to the year 2014. These forecasts show a continuing overall expected growth in employment with, in general, high skill sectors due to expand and lower skill employment to contract.

Another aspect of labour supply that has come to the fore recently is that of migrant workers: this was discussed in an article in last year's Bulletin⁹. The evidence suggests that some migrant workers particularly those in sectors such as health - are filling genuine skills shortages, but that others are filling jobs that are unattractive to their indigenous counterparts, either due to low wages or unattractive working conditions. One of the key issues in relation to migrants is the difficulty in obtaining

reliable and comprehensive data about them and their position in the labour market. Currently DEL statisticians are working with their counterparts in other departments under the auspices of the Northern Ireland Statistics and Research Agency (NISRA) to scope what can be provided in this area.

Labour Demand

Labour demand is a key determinant of local labour market conditions and DETI's Statistics Research Branch in Chapter 3 report on local demand as measured through the Jobs Density Indicator. This shows that although many parts of NI have high labour demand (for example are above the UK average), there are other areas that fall behind. Of course, one way in that supply can adjust to demand is through commuting, and Claire Hood discusses this using travel to work information from the Census of Population in Chapter 7. Local changes in demand as expressed by the number of employee jobs in District Council areas are described in Chapter 5.

Many issues in relation to labour demand – for example those relating to innovation, competitiveness, and enterprise – are beyond the scope of this article but readers are referred to DETI's Economic Bulletin (see reference footnote 1): however it is worth bearing the following points in mind:

⁷ See LMB #18, Chapter 13 8 See Regional Trends 38, Table 4.16 (www.statistics.gov.uk). These data show, for example, that only just over 12% of NI male employees received job-related training in the month prior to being interviewed in 2003, compared to a UK figure of just under 14%.

Dave Rogers, Analytical Services Group, DEL

- There is a complex relationship between supply and demand. To the extent to which the demand side is held back by supply side deficits, rectifying those deficits could have both a direct and a levered impact on employment levels. This contributes to the rationale behind attempts to increase skill levels and also explains why initiatives such as local Workplace Development Forums, as outlined above, are key elements of the Skills Strategy.
- Low pay in NI (private sector wages in NI are considerably below the UK average) is a double edged sword. To the extent that low pay contributes to lower employment costs, it could be held to assist in developing employment opportunities here - but low pay can and does interact with benefit levels to create a poverty/benefit trap. DEL is currently working with colleagues from other government departments and ERINI in addressing the benefit trap issue, and is considering commissioning separate research. This issue links very closely with the at discussed in the next section - non-employment.
- Flexible approaches by employers and employees to working patterns have also underpinned growth in the labour market. Chapter 2

shows that out of nearly three-quarters of a million people in employment in NI, more than a fifth (over 150,000) work part time: and it is worth bearing in mind that most of those who work part time want to do so. In Chapter 26 Kathryn Wilson reports on baseline research carried out by DEL around the introduction of new legislation in this area.

Non-Employment

As has been noted above, unemployment levels have been falling in NI for many years and are currently at historically low levels - at the time of writing, the most up-to-date ILO unemployment rate in NI stood at 4.6%¹⁰. This is around the UK average rate, and is below the EU average. 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 (and Chapters 19 and 20 contain summaries of the most recent evaluations of New Deal for Disabled People and New Deal for the Self-Employed). However, problems remain and especially problems of a geographical nature (in part - but not entirely - related to the issue of uneven labour demand mentioned

above) and also of the uneven spread of unemployment – and of economic inactivity – between different groups within society. This issue is addressed by Richard Marsh and Fabian Zuleeg of DTZ Pieda Consulting in their article on Labour Market Dynamics (Chapter 29).

However, the 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 Benefit¹¹. If we want to increase employment levels and Jim Russell in Chapter 18 outlines why we need to - we will need to attract people away from inactivity into work. Chapter 18 details what is being done already in NI, and Michael Anyadike-Danes of ERINI in Chapter 17 gives more detail about issues connected with disability and the labour market. This area is the focus of a considerable programme of research currently being carried out by the Department as outlined in Chapter 23. At the time of writing this article, a UK government Green Paper on Incapacity Benefit is in preparation, and it is likely that there will be further initiatives in relation to working age benefits and the desire to increase the employment rate by helping some of those currently in receipt of these benefits back into work - and helping to prevent more people from being excluded from the labour market because of their health in the future.

-1

¹⁰ Source: DETI Labour Market Report, October 2005

 ⁽www.detini.gov.uk)
 In NI, 10.4% of the working age population claim IB: the rate for the UK as a whole is 6.7% Date - February 2005. Source: DSD (www.dsdni.gov.uk)

Dave Rogers, Analytical Services Group, DEL



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 23. This research will report over the next year or so and further add to the evidence base. I look forward to reporting on this in next year's Labour Market Bulletin.

The NI 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 nonoverlapping labour market groups ranging from full-time employee to economically inactive people who do not want a job. The results are for Spring 2005.



The NI Labour Market 'At a Glance'

Statistics Research Branch, Department of Enterprise, Trade and Investment



10

The NI 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



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 unemployment measure. A major strength of the LFS is that it is a selfcontained integrated source of information on employment, unemployment, economic activity and many other labour market topics. The LFS 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 2005 have been used – that is, the 3 month period March to May 2005.

Key Statistics

Overall the number of persons aged 16 and over in private households increased by an estimated 4% from 1,267,000 in Spring 2001 to 1,312,000 in Spring 2005. LFS estimates of the main components of labour market activity indicate that employment rose from 701,000 in Spring 2001 to a peak of 743,000 in Winter 2002/3. It then fell to 713,000 in Spring 2004 before rising again to settle at an employment figure

of 737,000 for Spring 2005. It is interesting to note that trends in economic inactivity were the converse over the same period as those for employment (see Figure 1). Peaks in employment occurred at approximately the same time as troughs in inactivity, suggesting a strong negative correlation between the two conditions. Thus, at Spring 2001 the number of economically inactive persons was 520,000, with the number falling to 502,000 in Winter 2002/3 at the same time as employment was peaking. The number of economically inactive persons was at its highest in Spring 2004 (554,000), but has fallen by 2.5% since then to 539,000 in Spring 2005. In contrast employment has shown a net upward trend during the last year. The number unemployed are estimated to have decreased by some 23% from 46,000 in Spring 2001 to 36,000 in Spring 2005.







Statistics Research Branch, Department of Enterprise, Trade and Investment

6	
3	~
U	

		Variability of level +/- ¹
ILO* employment	737,000	19,000
ILO* unemployment	36,000	7,000
Economically active	772,000	17,000
Economically inactive	539,000	17,000
ILO*unemployment rate	4.6%	1.0%
Economic activity rate working age	71.4%	1.6%
Economic inactivity rate working age	28.6%	1.6%

Table 1: Summary of Labour Market Statistics March to May 2005 (unadjusted for seasonality)

*Definition agreed by the International Labour Organisation (ILO) - taken from the Labour Force Survey (LFS) ¹95% confidence interval

Table 1 provides a summary ofthe NI labour market position atMarch-May 2005.

Employment

The total number of persons in employment (unadjusted) at March-May 2005 was 737,000. Of these 464,000 (63%) were full-time employees, 140,000 (19%) were part-time employees, 119,000 (16%) were selfemployed and 14,000 (2%) were on government employment and training programmes or unpaid family workers.

Figure 2 shows how the relative size of these categories differs for men and women. While self-

employment accounts for 25% of the total number of male jobs, it makes up just 6% of female employment. Another feature of the NI labour market is the significant contribution which part-time work makes to female employment. 35% of all females in employment are part-time employees compared with just 5% of males.

Sampling

Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 2: Categories of Employment

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



Figure 3: Reasons for Employees Working Part-time

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



Statistics Research Branch, Department of Enterprise, Trade and Investment



Table 2: Employee Jobs, Full-time/Part-time split, June 2005

		Male		Fen	Female		% change in total		
		Full Time	Part Time	Full Time	Part Time		since last quarter	since last year	
	Manufacturing	64,650	1,880	16,220	3,770	86,520	-1.4%	-2.8%	
1	Construction	32,270	1,350	2,480	1,450	37,550	2.5%	3.9%	
	Services	169,760	48,030	<mark>161</mark> ,770	168,580	548,140	0.2%	2.8%	
	Other ¹	7,050	9,960	870	1,510	19,380	-0.4%	-0.6%	
	Total	273,730	61,220	181,350	175,300	691,600	0.1%	2.0%	

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 2005. Substantially more male employees are working full-time (273,730) compared to part-time (61,220), whereas the female split in employee jobs is more evenly spread (181,350 working full-time compared to 175,300 working part-time). In June 2005 the total number of female employee jobs accounted for just over half (51.6%) of the NI total. **Figure 4** 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 were overall increases of 0.1% over the quarter and 2.0% over the year.

Figure 4: Annual and Quarterly Changes in Employee Jobs



Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 5: NI Employee Jobs by Broad Industry Sector

involved in Manufacturing and

1.1% in Construction.

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

Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 6 shows the rise in employee jobs between June 1995 and June 2005 for male and female, full-time and parttime jobs. By far the largest increase occurred in female part-time jobs, with an increase of 45,500. The second largest rise occurred in male full-time jobs (30,700).

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 2005 (not adjusted for seasonality) there were 36,000 persons unemployed in NI, 4.6% of the total workforce. Figure 7 shows that unemployment rates have been on a downward trend for a number of years. The unemployment rate for males is





Figure 6: Change in NI Employee Jobs, June 1995 – June 2005

higher than that for females, but this differential has been narrowing over time.

Duration of Unemployment

In the period March-May 2005, 15,000 (44%) of the

unemployed had been out of work and seeking employment for one year or more. One half (50%) of unemployed males had been unemployed for one year or more. In contrast, 69% of women had been unemployed less than one year.



Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 8: 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 2005, 3.3%, 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 2005) at its lowest, 0.5 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 9**)

Sub regional 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 at 1.8%. The rate for Belfast TTWA (2.8%) which comprises about one half of the working age population in NI, was the same as for NI as a whole. (**Figure 10**)

Figure 9: Seasonally adjusted claimant count rates for NI and the UK, July 1995 to July 2005.



Statistics Research Branch, Department of Enterprise, Trade and Investment



unemployment

In July 2005, the structure of long-term claimants in NI was slightly different from that of the UK. There were two marked differences. In NI 79.5% of claimants were short-term unemployed (claiming unemployment-related benefits for less than one year) compared to 86.0% in the UK. NI had twice the proportion of claimants who had been claiming for over five years than the UK, 2.0% and 1.0% respectively. **(Figure 11)**





Statistics Research Branch, Department of Enterprise, Trade and Investment

Area; July 2005

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, 29% of claimants in Fermanagh and 25.6% in Newry & Mourne, were long-term claimants at July 2005 whilst Castlereagh and Craigavon have the lowest incidence of long term unemployment with 9.0% and 12.3% claiming for one year or more. Of the 26 district councils, 17 had less than 20% long term unemployed. This compares to 7 of the 26 district councils in July 2004.

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 workplacebased claimant count rate.

Estimates of job density were published for the first time in



Figure 12: Concentration of long-term claimants by District Council

July 2003 for District Council Areas (DCAs) and regions. New estimates for 2003 were published in June 2005. Estimates of job densities were published in September 2003 for Parliamentary Constituency Areas (PCAs) and Travel-to-Work Areas (TTWAs). Whilst employee data is available for these areas, data for the other components (see **Box 1**) 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.

Statistics Research Branch, Department of Enterprise, Trade and Investment

Key Points

2003 estimates show there are 0.78 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 equal third lowest Jobs Density, higher than Wales (0.74) and the North East (0.71) and equal to the East Midlands (0.78).

London and the South East were the only two regions to show a decrease between 2000 and 2003, falling from 0.98 jobs to 0.92 jobs per person of working age, and 0.88 and 0.87 respectively. Despite this, London still has the highest JDI of all UK regions.
 Table 3: Jobs Density Indicator (JDI) by Government Office Region

 2000-2003

Government Office Region	2000	2001	2002	2003
North East	0.69	0.69	0.71	0.71
North West	0.78	0.79	0.80	0.81
Yorkshire and The Humber	0.78	0.79	0.80	0.81
East Midlands	0.78	0.78	0.78	0.78
West Midlands	0.81	0.81	0.81	0.81
Eastern	0.80	0.81	0.82	0.83
London	0.98	0.95	0.92	0.92
South East	0.88	0.87	0.88	0.87
South West	0.84	0.86	0.87	0.87
England	0.83	0.83	0.84	0.84
Wales	0.72	0.73	0.73	0.74
Scotland	0.79	0.82	0.82	0.82
GB	0.82	0.83	0.83	0.83
NI	0.75	0.76	0.77	0.78
UK	0.82	0.83	0.83	0.83

Box 1

Employee jobs

By far the largest component, employee jobs accounts for 84 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 13 per cent of the NI total, although it ranges from 11 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 of Employment and Learning provides this data, at June of each year.

HM Forces

Accounts for less than 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 Northern Ireland Statistics & Research Agency are used as the denominator.

Statistics Research Branch, Department of Enterprise, Trade and Investment

The only District Council Area (DCA) in NI to have a JDI greater than 1.00 in 2003 was Belfast DCA (1.34), indicating that a considerable amount of the workforce commutes in from other DCAs.

Carrickfergus DCA had the lowest JDI (0.43) in 2003 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.

District Count Area (DCA) 2000 2001 2002 2003 Antrim 0.81 0.85 0.87 0.87 Ards 0.47 0.46 0.46 0.46 Armagh 0.66 0.67 0.67 0.67 Ballymena 0.91 0.93 0.97 0.96 Ballymoney 0.61 0.55 0.54 0.53 Banbridge 0.46 0.46 0.47 0.47 **Belfast** 1.22 1.28 1.31 1.34 Carrickfergus 0.40 0.42 0.42 0.43 Castlereagh 0.68 0.76 0.77 0.79 0.72 Coleraine 0.74 0.76 0.79 Cookstown 0.58 0.61 0.60 0.60 Craigavon 0.85 0.83 0.83 0.84 Derry 0.72 0.73 0.73 0.73 0.56 0.56 0.56 0.57 Down 0.77 0.78 0.77 Dungannon 0.78 Fermanagh 0.74 0.73 0.72 0.72 Larne 0.55 0.53 0.54 0.55 Limavady 0.56 0.53 0.52 0.52 Lisburn 0.62 0.64 0.65 0.66 Magherafelt 0.65 0.66 0.65 0.65 0.46 Moyle 0.47 0.47 0.47 Newry & Mourne 0.66 0.67 0.67 0.67 Newtownabbey 0.73 0.76 0.67 0.75 North Down 0.49 0.49 0.50 0.51 Omagh 0.71 0.72 0.71 0.71 Strabane 0.55 0.55 0.55 0.55 NI 0.75 0.76 0.77 0.78

Table 4: Jobs Density Indicator by District Council Area 2000 - 2003







Statistics Research Branch, Department of Enterprise, Trade and Investment

Parliamentary Constituency Area (PCA)	2000	2001	2002	2003
Belfast East	1.03	1.03	1.03	1.03
Belfast North	1.44	1.46	1.48	1.49
Belfast South	1.28	1.37	1.37	1.37
Belfast West	0.54	0.56	0.55	0.55
East Antrim	0.67	0.68	0.67	0.67
East Londonderry	0.67	0.66	0.66	0.66
Fermanagh & South Tyrone	0.81	0.80	0.77	0.76
Foyle	0.73	0.73	0.71	0.71
Lagan Valley	0.69	0.71	0.69	0.69
Mid-Ulster	0.60	0.61	0.60	0.59
Newry & Armagh	0.75	0.74	0.73	0.72
North Antrim	0.77	0.76	0.76	0.76
North Down	0.49	0.48	0.48	0.48
South Antrim	0.70	0.75	0.74	0.74
South Down	0.52	0.52	0.50	0.49
Strangford	0.54	0.54	0.53	0.53
Upper Bann	0.79	0.77	0.76	0.75
West Tyrone	0.65	0.65	0.63	0.62
NI	0.75	0.76	0.77	0.78

 Table 5: Jobs Density Indicator by Parliamentary Constituency Area

 2000 - 2003

JDI ranged from about 0.5 to about 1.5 across the parliamentary constituency areas, with North Down (0.48) and South Down (0.49) having the lowest JDI and Belfast North (1.49) the highest. Belfast South 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 one of the lowest JDI (0.55) indicating that the residents travel out of this PCA to work.

The range of JDI across the TTWAs was smaller than for DCAs and PCAs, as expected. Belfast TTWA had the highest JDI

Figure 14: Jobs Density Indicator by Parliamentary Constituency Area 2003





Statistics Research Branch, Department of Enterprise, Trade and Investment

in 2003 (0.85) and Strabane TTWA the lowest (0.58). There has been little change in the values of the JDI between 2002 and 2003. TTWA areas were designed to represent self contained local labour markets; the current boundaries were published in 1998 based on travel-to-work-

Travel-to-Work Area (TTWA)	2000	2001	2002	2003
Belfast	0.80	0.83	0.84	0.85
Coleraine	0.67	0.67	0.67	0.68
Craigavon	0.72	0.71	0.72	0.71
Enniskillen	0.72	0.72	0.71	0.71
Londonderry	0.67	0.67	0.67	0.67
Mid-Ulster	0.64	0.66	0.66	0.65
Newry	0.66	0.41	0.67	0.67
Ballymena	0.75	0.76	0.79	0.79
Omagh	0.72	0.41	0.71	0.71
Strabane	0.57	0.57	0.58	0.58
Dungannon	0.77	0.78	0.77	0.77
NI	0.75	0.76	0.77	0.78

Table 6: Jobs Density Indicator by Travel-to-Work Area 2000 – 2003

Figure 15: Jobs Density Indicator Travel-to-Work Area 2003

information from the 1991 Census of Population. TTWAs were defined as self containment of at least 75% (i.e. the number of people who both live and work in the area should be at least 75% of both the total number of people who work in the area and the total number of workers who live in the area). 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	0.43	1.34	0.91
Parliamentary Constituency	0.48	1. <mark>4</mark> 9	1.01
Travel-to- Work-Area	0.58	0.85	0.27



Statistics Research Branch, Department of Enterprise, Trade and Investment

Ward Claimant Count Unemployment 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, Moyle and Belfast DCAs. This is not surprising, as Derry, Strabane and Belfast had the highest DCA claimant count rates in July 2005. 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 25 males in NI as a whole.

The lowest CAS ward claimant count rates are in Lisburn, Antrim, Castlereagh, Ballymena and Ballymoney 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.

Ward	District Council Number of Claimants			% (Of Working A	lge	
	Area (DCA)	Male	Female	Total	Male	Female	Total
The Diamond	Derry	140	29	169	17.8	4.0	11.2
Strand (Derry)	Derry	218	59	277	16.5	4.8	10.8
East	Strabane	96	29	125	14.9	5.0	10.3
Westland	Derry	110	18	128	16.2	2.7	9.6
Falls	Belfast	205	60	265	15.7	4.1	9.5
Shankill	Belfast	156	32	188	15.3	3.1	9.1
Bushmills	Moyle	24	16	40	10.8	7.3	9.1
Water Works	Belfast	267	58	325	15.1	3.1	8.9
Rosemount	Derry	120	29	149	13.8	3.4	8.7
Upper Springfield	Belfast	232	51	283	14.8	2.9	8.5

Table 7: The Ten Wards In NI with the Highest Proportion of Claimants in July 2005

Statistics Research Branch, Department of Enterprise, Trade and Investment

Rural – Urban Unemployment 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 $2.3\%^{1}$, while the 316 urban CAS wards had a claimant count rate of 3.2%. This compares with an overall claimant count rate of 2.8% for NI. Nine out of the ten wards listed earlier with the highest proportion of claimants are classified as urban wards (the exception being Bushmills in Moyle DC).

The differential of 0.9 percentage points between urban and rural wards was the same one year previously at July 2004.

Economic Activity

The economically active (ILO employed + unemployed) are those participating in the labour market either by working or looking for work. Economic activity rates express the number economically active as a percentage of the population aged 16 and over. In the period March-May 2005, there were 772,000 economically active people in NI – an overall activity rate of 58.9%.



Table 8: The Ten Wards In NI with the Lowest Proportion of Claimants in July 2005

Ward District Council		Num	Number of Claimants			% Of Working Age		
	Area (DCA)	Male	Female	Total	Male	Female	Total	
Wallace Park	Lisburn	8	7	15	0.5	0.6	0.5	
Templepatrick	Antrim	3	5	8	0.4	0.7	0.5	
Slemish	Ballymena	6	1	7	0.9	0.2	0.6	
Cairnshill	Castlereagh	9	4	13	0.8	0.3	0.6	
Dunminning	Ballymena	5	3	8	0.7	0.5	0.6	
Killoquin Lower	Ballymoney	3	3	6	0.6	0.7	0.6	
Moneyreagh	Castlereagh	8	8	16	0.6	0.7	0.7	
Ballymacbrennan	Lisburn	5	9	14	0.5	1.0	0.7	
Drumbo	Lisburn	6	7	13	0.6	0.8	0.7	
Hillsborough	Lisburn	7	7	14	0.7	0.7	0.7	

Statistics Research Branch, Department of Enterprise, Trade and Investment

Activity rates

Figure 16 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 16: Economic Activity Rates by Age



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

Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 17: Qualification Levels of the Economically Active

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 2005 there were 539,000 economically inactive persons in NI – a decrease of 15,000 from one year earlier.

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 18: Reason for not Wanting Work



divided into two main groups: those who do not want a job (93%) and those who do want a job but fail to satisfy the ILO unemployment requirement for active job-search (7%). A breakdown of the former category is shown at Figure 18. Overall, the main reason for not wanting work was retirement; 47% of men and 46% 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 (28%) as their reason and women domestic commitments. Indeed, 24% of women gave 'looking after family home' as their reason.

The economically inactive can be

At March-May 2005 there were 40,000 economically inactive who did want a job, but for a variety of reasons were not actively seeking work. The majority (64%) of this group are women and the main reason given for their inactivity was family commitments (51%). In contrast, for males the main reason for economic inactivity was sickness or disability (58%).

Households

3()

Separate datasets specifically designed for analyses at the household level are also available from the Labour Force Survey (LFS). At Spring 2005 there were 667,000 private households in NI. There were 1,690,000 persons living in







* Remaining categories too small for a reliable estimate.

Statistics Research Branch, Department of Enterprise, Trade and Investment

these households, giving an average of 2.53 persons per household. 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 20 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 32.2% of all households. The other two main household types were one person households (27.2%), followed by couples with no children (23.7%). Lone parents with children amounted to 13.3% (89,000) of all households. The main difference between the distribution of household types in NI and the UK is the higher proportion of households in NI composed of couples with children than in the UK (32.2% compared with 28.2%). This is balanced by a lower proportion of households composed of couples with no children in NI (23.7% compared with 28.8%). There were proportionally more lone parent households in NI than in the UK (13.3% compared with 10.3%).



"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

Figure 20: Household Types, NI and UK, Spring 2005



Statistics Research Branch, Department of Enterprise, Trade and Investment



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, 4 and 6 from **Table 9**. In Spring 2005, there were 106,000 workless working age households, or 20.6% of all working age households, in NI. This compared with 16.6% in the UK as a whole and was the second highest proportion among the UK regions, with only the North East (22.6%) 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, Spring 2005

Type of Economic Activity	NI	UK
1) All Employed	48%	58%
2) Employed and Economically Inactive	29%	22%
3) All Economically Inactive	17%	14%
4) All Unemployed	2%	2%
5) Employed and Unemployed	2%	3%
6) Unemployed and Economically Inactive	*	1%
7) Employed, Unemployed and Econ. Inactive	*	1%
All households ¹ (100%)	513,000	17,639,000

1 Excludes cases where the combined household economic activity is not known. * Too small for a reliable estimate.
Labour Market Statistics: 2005 Update

Statistics Research Branch, Department of Enterprise, Trade and Investment

Regiona	l and
Internat	ional
Compari	isons

One of the strengths of the Labour Force Survey is the availability of comparable socioeconomic 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 2005.

This shows that the NI economic activity rate for those of working age (71.8%) is lower than any of the other UK regions. The

unemployment rate in NI (4.9%) is lower than four other UK regions, with the highest rate (7.2%) 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.



	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	2,032	75.1%	76	6.4%	23.5%	70.3%
North West	5,420	76.8%	148	4.4%	21.0%	73.3%
Yorkshire & The Humber	3,998	78.1%	124	5.0%	16.3%	74.1%
East Midlands	3,418	79.7%	94	4.3%	25.6%	76.2%
West Midlands	4,213	78.5%	117	4.4%	21.8%	74.9%
East of England	4,364	81.9%	105	3.7%	15.0%	78.8%
London	5,913	74.8%	272	7.2%	27.3%	69.3%
South East	6,434	81.9%	156	3.7%	16.7%	78.8%
South West	4,040	82.2%	87	3.4%	17.7%	79.3%
Wales	2,364	74.7%	62	4.5%	22.6%	71.2%
Scotland	4,078	79.8%	149	5.7%	23.6%	75.1%
NI	1,312	71.8%	38	4.9%	43.5%	68.2%
UK	47,587	78.5%	1,426	4.8%	22.0%	74.7%

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

Labour Market Statistics: 2005 Update

Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 21: International Unemployment % (seasonally adjusted)

Figure 21 shows how the unemployment rate in NI compares to others in the European Union and beyond. The NI rate (4.9%) is 4 percentage points lower than the European Union 25 average (8.9%). It is 0.7 percentage points above the current rate in the Rol (4.2%).

FURTHER INFORMATION

More detailed labour market analysis 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	Belfast (028) 9052 9437
Fax	(028) 9052 9459
Textphone	Belfast (028) 9052 9304
Visiting the web site	www.statistics.detini.gov.uk

Terry Morahan, Skills Unit, DEL

Taking as a base year 1990 – we have had the fastest improving economy of the twelve UK regions (although since 1997 our performance has been similar with the catch-up occurring in the period 1990-1996).

It remains to be seen if this will also be true of the remaining years of the decade. Currently there is a global economic slowdown-in part due to very high oil prices - and in the UK a loss of consumer confidence, both in the retail and housing markets.

Performance Measures

The usual measures of the performance of an economy are:

- Growth in gross domestic product (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.
- 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 the growth in labour supply and 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. GDP or 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 (ie taking out the effect of regional inflation) will be produced in the future by the ONS.

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 easily the largest increase in GVA of all regions - more than doubling (101.5%) in the period 1990 to 2003. In 1990 we had the lowest GVA per head - now 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, South East, and South West. The figures also illustrate why there is growing concern over the North/South "divide" in the UK and the ever dominating "London City-State".



Terry Morahan, Skills Unit, DEL

	Region	1990	2003	% Change
	London	11,152	20,990	88.2
	South East	9,409	18,411	95.7
	East	9,450	17,452	84.7
ł	South West	7,973	15,038	88.6
	North West	7,854	14,346	82.7
	North East	7,209	12,736	76.7
	Yorkshire & The Humber	7,775	14,222	82.9
	West Midlands	7,962	14,538	82.6
	East Midlands	8,206	14,505	76.8
	England	8,752	16,339	86.7
	Wales	7,233	12,629	74.6
	Scotland	8,460	15,409	82.1
	NI	6,438	12,971	101.5
	UK (less Extra-Regio)	8,585	15,980	86.1

Table 1: GVA per head (£) 1990-2003 at current prices - residence based

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

Source: Regional Accounts

Table 2: GVA per head (£) UK = 100

Region	1990	2003	Absolute Change
London	130.3	131.3	1.0
South East	110.3	115.2	4.9
East	110.4	109.2	-1.2
South West	93.3	94.1	0.8
North West	91.1	89.8	-1.3
North East	83.0	79.7	-3.3
Yorkshire & The Humber	90.5	89.0	-1.5
West Midlands	92.7	91.0	-1.7
East Midlands	95.3	90.8	-4.5
England	102.0	102.2	0.2
Wales	83.5	79.0	-4.5
Scotland	98.3	96.4	-1.9
NI	73.8	81.2	7.4

Source: Regional Accounts



Terry Morahan, Skills Unit, DEL

Table 3: NI and UK GVA % Annual Change in real terms 1990-2003

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
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%
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%
Source: Regional Accounts														

Source. Regional Accounts

Table 4: GVA Cumulative change in real terms 1990-2003

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
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
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

Source: Regional Accounts

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 to the age structure of our population. We have easily the youngest population structure in the UK many of whom are not income earners; 25% of our population is aged 16 and under compared with 19% to 21% in other regions. And of course a higher birth rate tends to reduce female participation in the labour market and hence in GVA. We thus have a lower proportion of the population who are of working age, 61% v 63% for the UK; London is at 68%.

Table 3 shows annual changesin NI GVA growth relative to theUK over the period 1990-2003.

Table 4 gives NI and UK GDPindexed to 100 in 1990 andshows the cumulative effect.It can be seen that NI grewsome 1 percentage point perannum faster than the UK overthe entire period 1990-2003; 2percentage points faster inthe period 1990-96, similarsince 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 nonemployment rate, plus 0.6% for the increase in working population – both indigenous and net inmigration, 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 now 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 thenumber of employee jobs in NIand the UK by broad industrialsector for the period March1990 to March 2005. Clearly inrelative terms NI had a muchgreater growth than the UK withall sectors easily outperformingthe UK's.

 Table 5: Employee Jobs by Broad Industry Sector, March 1990 – March 2005

		Norther	n Ireland		United Kingdom				
	Mar-90 Mar-05 Absolute %				Mar-90	Mar-05	Absolute	%	
	(000 s)	(000 S)	Change	Change	(000 S)	(000 S)	Change	Change	
Manufacturing	104	88	-16	-15.4%	4,819	3,221	-1,598	-33.2%	
Construction	29	37	8	27.7%	1,267	1,315	48	3.8%	
Services	373	547	174	46.7%	17,298	21,421	4,124	23.8%	
Other ¹	27	20	-7	-26.9%	721	414	-307	-42.6%	
TOTAL	532	691	159	29.9 %	24,104	26,371	2,267	9.4%	

Source: DETI and OHS

1 Other includes Agriculture, Forestry & Fishing, Miing & Quarrying, Electricity, Gas & Water supply



Terry Morahan, Skills Unit, DEL

Unfortunately, **regional** comparisons for that period are not available due to new Government Office Regions (GOR) being introduced (see LMB No 14, Chapter 5). GOR data are only currently available for the period starting March 1996 to March 2005 – 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* 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. The long distance NI has to travel in this regard is exampled

 Table 6: Employee Jobs by UK Region, March 1996 - March 2005

Region	1996 (000's)	2005 (000's)	Absolute Change	% Change
London	3,370	3,949	580	17.2%
South East	3,131	3,609	478	15.3%
East	2,012	2,335	323	16.0%
South West	1,848	2,159	310	16.8%
North East	924	1,005	81	8.7%
North West	2,647	3,010	362	13.7%
East Midlands	1,628	1,745	117	7.2%
West Midlands	2,206	2,323	117	5.3%
Yorkshire and The Humber	1,991	2,173	182	9.1%
Wales	998	1,099	102	10.2%
Scotland	2,116	2,275	159	7.5%
NI	578	691	113	19.6%
UK	23,449	26,371	2,922	12.5%

Source: DETI and ONS

Table 7: Employment Rates: Spring 1992 - Spring 2005

Region	1992	2005	Absolute Change
London	67.8	69.5	1.7
South East	75.9	78.7	2.8
East	75.7	78.7	3.0
South West	73.4	79.0	5.6
North West	69.1	73.0	3.9
North East	65.9	69.7	3.8
Yorkshire and The Humber	70.6	73.8	3.2
West Midlands	69.5	74.6	5.1
East Midlands	73.1	76.1	3.0
Wales	67.2	70.8	3.6
Scotland	71.0	74.7	3.7
NI	63.3	68.0	4.7
UK	71.0	74.5	3.5

Source: Labour Force Survey, DETI and ONS



Terry Morahan, Skills Unit, DEL

by the fact that the rate in SE England is almost 80% - rising in some areas to 90%! See DETI Economic Bulletin June 2005 Article 17 for labour supply implications¹.

Rol has a similar low rate to NI and thus shares the challenge.

NI's low employment rate indicates hidden labour market reserves (see LMB No 11, Chapter 7, LMB No 14, Chapter 3, LMB No 18, Chapter 6). However whilst it is unlikely that NI will ever reach the level of South-East England – 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 - it

does illustrate how increases in employment have a smaller effect on unemployment.

Thus in a strengthening labour market 'hidden' labour reserves are drawn into the market driving up the **employment rate** with a smaller effect on unemployment. 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 intraregional dimensions.

Change in Unemployment

Table 8 shows the numbersunemployed and the percentagechange Spring 1992 to Spring2005. The NI performance hasbeen very good with a fall of

58%; better than the fall in the UK as a whole (-50%) with only the South West and East Midlands exceeding the NI fall; and better than Wales (-47%) and Scotland (-38%).

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 been happening in the UK recently – for unemployment to fall, employment to rise, and for 'pundits' to wonder why wage inflation remained subdued. The answer to this apparent puzzle was that labour demand was not strengthening but was 'flat' as hours worked per employee were

Table 8: Unemployed: Spring 1992 - Spring 2005 (seasonally adjusted)

Region	1992 (000's)	2005 (000's)	Absolute Change	% Change
London	410	255	-155	-38%
South East	309	150	-159	-51%
East	204	103	-101	-50%
South West	211	83	-128	-61%
North West	326	138	-188	-58%
North East	141	76	-65	-46%
Yorkshire and The Humber	242	122	-120	-50%
West Midlands	272	112	-160	-59%
East Midlands	178	87	-91	-51%
Wales	115	61	-54	-47%
Scotland	240	148	-92	-38%
Northern Ireland	85	36	-49	-58%
United Kingdom	2,734	1,370	-1,364	-50%

Source: Labour Force Survey, DETI and ONS

1 DETI Economic Bulletin available at www.detini.gov.uk



Terry Morahan, Skills Unit, DEL



gently falling – these figures cancelling each other out. But this was not the case in NI as between March 2000 and March 2005 hours worked in NI rose 7.9% compared with only 3.6% in GB. **Graph A** shows the much superior performance of NI compared with the other UK regions and re-inforces the whole theme of this article.

Manufacturing Output

One final additional piece of evidence is the change in manufacturing output-less important than the GVA measure because manufacturing only represents about one-fifth of total GVA. **Table 9** shows the change in manufacturing output for NI and the UK over the past four years – a similar decline from the 2001 'boomlet' despite the recent sharp fall here in employment and output in the Textiles and Clothing sector.

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

Graph A: Hours worked % change 2000- 2005 (March)



Source: Labour Force Survey

Table 9: Manufacturing Output 2000 - 2005 (Q1)

	2001 (Q1)	2005 (Q1)	Change
NI	103.9	99.3	-4.4%
UK	105.5	101.3	-4.0%

Source: Index of Production 2001 = 100

Table 10: VAT Registrations 1994 - 2003 Net Change

Region	% Increase
London	23.3%
South East	17.1%
East	13.2%
East Midlands	10.5%
West Midlands	9.6%
South West	8.1%
North West	5.5%
Yorkshire and The Humber	5.2%
North East	3.6%
Scotland	4.9%
Wales	-1.5%
NI	9.2%
UK	11.1%

Source: DTI Small Business Service's Research Unit

Terry Morahan, Skills Unit, DEL

Table 11: Inward and Outward Migration 1991/92 to 2003/04

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
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
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
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
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

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
England & Wales	8,539	9,320	10,056	10,281	10,157	10,975	10 <mark>,711</mark>	10,198	10,094	9,668	9,419	9,130	9,944
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
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
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
NET GAIN/LOSS	2,823	2,668	-469	-1,886	4,684	-1,032	- <mark>1,</mark> 785	-4,815	-2,227	-1,875	85	-996	821

Source: NISRA

registered businesses. NI did better than Scotland, Wales and the more northerly English regions – but not as well as the midland and southerly 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 but in the period 1991/92 to 2003/04 just 4,000 – see **Table 11**. The earlier data on GVA growth, employment and unemployment help explain this dramatic improvement.

House Prices

The new House Price Index – see **Table 12** – shows most regions had a higher rate of house price increase than NI. On the face of it this seems surprising as the economy is performing relatively better than the other UK regions. The answer to this apparent paradox is to be found on the supply side; NI had easily the highest increase in new dwellings as **Graph B** shows which gives house completions per million population. (Incidentally in Rol, house completions are **three** times the NI rate).

Table 12: House Prices: February 2002 = 100

Region	2005
North East	194
North West	181
Yorkshire and The Humber	180
East Midlands	170
West Midlands	166
South West	153
East	145
South East	140
London	135
Wales	186
Scotland	174
NI	155
UK	154

Source: Office of the Deputy Prime Minister

Terry Morahan, Skills Unit, DEL

In July 2005 London maintained it's position of having the highest house price of any UK region at £270K: cheapest was Scotland at £128K with the North East of England and NI equal second lowest at £134K.

Regional Prices

A new series on 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. Trained price collectors were sent to 65 **Table 13:** Regional PriceComparison (UK = 100) 2004

London	109
South East	105
East	101
South West	101
West Midlands	97
East Midlands	97
North West	96
Yorkshire and	
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 locations across the UK where information was collected on 80,000 price quotes for around 360 items.

However the methodology is still a long way from being perfect – as the authors readily acknowledge.

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.

10,000 8,553 03/04 9.000 8,000 7,000 6,000 4,663 03/04 5.000 3,676 3,671 4,000 3,271 <u>3,2</u>61 3,253 3,214 2,862 2,852 2,652 2,621 3,000 2,000 1,000 0 Northern Scotland East East South Wales London South York & North West North Ireland Midlands West East Humber East Midlands West

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

Sources: Population data - Regional Trends 2005: Office of Deputy Prime Minister, Statistical Release, House Building - January to March Quarter 2005



Terry Morahan, Skills Unit, DEL

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 half of the decade. As **Table 4** shows, in the period 1990 to 1996 our GVA growth was 24% v 12.2% in the UK; but in the period 1996-2003 our growth was similar, 25.7pp v 22.6pp in the UK.

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 it is at the UK average (5%), and is well below the EU level (9%). And we no longer have a large population loss through emigration.

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: 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 Rol)
- 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

On the other hand, in August 2007, some 4,000 people (mostly male) will be declared redundant when the Royal Irish Regiment is phased out.

And every year brings the unexpected; last year it was the natural disasters of SE Asia - The Tsunami; SE USA - Hurricane Katrina; and the Earthquake in Kashmir - this year a Bird Flu pandemic?

Table 14: GDP Estimates/Forecasts % per annum

	2005	2006
UK*	2.0%	2.5 to 3.0%
NI**	3.2%	2.4%

Source *HMT Budget Statement 2005 **RF/OEF Economic Outlook Autumn 2004





Statistics Research Branch, Department of Enterprise, Trade and Investment

There have been significant changes in Employment patterns across NI since the middle of the 1990s.The most obvious change has been the rise in employment by over 100,000 in the period 1995 – 2003, but this overall rise masks considerable regional variation as this article reports. The Census of Employment (CoE) is a comprehensive survey of all employers (excluding agriculture) in NI (figures for agriculture are collected by the Department of Agriculture and Rural Development and can be added to the CoE figures to produce a "full economy" picture). The CoE is carried out every two years by the Department of Enterprise, Trade and Investment and is designed to give an accurate count of the number of employee jobs. Information is collected on the number of employees, their status (i.e. sex and full-time/part-time working), the workplace location and the industry activity in which they are involved.

The CoE counts the number of jobs rather than the number of persons with a job (i.e. a person holding two part-time jobs will be counted twice) and the sub NI analysis¹ is based on the actual location of the jobs, not on the home address of the employees. For example, the number of employee jobs in Antrim District Council Area (DCA) refers to the number of jobs that are actually located in Antrim DCA, not the number of employees living in Antrim. It should be noted that, in a small number of instances

where employers were not able to provide figures by actual location, the employees were allocated to the address where pay records were held. The relocation or change of reporting procedures by large employers can therefore affect the CoE sub NI analysis when making intercensal comparisons. The latest available census data relates to September 2003. Collection of data for the 2005 census commenced in September and results will be available in December 2006.



1 The sub NI analysis in this article has been produced by assigning business locations to Electoral Wards using the May 2003 Central Postcode Directory. Census of Employment data is now based on 1992 Ward boundaries and will differ from previously published Ward and District Council information.

Statistics Research Branch, Department of Enterprise, Trade and Investment

Employee Jobs, 2003

Table 1 below shows the profileof employee jobs across NI andis disaggregated by DistrictCouncil and broad industrialsector.

Table 1highlights that thelargest number of employee jobsare located in Belfast DCA – i.e.189,979 jobs (or 28.8% of totalemployee jobs). Belfast DCA also

has the highest proportion of jobs within the Service Sector (90%), consequently the proportion of jobs in Manufacturing (7%) and Construction (3%) are well below the NI average. In contrast Moyle DCA has the fewest number of employee jobs with just 3,337 being located there. Moyle and Belfast Council Areas had the lowest proportion of jobs in Manufacturing (7%), with Belfast DCA having the highest proportion of jobs in the Service Sector (90%).

The industry breakdown of employee jobs varies significantly between District Councils. The Manufacturing Sector in Dungannon, Strabane, Magherafelt and Craigavon is comparatively large (over one quarter of all jobs are in the manufacturing sector), whereas

Table 1: Employee Jobs by District Council Area (DCA), September 2003

District Council	Number of Employee Jobs						% of Total for each DCA				
	Manuf.	Const.	Serv.	Other*	Total	Manuf.	Const.	Serv.	Other*	Total	
Antrim	3 <mark>,454</mark>	1,383	17,993	95	22,925	15%	6%	78%	0%	100%	
Ards	2,699	1,015	13,360	58	17,132	16%	6%	78%	0%	100%	
Armagh	1,995	1,104	14,400	169	17,668	11%	6%	82%	1%	100%	
Ballymena	5,594	1,635	19,395	394	27,018	21%	6%	72%	1%	100%	
Ballymoney	1,381	808	4,835	71	7,095	19%	11%	68%	1%	100%	
Banbridge	1, <mark>403</mark>	1,101	7,422	150	10,076	14%	11%	74%	1%	100%	
Belfast	13,153	4,958	170,766	1,102	189,979	7%	3%	90%	1%	100%	
Carrickfergus	1,083	300	6,403	141	7,927	14%	4%	81%	2%	100%	
Castlereagh	3,208	1,119	20,630	67	25,024	13%	4%	82%	0%	100%	
Coleraine	3,064	984	17,685	199	21,932	14%	4%	81%	1%	100%	
Cookstown	2,341	946	6,511	76	9,874	24%	10%	66%	1%	100%	
Craigavon	8,656	1,816	23,799	285	34,556	25%	5%	69%	1%	100%	
Derry	5,765	1,782	32,907	226	40,680	14%	4%	81%	1%	100%	
Down	1,530	1,278	14,083	259	17,150	9%	7%	82%	2%	100%	
Dungannon	5,131	970	11,816	258	18,175	28%	5%	65%	1%	100%	
Fermanagh	3,247	1,328	14,408	358	<mark>19</mark> ,341	17%	7%	74%	2%	100%	
Larne	1,731	270	5,241	307	7,549	23%	4%	69%	4%	100%	
Limavady	1,841	1,041	5,892	40	8,814	21%	12%	67%	0%	100%	
Lisburn	6,668	2,548	26,736	195	36,147	18%	7%	74%	1%	100%	
Magherafelt	3,240	1,877	7,389	259	12,765	25%	15%	58%	2%	100%	
Moyle	230	274	2,818	15	3,337	7%	8%	84%	0%	100%	
Newry & Mourne	4,046	2,369	21,685	204	28,304	14%	8%	77%	1%	100%	
Newtownabbey	4,641	1,728	21,882	98	28,349	16%	6%	77%	0%	100%	
North Down	1,730	793	18,192	122	20,837	8%	4%	87%	1%	100%	
Omagh	1,693	1,492	13,712	206	17,103	10%	9%	80%	1%	100%	
Strabane	2,360	1,091	5,573	64	9,088	26%	12%	61%	1%	100%	
NI	91,884	36,010	525,533	5,418	658,845	14%	5%	80%	1%	100%	

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

Percentages are rounded and may not sum

Statistics Research Branch, Department of Enterprise, Trade and Investment

in Moyle and Belfast, manufacturing only represents 7% of all jobs. Magherafelt has the largest proportion of jobs in the Construction industry (15%), while Belfast has the smallest proportion of jobs in this Sector (3%). The Service Sector shows the largest variation across the 26 District Councils. While only 58% of jobs in Magherafelt are in Services, the figure for Belfast (90%) is 32 percentage points higher.

Changes since 1995 Census of Employment

Figure 1 shows the percentage change in employee jobs for each District Council Area between the 1995 and 2003 Censuses of Employment. Overall the number of employee jobs in NI increased by 101,848 (18%). However, the comparative growth in each DCA differed significantly during the period. Larne recorded a fall (-3%) in the number of employee jobs, while Ards, Strabane and Ballymoney recorded a growth of less than 7%, well below the NI average (18%).



Figure 1: % Change in Employee Jobs, 1995-2003

Statistics Research Branch, Department of Enterprise, Trade and Investment

In contrast Cookstown, Dungannon, Armagh and Newry & Mourne District Councils experienced growth in excess of 30%. **Table 2** shows the changes since the 1995 Census in more detail.

Change in Manufacturing Jobs

Between September 1995 and September 2003 the number of manufacturing jobs in NI decreased by 12,084 (12%). The actual change in each District Council varies considerably, with Dungannon showing the largest increase (+1,334) and Belfast the largest fall (-5,059). Ballymoney and Derry District Councils both recorded the

Table 2: Changes in Employee Jobs by District Council Area, 1995-2003

District Council	Number of Employee Jobs						% Change in each DCA				
	Manuf.	Const.	Serv.	Other*	Total	Manuf.	Const.	Serv.	Other*	Total	
Antrim	312	114	2,811	-70	3,167	10%	9%	19%	-42%	16%	
Ards	-1,192	236	1,351	-91	304	-31%	30%	11%	-61%	2%	
Armagh	46	427	3,647	39	4,159	2%	63%	34%	30%	31%	
Ballymena	252	537	5,027	31	5,847	5%	49%	35%	9%	28%	
Ballymoney	-707	459	658	-25	385	-34%	132%	16%	-26%	6%	
Banbridge	-435	445	1,435	-13	1,432	-24%	68%	24%	-8%	17%	
Belfast	-5,059	1,049	29,496	-557	24,929	-28%	27%	21%	-34%	15%	
Carrickfergus	-405	4	1,554	-207	946	-27%	1%	32%	-59%	14%	
Castlereagh	17	486	3,814	-68	4,249	1%	77%	23%	-50%	20%	
Coleraine	-452	244	4,034	-29	3,797	-13%	33%	30%	-13%	21%	
Cookstown	679	554	2,029	-33	3,229	41%	141%	45%	-30%	49%	
Craigavon	-2,845	664	6,528	9	4,356	-25%	58%	38%	3%	14%	
Derry	-2,938	457	8,048	-186	5,381	-34%	34%	32%	-45%	15%	
Down	4	361	2,303	-93	2,575	0%	39%	20%	-26%	18%	
Dungannon	1,334	475	2,746	38	4,593	35%	96%	30%	17%	34%	
Fermanagh	-125	663	2,823	-159	<mark>3</mark> ,202	-4%	100%	24%	-31%	20%	
Larne	-366	131	200	-170	-205	-17%	94%	4%	-36%	-3%	
Limavady	-89	518	1,260	-81	1,608	-5%	99%	27%	-67%	22%	
Lisburn	1,239	683	4,984	-70	6,836	23%	37%	23%	-26%	23%	
Magherafelt	348	704	1,692	-62	2,682	12%	60%	30%	-19%	27%	
Moyle	-39	144	621	-36	690	-14%	111%	28%	-71%	26%	
Newry & Mourne	183	855	5,628	-43	6,623	5%	56%	35%	-17%	31%	
Newtownabbey	-452	643	4,268	-16	4,443	-9%	59%	24%	-14%	19%	
North Down	-781	277	3,493	-84	2,905	-31%	54%	24%	-41%	16%	
Omagh	17	670	2,739	-172	3,254	1%	82%	25%	-46%	23%	
Strabane	-630	467	659	-35	461	-21%	75%	13%	-35%	5%	
NI	- 12,08 4	12,267	103,848	-2,183	101,848	-12%	52 %	25%	-29 %	18%	

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



Statistics Research Branch, Department of Enterprise, Trade and Investment

largest proportional falls in manufacturing jobs (down 34% during the period) with Cookstown District Council showing the largest proportional rise in Manufacturing jobs (up 41% over the period).

Figure 2 shows the change in employee jobs between 1995 and 2003 for each Manufacturing subsection at NI level. It illustrates clearly how the fall in Manufacturing has been caused by a major loss of employee jobs in the Manufacture of Textiles and Textile Products.

During the period 1995-2003 the number of employee jobs in Textiles & Textile Products (DB) fell by 16,025. **Figure 3** shows how this decline has affected each District Council, with all Councils suffering a decrease. Coleraine, Moyle, Newtownabbey and Cookstown showed the largest proportional decrease, with the Textile jobs in these District Council's almost being eliminated with reductions of over 90%.



Manufacturing Subsection

- DA Food Products; Beverages & Tobacco
 DI C

 DB Textiles & Textile Products
 DJ I

 DC Leather & Leather Products
 DK

 DD Wood & Wood Products
 DL

 DE Pulp & Paper; Publishing & Printing
 DM

 DF Coke, Petroleum Prods & Nuclear Fuel
 DN

 DG Chemical Products & Man-Made Fibres
 All /

 DH Rubber & Plastic Products
 DH
- DI Other Non-Metallic Mineral Products DJ - Basic Metals & Fabricated Metal Prods DK - Machinery & Equipment (NEC) DL - Electrical & Optical Equipment DM - Transport Equipment DN - Manuf Not Elsewhere Classified (NEC)
 - All All Manufacturing



Figure 3: Employee Jobs in Textiles & Textile Products, % Change 1995-2003

Statistics Research Branch, Department of Enterprise, Trade and Investment

Although there was a large fall in the Textiles industry, other areas of Manufacturing did fair better (see Figure 2). There were increases in 7 of the 14 Manufacturing Subsections with the largest increases being reported in the Manufacture of Basic Metals and Fabricated Metal Products (+1,934), Manufacture of Other Non-Metallic Mineral Products (+1,402), in Manufacturing Not Elsewhere Classified (+1,109) and in the Manufacture of **Electrical and Optical Equipment** (+973).

The number of employee jobs in the Manufacture of Basic Metals and Fabricated Metal Products increased by 1,934, with the majority of the rise occurring in Antrim (+319), Cookstown (+242) and Down (+232) District Councils. Employee jobs in the Manufacture of Other Non-Metallic Mineral Products increased by 1,402, with Fermanagh DCA (+766) showing the largest increase. In Manufacturing Not Elsewhere Classified there was an increase of 1,109 employee jobs with Newry & Mourne DCA recording growth of 247 jobs.

Change in Construction Jobs

Between September 1995 and September 2003 the number of construction jobs in NI increased by 12,267 (52%). An increase in Construction was recorded in all District Councils, however, the magnitude of the increase varied considerably. Cookstown (+141%) had the largest proportional increase, whereas Carrickfergus (+1%) recorded the smallest.

It should be noted that the large increase in Construction employee jobs in NI has partly been due to modifications to tax legislation during the period. Changes enforced by the Inland Revenue in April 1997 reclassified many self-employed persons to employee status, therefore making them eligible for PAYE and National Insurance Contributions. These changes have had a large impact on the number of employee jobs in the Construction industry as recorded by the Census of

Employment. It was estimated at the time that the classification change resulted in an increase of at least 4,000 employee jobs in Construction, with a corresponding decrease in the number of self-employment jobs.

Change in Service Sector Jobs

During the period September 1995 to September 2003, the number of Service Sector employee jobs in NI increased by 103,848 (25%). The rise in Services was greater than the total rise in employee jobs during the period. **Figure 4** shows the percentage change in

Figure 4: % Change in Service Sector Employee Jobs, 1995-2003





Statistics Research Branch, Department of Enterprise, Trade and Investment

Service Sector employee jobs for each District Council Area. Cookstown, Craigavon, Newry & Mourne and Ballymena all recorded a rise in Services of over 35%, well above the NI average (+25%). Conversely Larne, Ards and Strabane had a growth of less than 14% in Service Sector jobs during the period.

Figure 5 shows the increase in Services in more detail. It indicates that the largest increases have occurred in Real Estate, Renting & Business Activities (+25,965), Wholesale & Retail Trade; Repairs (+25,005) and Hotels & Restaurants (+13,659). The rise in these three industry sections accounts for 62% of the increase in Services during the period.

Section K: Real Estate, Renting & Business Activities - During the eight-year period the number of employee jobs in NI in this section increased by 25,965 (81%) and all District Councils recorded an increase. The extent of the change varied from a 206% increase in Moyle to an 8% increase in Larne. Within this industry section there were large increases in Other Business Activities (+20,392) and in Computer and Related Industries (+3,871). The increase of 20,392 employee jobs in Other





J - Financial Intermediation

H - Hotels & Restaurants I - Transport, Storage & Communication

K - Real Estate, Renting & Business Activities

L - Public Administration and Defence M - Education

- N Health & Social Work
- 0 Other Service Activities

Business Activities consisted of noticeable rises in businesses involved in Labour Recruitment and Provision of Personnel (+10,245), in Legal, Accounting and Consultancy services (+3,694) and in Software Consultancy (+3,641).

Section G: Wholesale & Retail Trade; Repairs – NI employee jobs in this section increased by 25,005 (29%). Increases were recorded in all of the District Councils, with the largest proportional increases occurring in Cookstown (+71%) and the smallest increase in Larne (+7%).

Section H: Hotels and Restaurants – The number of employee jobs in NI in this section increased by 13,659 (51%) during the period. Increases were recorded in all District Councils and varied from a 4% increase in Larne to a 169% increase in Magherafelt. The rise in employee jobs in Section H included increases in Restaurants (+7,174), Bars (+5,223) and Hotels (+1,443).

Figure 5: Change in Service Sector Employee Jobs, 1995-2003

Statistics Research Branch, Department of Enterprise, Trade and Investment

Conclusion

For further Information

Write to:

Telephone:

Sin Ni1,848Statistics Research Branch,
Room 110,
ge in jobswidelyNetherleigh, Massey Avenue,
BELFAST BT4 2JPas 49% in

Belfast (028) 9052 9437 Fax: (028) 9052 9459 Textphone: Belfast (028) 9052 9304 Web: www.statistics.detini.gov.uk

to 2003, employee jobs in NI increased by some 101,848 (18%). However, at District Council level, the change in jobs over this period varied widely with increases as high as 49% in Cookstown while Larne recorded a 3% fall.

Over the eight year period 1995

At an industry level, the biggest increases occurred in the Service sector (+103,848) with the largest increases in Services occurring in Real Estate, Renting & Business Activities (+25,965) and Wholesale & Retail Trade; Repairs (+25,005). In fact, the rise in the number of jobs in Services was larger than the rise in all jobs over the same period. Of the 103,848 increase in Service sector jobs, more than a quarter were located in Belfast District Council Area.

Manufacturing jobs fell by some 12,084 over the period with the major loss within Manufacturing taking place in the Manufacture of Textiles and Textile Products (-16,025). In Manufacturing, changes again varied widely at District Council level with areas such as Ballymoney, Derry, North Down and Ards showing falls of over 30%, while Cookstown and Dungannon had rises of over 30% in the same eight year period.



Statistics Research Branch, Department of Enterprise, Trade and Investment

This article compares the performance and structure of the NI and Rol labour markets using results from the Labour Force Survey (LFS) and the Quarterly National Household Survey (QNHS) respectively. The information collected is broadly comparable due to the use of harmonised questions and International Labour Office (ILO) definitions in each country. The results are based on the Spring (March to May) quarters of each year.

The last ten years: All good news?

Employment

Employment levels in both NI and Rol have experienced growth during the last 10 years, however growth in Rol has far exceeded that in NI or the UK in relative terms (see Figure 1). Between 1995 and 2005 employment levels in Rol increased by 51%, with the increase in female employment (+70%) being significantly higher than that of males (+39%). In comparison NI employment levels increased by 17% during the same period, with the difference between the increase in female (+19%) and male levels (+16%) less significant. Although well below the dramatic rise in Rol employment levels, the increase in NI employment was still above the UK figure (+11%) for the period.

The service sector was responsible for the majority of

Figure 1: Trends in Employment Index (1995=100)





the rise in employment levels in

both Rol and NI, accounting for approximately 80% of the rise in

increase in NI. When we look at

the proportional change in each

industry section (Figure 2), it is

grew faster than in NI in all but

clear that employment in the Rol

Rol and over 90% of the

two industrial sections -

'Agriculture & fishing' and

services', which includes

and 'Transport &

'Financial & other business

banking, business consultancy

and labour supply agencies. In

particular, employment levels in

the Rol's 'Construction' (+151%)

Communication' (+107%) sectors

have more than doubled in the

higher than those for NI (+24%

worth noting that while there

'Production' industries in Rol. a

fall of 3% was recorded in NI.

was an increase of 11% in

and +30% respectively). It is also

last ten years and these

increases are substantially

Statistics Research Branch, Department of Enterprise, Trade and Investment





The overall rise in Rol employment was built on the large increases that have occurred in part-time work during the period, with the number of females working parttime more than doubling during the last ten years. Overall 27% of the increase in Rol employment was accounted for by part-time work, while the comparable figure for NI was slightly smaller at 24%.

Unemployment

Unemployment¹ has fallen in both NI and RoI in recent years. **Figure 3** shows how the unemployment rates for the two countries have declined during the last decade. Both rates have fallen by similar amounts, however the fall in RoI was most dramatic in the years 1996 – 2000, whereas NI has experienced a gradual reduction throughout the period. The current unemployment rates in NI (4.6%) and Rol (4.2%) are well below the EU25 average (8.9%), with the rate for Rol being the lowest of any EU country.

Long-term unemployment has also been in decline in both countries, with the proportion of the unemployed seeking work for one year or more in Rol falling from 58.2% in 1995 to



Figure 3: Unemployment rates

1 The International Labour Organisation (ILO) measure of unemployment refers to people without a job who were available to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

Statistics Research Branch, Department of Enterprise, Trade and Investment

32.2% in 2005. NI has recorded a similar trend, with the proportion falling from 61.3% in 1995 to 43.5% in 2005. For both areas the youth unemployment rate (i.e. those aged under 25) is significantly higher than the rate for all age groups, with the NI youth unemployment rate 2.7 times the overall rate and the Rol youth rate 2.0 times the average. Both of these ratios have been increasing over time, with the increase in the NI ratio more prominent.

The labour force

For both NI and Rol the large increases in employment have been greater than the reductions in unemployment and the labour force or economically active population has consequently been rising. However, changes in the population structure of both NI and the Rol have led to increases in the working age² population and the potential labour supply. The corresponding labour participation rates have therefore not seen such sharp rises as those recorded in the employment levels. **Figure 4** shows how the working age economic activity rates for NI, Rol and the UK have changed during the last ten years.

The activity rate in Rol has shown the most improvement during the period, increasing by 7.9 percentage points (from 65.1% in 1995 to 73.0% in 2005). In contrast NI's working age activity rate has fluctuated in and around the low seventies throughout the last 10 years and the rate for 2005 (71.4%) was only marginally higher than the rate in 1995 (70.6%). The effect of these changes has meant that the Rol rate is now 1.6 percentage points higher than the NI equivalent, despite being 5.5 percentage points lower ten years ago. However, both rates

remain significantly below the equivalent rate for the UK (78.2%), which has remained relatively static throughout the period.

The Economically Inactive population

The economically inactive population comprise those people that are neither working nor actively seeking and available to start work. Between 1995 and 2005 the number of economically inactive people aged 16 and over in NI increased by 7.7% (+39,000 persons), whereas the inactive population aged 15³ and over in Rol fell by 0.1% (-2,000 persons). The change in the total number of economically inactive people in both countries is affected by an ageing population structure and the associated increases in the number of retired persons. Therefore when examining the inactive







2 The working age population refers to ages 16 to 59 for females and 16 to 64 for males.

3 In Rol information is gathered on the labour market status of the population aged 15 and over, whereas information is gathered on those age 16 and over in NI and the UK. This difference is related to the school leaving age in each country.

Statistics Research Branch, Department of Enterprise, Trade and Investment

		NI (0	00's)			Rol (C	000's)	
	1995	2005	Diff	% Diff	1995	2005	Diff	% Diff
All Persons (16-59/64)								
Student	73	84	11	15%	246	251	5	2%
Family/Home	102	87	-15	-15%	358	288	-70	-20%
Sick/disabled	78	101	23	29%	49	85	36	73%
Retired	*	14	*	*	35	43	8	23%
Other	25	13	-12	-47%	68	53	-15	-22%
Total	285	299	15	5%	757	720	-37	-5%
Males (16-64)								
Student	33	41	8	24%	120	121	2	1%
Family/Home	*	*	*	*	6	4	-2	-39%
Sick/disabled	42	54	12	29%	38	56	19	50%
Retired	*	10	*	*	31	38	7	21%
Other	15	*	*	*	47	36	-11	-23%
Total	101	120	18	18%	242	255	14	6%
Females (16-59)								
Student	40	43	3	9%	127	130	3	2%
Family/Home	95	81	-15	-15%	352	284	-68	-19%
Sick/disabled	36	46	11	30%	11	29	17	150%
Retired	*	*	*	*	4	6	2	37%
Other	10	*	*	*	21	17	-4	-20%
Total	184	180	-4	-2 %	515	464	-51	-10 %

Table 1: Reason for Economic Inactivity (working age population)

population we usually refer to the working age population (males aged 16-64 and females aged 16-59), as these are the key individuals with regard to labour market participation.

Table 1 shows how the workingage economically inactivepopulation in NI and Rol haschanged during the last tenyears. Overall NI has recordedan increase of 5%, whereas thenumbers in Rol have fallen by5% (due to the largeemployment gains recorded inRol during the period). A largedifference exists in bothcountries between the changesexperienced by males and

females of working age. While the number of inactive males in NI increased by 18% during the ten year period, the number of inactive females in NI fell by 2%. A similar difference between the sexes occurred in Rol, with the male inactive population increasing by 6% and the female inactive population falling by 10%.

For NI, the overall increase in the working age inactive population was caused by increases in the number classified as sick or disabled (+29% or 23,000 persons) and in the number of students (+15% or 11,000 persons). However there was also a large fall in the number of females who were inactive due to family or home commitments (-15% or 15,000 persons).

In Rol the overall fall in working age inactivity was driven by a large reduction in the number of inactive females with family or home commitments (-19% or 68,000 persons). However, this fall was partly offset by a large increase in the total number of persons that were sick or disabled (+73% or 36,000 persons). It should be noted that despite this large proportional increase in the sick or disabled category, only 12% of the



Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 5: Breakdown of employment by gender and full/part-time split

economically inactive population of working age in Rol were classified as 'sick or disabled', compared to one-third of the economically inactive in NI.

Current Labour Market Structures: How do they measure up?

The first part of this article showed how the Rol labour market has been improving at a faster rate than NI - but how do the current labour market structures of the two countries compare? The remainder of this chapter concentrates on the similarities and structural differences that exist between the labour markets for the North and South of Ireland.

Employment: working patterns

Employment has been rising in both NI and RoI and the current employment rates for the two countries are within two percentage points of each other - with both of them above the EU25⁴ average rate. **Figure 5** shows how the breakdown of employment by gender and work pattern is guite similar for the two countries, with only minor differences occurring between the proportions of male full-time workers (54% in Rol, compared to 51% in NI) and female parttime workers (17% in NI, compared to 14% in Rol). The usual hours worked per week are also similar for the two countries, with the NI average for all persons (37.8 hours per

week during Spring 2005), being slightly higher than the figure for Rol (36.9 hours). Males tend to work on average ten hours more per week than females in both NI and Rol and this is largely due to the higher proportions of females that are working on a part-time basis.

Self-employment

NI and Rol also display a similar pattern in regard to the importance of self-employment. While approximately one-quarter of males in employment are selfemployed in both NI and Rol, the figure for females is much lower in both countries (6% in NI and 7% in Rol). It is also noticeable that despite the recent boom in employment in Rol, the number

Statistics Research Branch, Department of Enterprise, Trade and Investment

of self-employed persons has only increased by 8% during the last five years, compared to a 20% increase in selfemployment in NI during the same period.

Industry

The relative distribution of employment between industry sectors shows perhaps the starkest difference between the NI and Rol labour markets (see Figure 6). The reliance on public sector employment in NI is underlined by the fact that 35% of those in employment in NI work in the Public Administration. Education or Health sectors, compared to just over one-fifth of the Rol workforce. Consequently Rol has proportionately more people employed in other service sector

industries (45% in Rol compared to 37% in NI) and also has a greater proportion of people employed in the Production & Construction industries (28% in Rol compared to 24% in NI).

Age structure

The population profile of NI and Rol has an obvious effect on the age structure of those in employment. Consequently the younger age structure of the Rol population means that 44% of the workforce in Rol are aged under 35, compared to 39% of the NI workforce. By looking at employment rates by age, we can concentrate more on the relative levels of labour market participation displayed by the various age groups in each country. Figure 7 shows how the employment rates for the age

groups follow a similar pattern for NI and Rol. They start out at relatively low levels for the under 25 age group, reflecting the effect of continued education on this group; the rates then peak during the prime working years of 25-54 and finally tail off for the older age group as people head towards retirement age. In both countries the female employment rate is below that of the males and this reflects the impact of family commitments during the 'prime' working years.

It is noticeable from **Figure 7** how the male employment rate for each age group in Rol is higher than the corresponding rate in NI, with the difference especially large (8.6 percentage points) in the 45-54 age group. Conversely the overall working age employment rate for NI





Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 7: Employment rates by age, Spring 2005

All Persons

females is marginally higher than the equivalent rate in Rol, with higher NI rates for the prime working years of 25-54 causing this difference. Looking at the overall population we see that the Rol employment rates are higher than the NI rates in each age group, although the differences are relatively small.

Unemployment

As mentioned earlier in this article, unemployment has been declining in both countries during recent years and the current unemployment rates in Rol (4.2%) and NI (4.6%) are hovering at or close to their lowest ever levels. The concentrations of long-term



Males



Females



Statistics Research Branch, Department of Enterprise, Trade and Investment



unemployed in the two countries (43.5% and 32.2% of all unemployed persons in NI and Rol respectively) are higher than the current UK figure (20.9%). However in general, unemployment is no longer seen as the major labour market issue in either country and the focus of attention is now moving towards the economically inactive population, as discussed elsewhere in the Bulletin.

Economic Inactivity

In Spring 2005, 28.6% of the working age population in NI were economically inactive and this compares to a figure of 27.0% in Rol. Both of these inactivity rates were substantially higher than the UK rate of 21.8%. **Figure 8** shows the main reasons why the economically inactive population are not participating in the labour market and highlights the differences between the countries. The largest group of economically inactive persons in Rol were those that were inactive due to family or domestic commitments. This group represented 10.8% of the working age population in Rol, compared to 8.3% in NI and 6.3% for the UK. Some of the difference in these figures can be explained by the relative population structures of the countries and the varying levels of child care responsibilities placed on the working age population. That is, while 26% of the population in Rol are aged under 15, the figures for NI (22%) and the UK (18%) are considerably lower. It could therefore be argued that Rol's higher proportion of inactivity due to family or domestic commitments is related to the higher proportion of dependent children within the population. However, the extent of this relationship would need to be examined in more detail. Another noteworthy point on this group of the economically inactive is that while females account for almost all (99%) of the inactive due to family or domestic commitments in Rol, the equivalent figures for NI and the UK (93% and 92% respectively) are somewhat lower.

Both NI (8.0%) and Rol (9.4%) also had relatively high proportions of their working age population that were economically inactive due to continuing education or studies (compared to a figure of 5.4% for the UK). The higher levels of economically inactive students in NI and Rol are, once again, largely explained by the younger population structure in each country. In general, economically inactive students are not thought of as a negative aspect of the labour market and are more often considered as a positive investment towards a more qualified workforce in future years.



Figure 8: Reasons for Economic Inactivity, NI & ROI Proportion of working age population

Statistics Research Branch, Department of Enterprise, Trade and Investment

The proportions of the working population that are economically inactive due to sickness or disability show the largest variation between the countries and are much more difficult to explain. The proportion in NI (9.6%) is half as high again than the UK figure (6.4%) and is three times the figure for RoI (3.2%). The difference between the NI and Rol figures may be partly due to the classification headings used in their respective surveys i.e. the Rol classification refers to 'permanent sickness or disability', whereas NI and UK use the heading 'long-term sick or disabled'. However, the large difference between the NI and Rol proportions of 'sick or disabled' may be linked to the respective benefit systems in operation in each country. More research is needed to resolve the underlying reason for this difference.

Summary

The Rol labour market has enjoyed a period of strong growth during the last decade. Employment has grown by over 50% and the unemployment rate (4.2%) has fallen to the lowest among the EU25 countries. The NI labour market has also shown improvement during the last ten years, with employment increasing by 17% and unemployment falling to historically low levels. However, the growth in the NI labour market has not matched that recorded in Rol and the working age participation rate in NI

(71.4%) is now lower than that for Rol (73.0%), having been 5.5 percentage points higher ten years ago.

Despite the rising employment levels, economic inactivity still remains relatively high among the working age population in NI (28.6%) and Rol (27.0%), in comparison to a UK figure of 21.8%. Potential therefore exists for the labour markets of the two countries to grow further.





Claire Hood, Research and Evaluation Branch, DEL

This article examines the subject of commuting patterns in NI at a District Council level using information from the 2001 Census of Population. The article looks at the data in two ways: examining where people travel to go to work; and on the other hand looking where workers in different District Council areas travel from.

Introduction

Understanding commuting patterns is necessary for an appreciation of how local labour markets work and thus 'travel to work' information is an essential element of local labour market knowledge.

Over recent decades, the UK. including NI, has used the concept of the "travel-to-work area" (TTWA), which has attempted to define local labour markets which have a degree of internal coherence and which can be defined objectively. TTWAs were last revised in 1998 on the basis of 1991 Census data, but these TTWAs are becoming increasingly out of date given shifts in population and employment patterns since the 1991 Census. Currently, the Office for National Statistics (ONS) is reviewing TTWAs in a UK context and it is anticipated NI will have an input to this process. However, it is likely to be some time before the outcomes of this review are known and acted upon, and in the meantime this article looks at data on a District Council (DC) basis that have already been published from the 2001 Census of Population.

Initially this article will examine information relating to those people living in NI and where they travel to work - both inside and outside NI. Next it will cover DCs to determine which are net "importers" and "exporters" of people. Thirdly we will look at where people go to work and where people come from to work

in DCs within NI. It will examine two city council areas in detail -Derry and Lisburn - to see where people living in these two areas both travel to work and come from to work. The information regarding travel to work areas only shows people who work and therefore the totals are expressed as a percentage of those people who work. The information includes all persons aged 16 to 74 in employment in the week before the Census and it excludes people who live outside NI.



Location of Employment – 2001 Census Data

There were a total of 686,644 people who lived in NI who were in employment as recorded in the 2001 Census. As can be seen from Table 1, 93% of NI workers reported as working in NI. However this figure underestimates those who work in NI, as it excludes those who report "no fixed place of work" (5%). It is likely that most of these people work in NI, although there is no way of knowing this definitively. Only 0.6% report working elsewhere in the UK, and 1.2% outside the UK - the vast majority of these report working in Rol.

Claire Hood, Research and Evaluation Branch, DEL

A quarter (25%) of those people living in NI who are in employment work in Belfast DC, showing the extent to which Belfast dominates the commercial and industrial landscape of NI. If the DC areas surrounding Belfast are included to give data for an area largely contiguous with the Belfast Metropolitan Urban Area, this figure rises to more than 40%. The next biggest DCs in which people in NI work are Derry (5%), Lisburn (5%), Craigavon (5%) and Newtownabbey (4%). Only 0.5% of employed people who live in NI work in Moyle.

Table 1: Travel to Work - NI

Area of Residence	NI						
All persons in employment	688	6644					
Location of place of work		_					
NI	641,043	93.4%					
Antrim	21,876	3.2%					
Ards	18,997	2.8%					
Armagh	18,117	2.6%					
Ballymena	24,810	3.6%					
Ballymoney	8,286	1.2%					
Banbridge	10,907	1.6%					
Belfast	170,019	24.8%					
Carrickfergus	9,227	1.3%					
Castlereagh	24,486	3.6%					
Coleraine	20,806	3.0%					
Cookstown	9,817	1.4%					
Craigavon	33,259	4.8%					
Derry	36,551	5.3%					
Down	18,293	2.7%					
Dungannon	16,991	2.5%					
Fermanagh	19,587	2.9%					
Larne	9,214	1.3%					
Limavady	9,913	1.4%					
Lisburn	36,447	5.3%					
Magherafelt	12,851	1.9%					
Moyle	3,737	0.5%					
Newry & Mourne	26,209	3.8%					
Newtownabbey	30,025	4.4%					
North Down	23,402	3.4%					
Omagh	17,665	2.6%					
Strabane	9,551	1.4%					
Works elsewhere within the UK	3,918	0.60%					
Works elsewhere outside the UK	8,102	1.20%					
Rol	6,605	1.00%					
Other	1,487	0.20%					
No fixed place of work	33,581	4.90%					

These figures show both those residing in NI and those working in NI and other places.

Source: Northern Ireland Statistics website: **www.nisra.gov.uk.** Percentages have been calculated based on information from this source. Crown copyright material is reproduced with the permission of the Controller of HMSO.

Claire Hood, Research and Evaluation Branch, DEL

Net Importers and Exporters of Labour

Table 2 shows which DCs arenet importers of labour andwhich are exporters of labour. Itshows the "Belfast City" effectsharply – Belfast DC is a netimporter of labour: whereas justunder 100,000 people from

Belfast were working at the time of the Census, more than 170,000 people worked in the DC area. It is also clear that the DCs in the "ring" around Belfast are net exporters of labour – for example Ards has a net outflow of 12,000, North Down of nearly 10,000. But it is not just these DCs which have fewer people working in them than people in them who work – all other DCs apart from Derry, Omagh, Craigavon and Antrim are net exporters of labour. It should be noted that this analysis excludes cross-border commuting and other travel further afield.



Table 2: District	Councils - Net	Importers and	Exporters of	of Labour

DC	Workers who live in DC	Numbers who work in DC	Difference (Numbers Live-Numbers Work)	% Difference
Antrim	20,998	21,876	878	4%
Ards	31,242	18,997	-12,245	-39%
Armagh	20,397	18,117	-2,280	-11%
Ballymena	25,058	24,810	-248	-1%
Ballymoney	10,259	8,286	-1,973	-19%
Banbridge	17,349	10,907	-6,442	-37%
Belfast	96,593	170,019	73,426	76%
Carrickfergus	16,459	9,227	-7,232	-44%
Castlereagh	29,150	24,486	-4,664	-16%
Coleraine	21,910	20,806	-1,104	-5%
Cookstown	11,410	9,817	-1,593	-14%
Craigavon	31,302	33,259	1,957	6%
Derry	33,898	36,551	2,653	8%
Down	24,427	18,293	-6,134	-25%
Dungannon	16,995	16,991	-4	0%
Fermanagh	20,319	19,587	-732	-4%
Larne	12,698	9,214	-3,484	-27%
Limavady	11,687	9,913	-1,774	-15%
Lisburn	45,031	36,447	-8,584	-19%
Magherafelt	14,828	12,851	-1,977	-13%
Moyle	5,303	3,737	-1,566	-30%
Newry and Mourne	27,209	26,209	-1,000	-4%
Newtownabbey	34,792	30,025	-4,767	-14%
North Down	32,998	23,402	-9,596	-29%
Omagh	16,782	17,665	883	5%
Strabane	11,949	9,511	-2,438	-20%

These figures show both those residing in NI and those working in NI. Figures for those who live in NI but who either work elsewhere within the UK or work elsewhere outside the UK or have no fixed place of work have been excluded.

Source: Northern Ireland Statistics website: www.nisra.gov.uk. Percentages have been calculated based on information from this source. Crown copyright material is reproduced with the permission of the Controller of HMSO.

Claire Hood, Research and Evaluation Branch, DEL

Cross-District Council Labour Flows

Table 3 shows the percentage ofpeople living in a particular DCwho work in another DC. CrossDC commuting is the norm formany DCs: for example 70% ofthose living within CastlereaghDC work in another DC with asimilar figure for CarrickfergusDC (63%). In Derry DC only 11%

of those living within Derry DC work in another DC with a similar figure for Fermanagh (12%). It has to be remembered that these analyses do not include cross-border flows: data from the Census show that some 700 people – 2% of Derry workers – commute to the Rol. **Table 4** shows the percentage of people working in a DC who live in another DC. Only 9% of those working in Fermanagh DC live in another DC and the figures are very similar for Strabane (14%) and Newry and Mourne (14%). 55% of those working within Belfast City Council and 64% of those working within Castlereagh DC live in another DC. Most Belfast workers don't come from Belfast at all.

Table 3: Where people go to work - NI

Table 4: Where people come from to work - NI

DC	% living in DC who work in another DC	DC	% living in DC who live in another DC
Antrim	40.4%	Antrim	42.7%
Ards	53.9%	Ards	26.5%
Armagh	34.4%	Armagh	26.7%
Ballymena	28.7%	Ballymena	28.0%
Ballymoney	41.7%	Ballymoney	29.2%
Banbridge	50.5%	Banbridge	24.2%
Belfast	22.4%	Belfast	55.3%
Carrickfergus	62.7%	Carrickfergus	34.9%
Castlereagh	69.6%	Castlereagh	64.0%
Coleraine	26.7%	Coleraine	23.0%
Cookstown	33.4%	Cookstown	23.5%
Craigavon	27.2%	Craigavon	31.4%
Derry	11.4%	Derry	17.6%
Down	36.6%	Down	17.5%
Dungannon	27.8%	Dungannon	27.8%
Fermanagh	11.8%	Fermanagh	8.7%
Larne	44.7%	Larne	25.0%
Limavady	35.9%	Limavady	25.6%
Lisburn	48.0%	Lisburn	36.3%
Magherafelt	31.5%	Magherafelt	22.1%
Moyle	42.1%	Moyle	21.0%
Newry and Mourne	16.9%	Newry and Mourne	14.0%
Newtownabbey	57.3%	Newtownabbey	50.7%
North Down	51.4%	North Down	32.4%
Omagh	17.4%	Omagh	21.2%
Strabane	29.6%	Strabane	13.5%

These figures show both those residing in NI and those working in NI. Figures for those who live in NI but who either work elsewhere within the UK or work elsewhere outside the UK or have no fixed place of work have been excluded.

Source: Northern Ireland Statistics website: **www.nisra.gov.uk.** Percentages have been calculated based on information from this source. Crown copyright material is reproduced with the permission of the Controller of HMSO.

Claire Hood, Research and Evaluation Branch, DEL

Looking at these figures in conjunction with those in Table 2 is illuminating. One of the "big messages" from Table 2 is that some areas are huge importers of labour whilst others are net exporters, with the suburban "commuting ring" around Belfast probably being the most obvious manifestation of this. And the figures in Table 4 bear this out: as we have seen, more than half the people who work in Belfast do not live in Belfast DC. However, there is considerable movement in the other direction - more than a fifth (22%) of people from Belfast who work travel outside the DC area to do so. The other striking thing is that DCs that might appear to be selfcontained - for example Antrim, with an approximate balance between local people who work and people who work in the locality – are in fact anything but. The "balance" obscures fairly hefty movement out of the DC area to work (with two-fifths of Antrim people who work travelling to another DC for their employment); and an almost equal flow of people travelling the other way, with over 40% of Antrim's workers coming in from another DC area.

Examples – Derry and Lisburn City Council Areas

Table 5 shows where people living in Derry work. 89% of people who live in Derry City Council work within the same council. Most other people living in Derry City Council work in nearby DC areas. For example

Limavady (3%), Strabane (2%), Omagh (1.2%) and Coleraine (0.9%). Table 6 shows where people working in Derry live. Most people working in Derry City Council work either in the same or nearby DCs – Derry (82%), Limavady (7%), Strabane (5 %) and Coleraine (2%).



Table 5: Where people living in Derry work

Derry	88.6%
Limavady	3.4%
Belfast	2.1%
Strabane	1.7%
Omagh	1.2%
Coleraine	0.9%
Other DCs	2.1%

Table 6: Where people working in Derry live

Derry	82.4%
Limavady	6.8%
Strabane	4.7%
Coleraine	1.8%
Other DCs	4.3%

These figures show both those residing in NI and those working in NI. Figures for those who live in NI but who either work elsewhere within the UK or work elsewhere outside the UK or have no fixed place of work have been excluded.

Source: Northern Ireland Statistics website: www.nisra.gov.uk. Percentages have been calculated based on information from this source.

Crown copyright material is reproduced with the permission of the Controller of HMSO.

Claire Hood, Research and Evaluation Branch, DEL

Table 7 shows where people living in Lisburn work. 52% of those living in Lisburn City Council work within council area. Nearly a third (33%) work in Belfast City Council area indicative of its close proximity to Lisburn and the number of jobs in Belfast. The remaining 16% of those living in Lisburn work within DC areas other than Belfast or Lisburn. Table 8 shows where people working in Lisburn live. 64% of those working in Lisburn DC area live within the same DC.

This article has provided information for Derry and Lisburn City Council areas. The same information can be produced for the remaining DC areas within NI. Unless and until updated TTWAs are defined for the UK in general and NI in particular, further analyses are likely to concentrate at the DC level. As many DCs have a low level of selfcontainment - as shown in this article - this position is not ideal, but the discussion above demonstrates that commuting patterns have a significant effect on the workforce in any particular area and need to be understood to gain a deeper understanding of the dynamics of local labour forces.

For further information contact: Claire Hood, Research and Evaluation Branch Telephone: 02890 257734 E-mail: **claire.hood@delni.gov.uk**

Table 7: Where people living in Lisburn work

Lisburn	52.0%
Belfast	32.3%
Castlereagh	3.4%
Craigavon	2.8%
Antrim	2.1%
Newtownabbey	1.9%
Down	1.0%
Banbridge	1.0%
Other DCs	3.5%

Table 8: Where people working in Lisburn live

Lisburn	63.7%
Belfast	9.9%
Banbridge	4.7%
Craigavon	4.6%
Castlereagh	3.0%
Down	2.8%
Newtownabbey	2.0%
Antrim	1.8%
Ards	1.7%
North Down	1.5%
Other DCs	4.3%

These figures show both those residing in NI and those working in NI. Figures for those who live in NI but who either work elsewhere within the UK or work elsewhere outside the UK or have no fixed place of work have been excluded.

Source: Northern Ireland Statistics website: www.nisra.gov.uk. Percentages have been calculated based on information from this source.

Crown copyright material is reproduced with the permission of the Controller of HMSO.
The New NI Skills Strategy – Underpinning the Government's Economic Vision

Heather Stevens, Director, Skills and Industry Division, DEL

The Government is committed to a future economic direction for NI which is underpinned by higher value-added jobs, enhancements to productivity and competitiveness, increasing skills levels and improving participation in education and training. This commitment, which is articulated in the NI Economic **Vision published in October** 2004, is vital in a climate where NI's traditional industries have gone into decline, productivity is relatively low and the demography is changing. The new NI Skills Strategy which is being put into place by DEL will be a vital element of this.

Introduction

Economies depend on the skills of the people working in them, and for countries and regions to flourish they need to adapt to changing circumstances - and also to anticipate skill requirements for the years ahead. This is reflected in the Government's Economic Vision for NI¹ which sets out the longerterm objectives for the economy, including the importance of higher value-added jobs; enhancements to productivity and competitiveness; increasing skill levels; and improving participation in education and training. Also, as getting people into jobs is one of the best ways of combating poverty, helping people attain appropriate skills so that they can compete effectively in the labour market is an essential plank of Government strategies to help those at most disadvantage.

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. In the autumn of 2004, DEL published a draft Skills Strategy² for consultation which took place in the first half of 2005. The Department is now finalising the Strategy which will be published later this year. This paper gives the up-to-date position on the Strategy and details how it will be implemented.

Background – why does Northern Ireland need a skills strategy?

NI's recent economic and labour market performance has been healthy. Over the past ten years, employment has grown by more than 100,000 jobs and there are now something like threequarters of a million people in work. In the 1990s and the early years of the current decade, the number of jobs in NI grew at a faster rate than the UK as a whole. At the same time, unemployment has fallen and is now at around the UK average (and is below the EU average).

There is also no doubt that, in terms of skills, NI has many strengths. For example, there has been recent growth in enrolments to higher education, and at the same time access has been widened to students from more deprived backgrounds. Furthermore, the performance of future entrants to the labour market is also improving: in 2003/4, 61% of pupils in their final year of compulsory schooling achieved 5 or more GCSEs at grades A*-C or the vocational equivalent this was up 6 percentage points on 1997/8.

Ranged against these positive factors there is evidence that NI faces a significant number of challenges on the skills front. For example, there has been a sharp decline in employment in many "traditional" industries such as manufacturing: the number of textiles jobs has fallen from 23,000 in the late

www.pfgni.gov.uk/economicvisionfinal.pdf
2 Skills Strategy for Northern Ireland (November 2004)
Department for Employment and Learning, Belfast.
Available online at www.delni.gov.uk/consultDebate/
files/Skills_Strategy_for_Northern_Ireland.pdf.
Most figures quoted in this article have been derived from this document, but a number have been taken from other sources. Detailed references have not been

included here, but most economic and labour market data are available from the Department for Enterprise, Trade and Investment's website (www.detini.gov.uk) or from the Labour Market Bulletin

¹ Available on-line at

The New NI Skills Strategy – Underpinning the **Government's Economic Vision**

Heather Stevens, Director, Skills and Industry Division, DEL

1990s to around 5,500 today. Employment projections for NI³ suggest that future growth will be concentrated in occupations and industries that have high skill needs (for example, professional and technical occupations; business and miscellaneous services). The corollary is that the availability of jobs for people with few or no skills will shrink. Skilling people up is therefore essential to help those with poor or redundant skills to find work; and is also necessary to provide skilled labour for businesses to thrive. There are too many people in NI with poor skills: for example data from the Labour Force Survey show that in spring 2003, nearly a guarter (24%) of the NI population of working age had no qualifications: this compares to 15% in England and in Scotland and 17% in Wales.

NI's position on skills also has to be considered in the context of the state of its labour market. Although unemployment is low by historical standards and is lower than many other UK regions, NI has high levels of economic inactivity⁴.

Notwithstanding the recent improvements in the local labour market, NI's employment rate⁵ is, at around 69%, considerably lower than the UK average (75%) and is generally the lowest of any region in the UK. For NI to reach the 75% employment rate that the UK currently enjoys would mean an additional 70-75,000 people in work. The UK government has an aspiration of

attaining an 80% employment rate⁶; to reach this the corresponding increase here would be around 125,000. Thus the employment gap is significant, and would be challenging enough if those out of work were highly skilled and ready to move into employment: but many people out of work have poor skills. We know, for example from the International Adult Literacy Survey (carried out in 1996) and more recently from the Labour Force Survey, that people who are inactive and unemployed are more likely to have poor literacy skills and lack qualifications compared to those in work. In order to be able to help people into a labour market that demands more skills, it will be necessary for them to gain the skills that employers require.

It is clear from the above discussion that getting more people into work is a key element of improving NI's economic well-being and, in order to achieve this, skills issues will need to be addressed. Most of the growth in productivity in NI over the last decade has flowed from increased employment7, and that NI's low productivity compared to the rest of the UK is predicated in part on our lower employment rate. However, this is only part of the story. Most of our lower productivity is due to the fact our workers are less productive: NI productivity (as measured by GVA per employee) was only 88% of the UK figure. Although there are a number of factors that impinge

on employee productivity, the skills of the workforce is a key one and it follows that to drive up productivity and thus output it will be necessary to increase skill levels of those currently in employment. There are indications that labour supply is not matching demand, with some employers finding it difficult to find workers with the appropriate skills for the job. This suggests that, in the absence of upskilling of both the workforce and those currently outside the workforce, new highvalue enterprises will find it difficult to become established in sufficient numbers and employment will grow only slowly, if at all.

What has been done already to improve skills?

DEL has also skewed the provision of training towards areas of higher demand especially for new entrants into the labour market. For example in the FE sector, the Department has introduced an incentive to promote enrolments in six priority skills areas and, in the four years to 2004, recruitment in these has increased by almost a half⁸. The Department has incentivised priority cases within its Jobskills programme to the same end. In Higher Education, DEL has introduced additional undergraduate places to NI Universities, especially encouraging development in areas which are economically significant: of the 4,000 additional full-time places since

- 70
- 3 For most recent employment projections see Chapter 11
- of the Bulletin. 4 For a discussion of economic inactivity in Northern Ireland, see Labour Market Bulletin (2004) Chapter 8, pp 83-90. Available online at
- www.delni.gov.uk/docs/pdf/LMB2004.pdf. 5 The employment rate is defined as the percentage of working age people who are in employment
- 6 Department for Work and Pensions (February 2005) Five Year Strategy. Available online at
- www.dwp.gov.uk/publications/dwp/2005/5_yr_strat 7 DETI Economic Bulletin (2004) Chapter 2 www.detini.gov.uk

 - 8 The six areas are construction: ICT: manufacturing engineering; electronics; software engineering; and tourism and hospitality.

The New NI Skills Strategy – Underpinning the Government's Economic Vision

Heather Stevens, Director, Skills and Industry Division, DEL

1999, more than 3,000 have been in areas such as computing, electronics, and engineering.

DEL has also made widening access to learning a key policy objective. For example, in response to problems NI of poor literacy and numeracy the provision of Essential Skills is underpinned by a flexible curriculum – and this provision is free for all learners.

The other key group is those who are out of work. Significant strides have already been made through New Deal, which since its inception in 1998 has helped more than 28,000 people into unsubsidised employment. The focus has broadened recently for example with the development of the Pathways to Work pilot initiative, detailed elsewhere in the Bulletin (Chapter 18), which seeks to help those on Incapacity Benefit.

DEL also plays an important role in the area of guidance – young people and adults need realistic and sound advice about choices in education, training and employment. DEL's Careers Service works with key stakeholders including careers teachers in schools and colleges to provide appropriate advice and support to young people. The Department has worked closely with the Educational Guidance Service for Adults (EGSA) in delivering services to adults, and the Department's own Disablement Advisory

Service provides a range of services including advice, guidance and training to people with disabilities.

DEL also supports the UK-wide policy on sectoral skills development which has led to the establishment of the Skills for Business Network. This network comprises the Sector Skills Development Agency and employer-led Sector Skills Councils (SSCs), of which there will eventually be 25. The SSCs will represent the voice of employers in their sectors and work to ensure that the "skills employers need are the skills employers get". Each SSC is tasked with developing a Sector Skills Agreement which articulates in a systematic way how skills issues for the sector will be progressed. DEL will be working closely with SSCs in this process.

What the Skills Strategy aims to achieve

The key principle behind the draft Skills Strategy is that it should be driven by the requirements of the economy and that, at the same time, it should help the economy to become more productive.

The Skills Strategy is thus the key overarching programme within DEL and is fully aligned with the Department's status as an economic development department. The overall aim of the Skills Strategy will be to help people to progress up the skills ladder, and by doing so to lift the skills levels of the workforce as a whole, raising productivity and improving competitiveness and enhancing the employability of those excluded from the workforce. Its success will depend on the effective coordination of a number of projects and other programmes in order to:

- Improve the assessment of employers' skill needs and the flow of labour market information;
- Improve the acquisition of a number of specific skills including:
 - Level 2 and Level 3 skills;
 - Essential skills of literacy, numeracy and ICT; and
 - Management and leadership;
- Improve access to skills for sustainable employment through the welfare to work agenda by helping those with multiple barriers to enter/reenter the labour market;
- Make the entire 16+ education and training system easier to understand and navigate, and more supportive of learner and employer needs through:
 - curriculum reforms;
 - improved careers information, advice and guidance; and
 - a revised vocational qualification framework.



The New NI Skills Strategy – Underpinning the Government's Economic Vision

Heather Stevens, Director, Skills and Industry Division, DEL



delivering the Strategy and ensuring that these targets are achieved. However it will not be able to do this alone. Employers will play a key role, by identifying their skill needs and by developing their workforces, working in conjunction with trade unions. Other Government activities will also contribute – one example is that the work taken forward under the Skills Strategy will be complemented by that of the Economic Development Forum.

DFL has the lead role in

The strategy focuses on three groups in particular:

- new entrants to the labour force;
- those already in the workforce but lacking skills or qualifications or both; and
- those who are currently economically inactive but who could be remotivated and re-skilled to join the labour market.

Key Themes in the Strategy

The draft Skills Strategy paper proposed action in five key areas: raising the profile of the demand side; improving the relevance, coherence, response and quality of current provision; promoting the acquisition of skills; improving access to skills and sustainable employment; and changing the infrastructure. It is proposed that these be drawn together in four broad themes: understanding the demand for skills; improving the skills levels of the workforce ; improving the quality and relevance of education and training ; and tackling the skills barriers to employment and employability.

Theme 1: Understanding of the demand for skills

Fuelled by relevant and up-todate national and international research, this work will be overseen by a "Skills Expert Group" supported at regional level by ad hoc sectoral subgroups and local Workforce Development Forums. This will be the Department's vehicle to engage with employers and others to forecast future skill requirements in order to inform the planning of post 16 education and training and the appropriate focus of public funding.

Theme 2: Improving the skills levels of the workforce

To get the basics right and focus on individual members of the workforce including those currently in employment or training and those about to join the workforce. The various components of this theme will include basic essential skills, comprehensive careers guidance and the development of existing management and leadership skills.

Theme 3: Improving the quality and relevance of education and training

To upgrade the planning and delivery capability of the supply

of education and training. Much of this theme will be delivered under the new Further Education Strategy ("FE Means Business") designed to realign the output of local colleges more closely with the needs of the economy, but it will also involve a fundamental review of the Jobskills training programme.

Theme 4: Tackling the skills barriers to employment and employability

To equip those not in work with the skills necessary for economic activity. This relates mainly to people on Incapacity Benefit, Income Support or claiming Jobseekers Allowance. The key contributor to this theme will be the Welfare to Work agenda.

Conclusion

In summary, the draft Skills Strategy for the first time sets out a clear vision for workforce development in NI, a vision which links into and supports the government's economic vision. The consultation process afforded DEL the opportunity to develop its thinking and work is ongoing to implement the Strategy – for example, the Skills Expert Group will shortly replace the former Skills Task Force and a major review of training provision is also underway.

Terry Morahan – The Skills Unit, DEL Dave Rogers – Analytical Services Group, DEL

The New Skills Strategy – outlined by Heather Stevens in Chapter 8 of this Bulletin – places significant importance on research evaluation to best inform the development and monitoring of the strategy. Much has already been done with the agenda developed by the outgoing Skills Taskforce and this article briefly summarises work over the past year and point to the future direction of work where that is known.

Skills Monitoring

Last year's Bulletin reported that the bi-annual Skills Monitoring Survey that was due to take place in Spring 2004 had been postponed to 2005 due to attempts to better harmonise the NI survey with those elsewhere in the UK and with the Rol (see Chapter 10 of last year's Labour Market Bulletin for full details of work in this area). Some progress has been made in increasing harmonisation, especially in agreeing a core set of questions - but the timings of the various UK and Rol surveys and demands for continuity mean that further work will be required in this area if harmonisation is to be optimised. In the meantime the 2005 NI Skills Monitoring Survey has been progressed and will report early in 2006.

Skills Forecasting

A detailed update of Skills Forecasts based on projections carried out by the Institute of Employment Research and the Sector Skills Development Agency is given in Chapter 11 of the Bulletin.

Employment in Priority Skills Areas

Five priority skills sectors were earmarked by the Skills Taskforce for an in-depth analysis of skills supply and demand. These sectors were computer services; electronic engineering; mechanical engineering; hotels and restaurants; and construction.

They were chosen because:-

- they are key to progress in the economy;
- they have shown a pattern of growth and are therefore more likely to experience skills shortages;
- they require lengthy training times;

Thus call centres fulfil the first two criteria – but call centre operatives can be trained in months – rather for example than the years required for an electronics engineer – and it is therefore not necessary to do five year forecasts for that sector.

The tables and graphs which follow detail how these sectors have performed since 1996 when skills analysis started receiving greater attention with a tightening labour market and increasing reports of "skill shortages". Note the analysis is based on the jobs count of DETI's Quarterly Employment Enquiry.



Terry Morahan – The Skills Unit, DEL Dave Rogers – Analytical Services Group, DEL

Table 1 and Figure 1 give theactual job numbers for the fivepriority skill sectors whereasTable 2 and Figure 2 presentdata in index form with 1996employment = 100. As may beseen in Table 1 until the markedslow down in the local/national/world economy in 2002/03, thepriority skills sectors were intotal growing appreciably faster(by up to 8 percentage points)than the rest of the economy –

which was itself demonstrating a healthy average growth of around 2% pa and an extra 10,000 jobs pa. In 2002 and 2003 however there was a decline in the total number of jobs in the priority skills sectors – mostly in the consumer sensitive areas of **electronic and mechanical engineering**. Whilst the performance of the electronic engineering sector has been disappointing,

mechanical engineering has more than held its own. The fastest growing sector continues to be **computer services** which has resumed its fast growth rate increasing 14% in the past year. Indeed this may be an underestimate – see this Bulletin Chapter 12. Unlike other countries we suffered less in the sharp recession of 2002/03 which followed the peak load caused by the changeover to the

Table 1: Employee Jobs: Priority Skills Sectors; All Economy; 1996-2005

Employment 1996 - 2005 (June) Absolute 1997 1998 1999 2000 2005 Sector 1996 2001 2002 2003 2004 Change '96-'05 Construction **SIC 45** 22,830 29,600 31,290 34,470 35,810 35,110 37,550 14,720 27.490 36.110 36.240 Mechanical Engineering SIC 28, 29, 31, 34, 35 25,980 27,060 26,690 27,530 28,330 29,050 28,410 26,480 25,700 26,520 540 Hotels & Restaurants **SIC 55** 34,270 37,700 38,680 40,000 39,670 40,160 41,470 13,170 28,300 29,750 35,790 **Electronic Engineering** SIC 30, 32, 33 7,470 8,220 7,010 -1,100 6,760 8,480 9,580 9,860 7,920 6,590 5,660 Computer Services (IT) 5,570 SIC 72 1.990 3.120 3740 4.540 5.710 5.460 5.150 4,780 1,580 6.360 102,160 106,570 114,620 119,110 117,900 113,420 114,260 Total 85,450 93,760 117,560 32.110 10% 9% 4% -4% 1% 3% % Annual Change 2% 4% 8% -1% All Employee Jobs 577,640 596,100 611,510 624,000 640,380 650,030 663,580 669,160 681,370 691,600 113,960 % Annual Change 1% 3% 3% 2% 3% 2% 2% 1% 2% 2% Priority Skills as % of All Employee Jobs 15% 16% 17% 17% 18% 18% 18% 17% 17% 17% Less Priority Skills: Total 492,190 502,340 509,340 517,430 525,760 530,900 545,680 555,750 567,110 574,040 81,250 % Annual Change 1% 2% 1% 2% 2% 1% 3% 2% 2% 1% Growth in Priority Skill Jobs V. Growth in All 1% 8pp 8pp 2pp 6pp Зрр -4pp -6pp -1pp 2pp Other Employee Jobs **Computer Services** % Increase 22% 26% 57% 20% 22% 26% -6% 8% 14% -4% Self Employment 23,800 21,900 22,800 26,000 24,600 28,300 32,000 32,000 8,200 Construction 22,600 21,200

Source: DETI Quaterly Employment Enquiry (not seasonally adjusted)

Terry Morahan - The Skills Unit, DEL Dave Rogers - Analytical Services Group, DEL

Figure 1: Employment Growth in Priority Skills Sectors

Euro and the Y2K work, exacerbated by the end of dot.com mania.

The hotels and restaurants

sector continues to make strong progress and this growth should continue. We continue to only have proportionally one third of jobs in tourism of Rol or Scotland so there is considerable scope for further

expansion in that part of the sector - although generally hotels and restaurants have a similar % of GVA as the UK - see Table 3 (NI 3.2%:UK 3.4%).

Construction has been the "star" performer in the NI economy adding some 23,000 jobs in the past nine years (14,700 employee jobs + 8,200 self-employed) and is relatively

more important in NI than anywhere else within the UK see Table 3 (NI 7.4%:UK 5.8%).

Furthermore this strong performance is expected to be underpinned as almost £20 billion has been announced to be spent on public sector infrastructure in the period to 2015. A few years ago, our southern neighbours embarked





Source: DETI Quarterly Employment Survey

Table 2: Employee Jobs: Priority Skills Sectors; All Economy; 1996-2005

		(Indexed 1996=100)											
Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005			
Construction													
SIC 45	100	120	130	137	151	157	158	154	159	164			
Mechanical Engineering													
SIC 28,29,31,34,35	100	104	103	106	109	112	109	102	99	102			
Hotels & Restaurants													
SIC 55	100	105	121	126	133	137	141	140	142	147			
Electronic Engineering													
SIC 30,32,33	100	111	125	122	142	146	117	104	97	84			
Computer Services (IT)													
SIC 72	100	126	197	237	287	361	346	326	353	403			
Total	100	110	120	125	134	139	138	133	134	138			

Source: DETI Quarterly Employment Enquiry (not seasonally adjusted)

Terry Morahan – The Skills Unit, DEL Dave Rogers – Analytical Services Group, DEL

on a rapid catch-up on a substantial infrastructure deficit. But the industry was not "geared up" which resulted in delayed progress and inflated prices (they have turned around this situation and projects are increasingly on budget - and often early!). Determined not to repeat this mistake an Interdepartmental Group has commissioned extensive research to ensure that the industry has the capacity to meet the demand. In addition, there are plans for a study between DEL and FAS to determine cross-border mobility which is known to be substantial but is not presently quantified.

At the same time as growth has been occurring in priority skills areas, employment in other manufacturing sectors – particularly textiles – has been shrinking, and shrinking dramatically (see **Table 4**). Nearly 20,000 jobs – around 80% of the total – has been lost in this sector over the past ten years.

Conclusion

As may be seen from **Figure 3** employment in general in NI remains on an upward trend. Since 1996 there has not been one quarter which has not seen an annual rise in employee jobs – and as the graph shows, there are some signs that growth is picking up further. This is the context in which growth in priority skills sectors has to be considered. However it does

appear that the priority skill sectors appear on balance to have been well chosen. The construction and hotels and restaurants sectors have shown remarkable growth in relative and absolute terms; computer services is set to resume its rapid growth path and mechanical engineering has been remarkably stable. Electronic engineering has however proven to be a very volatile sector with employment in 2004 actually a little lower in 1996. As all these sectors have now been covered in depth, and in the light of DEL's revised Skills Strategy, it is planned to review the rationale for identifying priority skills sectors early in 2006 with a view to revising them if this proves to be appropriate.





Source: DETI Quarterly Employment Survey



Terry Morahan – The Skills Unit, DEL

Dave Rogers - Analytical Services Group, DEL

Table 3: Shares of Gross Value Added 1990:2002 NI:UK

	19	90	20	02
	NI	UK	NI	UK
Agriculture, hunting, forestry & fishing	4.9	1.9	2.4	1.0
Mining and quarrying of energy producing materials	0.1	0.7	0.1	0.3
Other mining and quarrying	0.6	0.3	0.5	0.2
Manufacturing	21.2	23.7	19.4	17.6
Electricity, gas and water supply	2.9	2.4	1.9	1.9
Construction	6.2	7.1	7.4	5.8
Wholesale and retail trade (including motor trade)	10.6	11.6	12.8	12.8
Hotels and Restaurants	2.4	2.8	3.2	3.4
Transport, storage and communication	6.3	8.5	5.8	8.4
Financial intermediation	2.3	6.1	3.2	5.6
Real Estate, renting and business activities	9.1	17.1	15.0	24.3
Public administration and defence	16.3	6.6	10.4	5.2
Education	6.8	5.0	7.1	6.0
Health and Social Work	9.7	6.0	8.9	6.8
Other Services	3.2	3.9	4.3	5.3

Table 4: Employee Jobs: Textiles and Clothing: 1996-2005

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Textiles and Clothing										
SIC 17,18,19	23,970	24,080	22,540	19,720	16,590	13,750	11,920	9,860	6,710	4,940

Source: DETI Quarterly Employment Enquiry (not seasonally adjusted)



Terry Morahan – The Skills Unit, DEL Dave Rogers – Analytical Services Group, DEL

Figure 3: Northern Ireland Employee Jobs - Annual Increase



Source: DETI Quarterly Employment Survey

Rachel Webb, PA Consulting Group

The Executive Skills Watch Survey provides a unique gauge of NI's economic wellbeing as measured by the level of demand for executive skills and also tracks changes in the relative strengths and weaknesses of industrial sectors, as well as the type of skills required by employers.

Introduction

For the last five years the **Executive Skills Recruitment** Watch Survey has gathered data on the number and profile of higher level¹ vacancies advertised in the Belfast Telegraph's Jobfinder. All qualifying jobs are analysed by industry (using Government's Standard Industrial Classification) and function (using Government's Standard Occupational Classification). Any trends or anomalies highlighted by this analysis are investigated and verified through a process of telephone research with employers. In 2002 public sector vacancies were added to the Survey, enabling a better understanding of public sector executive skills, and allowing comparisons between public and private sector employers. The Survey is undertaken by PA Consulting Group on behalf of the NI Skills Task Force.

Overall Trends

Between 2000 and 2001 the overall trend in demand for executive skills was downward, with the number of private sector vacancies falling by almost 10% (from 1,152 to 1,043). However, the rate of decline slowed throughout 2002 and reversed during 2003, when the number of positions advertised increased by 42% (from 1,038 to 1,474). In 2004 we saw a dramatic rise, particularly at the beginning of the year. This upward trend indicates that, at executive level at least, local employment prospects appear to have turned the corner. **Figure 1** shows that although the rate of increase seen in the first quarter of 2004 did not continue throughout the rest of the year, the closing position was stronger than at any time in the previous three years.

Recruitment in the public sector has grown steadily. Between 2002 and 2003 the number of vacancies advertised increased by 79% from 2,240 to 4,009. During 2004 a total of 5,057 public sector positions were advertised – an increase of 26% on 2003 levels (a small number of these, some 154 advertisements, were for positions outside NI).



Rachel Webb, PA Consulting Group



Figure 1: Total Private Sector Vacancies each Quarter, 2000 - 2004





Rachel Webb, PA Consulting Group

Private Sector Industrial Analysis

An industry-by-industry analysis of recruitment activity provides a useful indicator of the relative strengths of NI's key sectors. Since 2000 the Executive Skills Watch Survey has analysed the number of private sector positions advertised for each industry. **Figure 3** shows how recruitment activity in the top five industries has changed over the last five years. It also shows the overall change in vacancies for all industries during that period.

As in previous years Manufacturing and Business Services continued to advertise the largest share of private

sector positions. The Business Services sector (which includes the Accounting, Computing, Legal, Management Consulting professions) accounted for most (28%) of these, with 839 positions advertised. This number represents an increase of some 59% on 2003 levels, and is a clear signal of growing confidence in this service sector. This confidence is also found by FEACO, (the umbrella organisation for management consultancy organisations in Europe), which reported considerable growth in the UK and the Eastern European countries in 2004.

Manufacturing has remained the second largest private sector customer for executive skills in

NI, and demonstrated strong growth in terms of executive recruitment. The sector was badly affected by a slowdown in manufacturing in 2002, but following signs of a recovery in 2003 a total of 633 executive jobs were advertised in 2004 – more than twice the previous year's figure. This increase in recruitment coincided with a small increase in manufacturing output during 2003 and 2004, yet with falling overall employment levels.

Recently the NI Office announced its largest ever spend on infrastructure, equating to almost £20 billion to the period to 2015. During 2003 the Construction industry responded to the anticipated

Figure 3: Private Sector Industrial Analysis, 2000 - 2004





Rachel Webb, PA Consulting Group

skills requirement by increasing the number of executive positions advertised from 93 to 248. Not surprisingly given the level of investment planned, the upward trend continued throughout 2004 with positions advertised more than doubling, from 248 to 582.



The Wholesale and Retail sector regained some ground as a key employer in NI. Despite a slight decrease in the number of positions advertised in 2003, total jobs advertised in the sector in 2004 increased from 131 to 261. Demand for executive skills from low cost supermarket chains was much in evidence.

Building upon the small recovery experienced in 2003, the number of positions advertised in the Transport and Communication sector (which includes Telecommunications) increased significantly during 2004 from 69 to 218. This period of growth surpasses the high levels of demand for telecommunications skills experienced in the late 1990s, and goes a long way towards rebuilding the sector following the losses experienced in 2001.

Recruitment in the Financial Services sector has remained relatively stable during the period of this Survey. 2004 saw the strongest period of growth to date, with the number of positions advertised increasing by 25% from 107 to 134. However, in comparison with the dramatic growth seen in other sectors, this increase is relatively small. Consolidation within the industry; increasing customer demands; decreasing customer loyalty; shrinking margins; increased performance pressure; technological developments; and additional regulatory and risk management requirements arising from the Basle II Accord – all continue to limit opportunity for growth.

Public Sector Industrial Analysis

The expansion of our Survey in 2002 to include the public sector has allowed us to complete our picture of the local executive skills market. We can now examine changes amongst NI's largest consumers of executive skills over a three-year period. Figure 4 shows that the Health and Social Work sector maintained its position as the top public sector recruiter, accounting for some 55% of all executive positions advertised in 2004. The number of vacancies has increased steadily, by 53% between 2002 and 2003, and by 33% in 2004.

Education remains the second largest recruiter, with 1,112 vacancies in 2004. This represents strong growth of some 23% on 2003 levels. The sector incorporates primary, secondary, higher and adult education.

The number of positions advertised in Public Administration and Defence (all levels of public administration posts from local councils through to government departments) increased from 291 in 2002 to 945 in 2003, but decreased to 770 in 2004. This may be as a result of the Review of Public Administration (RPA) which aims to create more effective and efficient public services, avoiding duplication and enabling managerial and bureaucratic expenditure to be minimised while the maximum resources are spent on front line services.

Other Community, Social and Personal Service Activities, which includes the Voluntary and Community Sectors, experienced a very considerable increase in the number of executive positions advertised, from 51 in 2003 to 376 in 2004.

Private Sector Functional Area Analysis

Analysis by functional area (or job category) provides a good indication of demand for particular sets of professional skills. Trends in demand for particular jobs tend to reflect developments in their related industry sectors.

Figure 5 below shows that Engineers (mechanical, civil, electrical, etc.) and Technologists (software engineers, analysts and programmers) reported a strong growth, surpassing the previous highest levels of demand in 2000. Following a decline in 2001 and 2002, demand for skills in this category began to increase in 2003. This growth

Rachel Webb, PA Consulting Group

Figure 4: Public Sector Industrial Analysis, 2002 - 2004



Figure 5: Private Sector Functional Analysis, 2000 - 2004



Rachel Webb, PA Consulting Group

strengthened in 2004, with a total of 658 positions advertised – matching the increases in the Construction, Computing and Telecommunications industries.

The impact of government investment in infrastructure, referred to earlier in this article, is clearly being felt as demand for professionals including Architects, Town Planners and Surveyors also increased significantly, to 422 during 2004.

Business and Financial Professionals (management consultants, financial controllers, insurance underwriters and investment advisors) remained a much sought after skills group in the NI recruitment marketplace. The number of positions advertised in this category continued to increase from 212 in 2003 to 444 in 2004. Growth in demand for these skills during the year corresponds with high levels of recruitment in the Business Services Sector.

In terms of more general management skills, demand for Functional Managers increased to 292 in 2004 from 222 in 2003. However, at a more senior level, demand for Corporate Managers and Senior Officials fell in 2003, and dropped again in 2004 with only 117 positions advertised.

Public Sector Functional Area Analysis

In 2004 demand for Teaching Professionals outstripped Health Professionals for the first time since our Survey began. Interestingly, a number of teaching advertisements were for positions outside NI, particularly in Scotland.

With ongoing pressure on healthcare resources, we shall watch closely in 2005 to see whether the fall in Health Professional positions advertised (mostly Medical Practitioners) continues. However, it is worth noting that demand for Health Associates and Therapists grew







Rachel Webb, PA Consulting Group

strongly, so that overall demand for the Health Professions remained at the top of NI's public sector skills market -**Figure 6.**

In terms of more general management skills, demand for Corporate Managers increased slightly between 2003 and 2004 - from 116 to 149, whilst demand for functional managers fell from 339 to 224.

The Future

The NI economy continues to perform well (see chapter 4 "Progress in the NI Economy" where record high employment figures and record low unemployment figures are recorded).

However, looking forward, it remains to be seen how the predicted slowdown in the world economy – primarily engendered by very high oil prices – impacts on the NI economy and its labour market. We will continue to investigate the changes both in general and in detailed forms.





Terry Morahan, Skills Unit, DEL

The Institute for Employment **Research (IER) at the** University of Warwick is one of the leading labour market research organisations in the UK. (see this Bulletin, Ch. 30). One of its specialisms is labour market forecasting. IER was commissioned by the Sector **Skills Development Agency** (SSDA) and the Learning and Skills Council (LSC) to update earlier forecasts (see LMB No17 Ch11). The author is grateful to the SSDA, LSC, and IER, for permission to quote the results - with a particular focus on NI.

For further details* www.ssda.org.uk

Carrying out projections in this area is a date-intensive and technically complex exercise; in simple terms it relies on projected changes in GDP and employment (based on the Cambridge Econometrics forecasting model) together with an assessment of changing employment structures within each sector.

The results include:-

- (i) long term changes in GDP and employment.
- (ii) Labour supply and demand.
- (iii) Employment change by broad sector (detailed analysis, aggregated up to six sectors for presentational purposes) and Sector Skills Councils (SSC) definitions which employ SIC Code groupings that most closely match the SSC footprints – "best fit".
- (iv) The changing composition of employment – by gender and employment status (employee, self-employed) and full time and part-time.
- (v) Trends in occupational employment – at the level of nine major Standard Occupational Classification (SOC) groups and 25 SOC sub-major groups (see LMB No 14 Ch 9 for a more detailed explanation of SOC).
- (vi) Estimates of replacement demand.

The authors emphasise that

- the results are not precise but indicative
- replacement demand is usually more significant than expansion demand.

Key Trends

The key trends which are common to almost all regions are as follows:

- Sectoral shifts in favour of employment in the service sector, especially marketed services related to business and tourism and leisure;
- Significant further job losses in the primary and manufacturing sectors;
- Linked to these developments, some changes in favour of parttime working and an increasing role for female workers in the formal economy;
- Changing occupational structures in favour of higher level, white collar jobs such as managerial, professional and associate professional occupations;
- Increasing employment shares also for personal service and sales & customer service occupations;
- Job losses for many administrative, clerical & secretarial occupations;
- Employment decline for most blue collar, manual occupations, including many skilled trades; machine & transport operatives and elementary (unskilled occupations).



 ^{*} Working Futures 2004 – 2014 A. Green, K. Homenidou, R. White, R. Wilson, (forthcoming).

Terry Morahan, Skills Unit, DEL

Each of the regions of the UK possess unique structural features which serve to moderate or reinforce these general trends. In general, the trends outlined are deep-seated and persistent.

Key features of change for the countries and regions of the UK include:

- 11-
- The three regions of southeastern England, London, the South East and the East of England, emerge as the fastest growing regions, in terms of employment and output, in the UK. They are characterised by greater than average shares of employment in high level non-manual occupations. Together, the whole of London and most of the South East and East of England regions may be thought of as a Londondominated "mega-cityregion".
- The South West is expected to experience employment and output growth at rates similar to the UK average. In this region part-time employees and the selfemployed account for larger than average shares of total employment.
- The East Midlands and West Midlands have the largest shares of employment in manufacturing and are projected to experience some of the fastest rates of job loss over the period to 2014. However, an increase in

employment in services is expected: the West Midlands has the fastest projected increase in non-marketed services in the UK over the period to 2014. These two regions display the fastest projected rates of job loss in skilled trades occupations and elementary occupations over the medium-term.

- Yorkshire and The Humber is projected to experience employment growth at the same rate as the UK over the period to 2014, but projected output growth is slower than average. The region is characterised by smaller than average shares of employment in professional and associate professional occupations and projected growth is slower than average. Contrary to the UK trend, a modest increase in employment for administrative, clerical & secretarial occupations is projected.
- In the North West projected output and employment growth are slower than the UK average. This projected slower than average employment growth is apparent in all service sectors and in all occupations where employment growth is expected with the exception of personal service occupations.
- In Wales employment is projected to grow at the same rate as the UK average

over the period to 2014, but projected output growth is slower than average. Nonmarketed services are projected to continue to account for a much larger share of total employment in Wales than across the UK as a whole. Projected employment growth for females is confined to parttime employees and Wales displays the fastest rate of projected growth for male part-time employees.

- NI displays slightly more modest employment and output growth than the UK average. A loss in male fulltime employees is expected, but projected growth rates for male part-time employees and for female employees exceed the UK average.
- Scotland and the North East display the slowest projected output growth and employment growth of any part of the UK over the period to 2014.

As **Table 1** shows the NI economy performed well in the decade 1994-2004 when we exceeded the national trend in GDP and especially in employment. Where we had easily the largest employment growth of all 12 regions. However, IER project growth in NI a little below national average rates.

Growth in long term GDP is around $2^{1/2}$ % - as it has been for over a century. The UK Government is trying to increase

Terry Morahan, Skills Unit, DEL

this growth rate by examining how productivity per worker could be increased – but past efforts in this regard have met with little success. IER forecast in fact a slight decline in the rate of GDP growth!

Sector Growth

As **Table 2** shows, in the past decade manufacturing employment in NI fell less than the UK average with service

sector growth considerably better. In the incoming decade manufacturing employment is projected to fall at national rates with service sector growth rates similar to the national average.

Table 1: UK GDP and Employment Growth % pa: by Region/Country 1994-2004-2014

	GE)P	Emplo	yment
Region	1994-2004	2004-2014	1994-2004	2004-2014
London	+3.7	+2.7	+1.6	+0.6
South East	+3.7	+2.8	+1.5	+0.7
East	+3.3	+2.6	+1.6	+0.5
South West	+3.2	+2.4	+1.3	+0.4
West Midlands	+2.7	+2.2	+0.9	+0.3
East Midlands	+2.5	+2.1	+0.8	+0.3
Yorkshire and The Humber	+2.8	+2.0	+0.9	+0.4
North West	+2.4	+2.1	+1.2	+0.3
North East	+1.9	+2.0	+0.5	+0.2
Wales	+2.4	+2.1	+0.5	+0.4
Scotland	+2.1	+1.9	+0.6	+0.2
NI	+3.2	+2.3	+2.1	+0.3
UK	+3.0	+2.4	+1.2	+0.4

Source: Working Futures 2004-2014 www.ssda.org.uk

Table 2: GDP and Employment Changes by Sector 1994-2004-2014 % pa

	GDP												
	Primary Manufacturing				Construction		Distribution and Transport		Busine Other S	ess and Fervices	Non-Marketed Services		
	1994-04	2004-14	1994-04	2004-14	4 1994-04 2004-14		1994-04	2004-14	1994-04	2004-14	1994-04	2004-14	
NI	-0.2	+1.8	+1.7	+1.8	-0.1	-0.1	+4.8	+2.2	+4.9	+3.6	+0.8	+2.0	
UK	+0.6	+0.7	+0.2	+1.6	+2.2	+1.4	+3.2	+2.6	+4.9	+2.9	+1.9	+2.5	

	EMPLOYMENT													
	Primary Manufacturing		Construction		Distribution and Transport		Busine Other S	ess and Gervices	Non-Marketed Services					
	1994-04	2004-14	1994-04	2004-14	1994-04	1994-04 2004-14		2004-14	1994-04	2004-14	1994-04	2004-14		
NI	-1.5	-0.8	-1.1	-1.0	+3.5	-1.8	+3.4	+0.6	+4.8	+1.4	+1.5	+0.6		
UK	-3.2	-1.7	-1.8	-1.1	+1.6	-0.4	+1.3	+0.5	+2.9	+1.2	+1.4	+0.6		

Source: Working Futures 2004-2014 www.ssda.org.uk

Terry Morahan, Skills Unit, DEL

Table 3: Change in NI Population, Working Age Population, Labour Force, Activity Rate, Unemployment and
Employment, 1999-2004-2009-2014

Time	Population (000s)	Working Age Population (000s)	Labour Force (000s)	Economic Activity Rate (% point)	Unemployment (000s)	Unemployment Rate (% point)	Employment (000s)
1999 - 04	+28	+34	+43	+1.0	-23	-3.4	+66
2004 - 09	+11	+7	+17	-0.3	+11	+1.3	+18
2009 - 14	+13	+17	+7	-0.8	0	0	+9

Source: Working Futures 2004-2014 www.ssda.org.uk



Table 3 indicates that there will
be little change in the rate of
unemployment in the next
decade. In NI, as in the UK,
employment increases will not
be sufficient to mop up the rise
in the labour force – resulting in
an increase in unemployment.

Employment Status by Gender

Males

Between 2004 and 2014 it is projected that NI will lose fulltime male jobs, at a rate of 0.4% pa. This is the only region of the UK where such a reduction is expected. Meanwhile, part-time employment is expected to increase at a rate of 1.7% pa (this exceeds the UK rate), with the creation of an additional 11,000 jobs. A loss of 4,000 jobs is expected in selfemployment.

Females

Whereas males are projected to lose over 10,000 full-time jobs between 2004 and 2014, there is a projected increase of 12,000 female full-time employees over the same period. This represents a 0.7% pa increase, which is one of highest in the UK (alongside London and the East of England). The number of female part-time employees is expected to increase at a rate of 1.3% pa (the highest rate of increase of any part of the UK). A 4,000 reduction in self-employment is projected.

Industrial Changes

Overview of Broad sectors

At the broad sectoral level, the picture for NI is one of employment losses in the primary sector & utilities, manufacturing and construction, and employment gains in distribution, transport, etc, business and other services and non-marketed services (see Figure 1 and Table 4). In absolute terms, both manufacturing and construction are the largest contributors to projected employment loss, although in relative terms the rate of decline in manufacturing - unlike construction - is slower than across the UK as a whole. This employment decline contrasts with gains of at least

20,000 jobs in business and other services and 15,000 extra jobs in each of distribution, transport, etc and in nonmarketed services.

Primary sector & utilities

Within the primary sector and utilities, agriculture dominates the 3,000 projected job losses between 2004 and 2014, as part of a trend of long-term decline. 2,000 jobs are projected to be lost, representing an annual average rate of loss that is lower than the UK average. Job losses are also expected in electricity gas and water, whereas mining and quarrying is projected to show no change in employment levels.

Males account for twice as many as the projected job losses in this sector.

Manufacturing

Engineering and food drink and tobacco employment levels hold up although there are still some job losses expected; 8,000 out of the 9,000 job losses across the broad industrial sector are accounted for by rest of manufacturing.

Terry Morahan, Skills Unit, DEL

Figure 1: Key Changes in NI, % p.a.

Growth in Claimant unemployment, Employment & Workforce, 2004-2014, Northern Ireland



Employment Growth (jobs) by Broad industrial Sector, 2004-2014, Northern Ireland



Source: Working Futures 2004-2014 www.ssda.org.uk

Expected job losses fall fairly equally on both males and females.

Construction

Employment in construction in NI is projected to decline at a faster rate than the UK average. Over the period to 2014 a loss of 10,000 jobs is expected as construction employment declines to under 50,000. Males account for virtually all of the projected job losses.

It should be noted that these projections will not take full account of the significant investment in public sector construction which was announced towards the end of

Changes in Employment Status, 2004-2014, Northern Ireland





Occupational Change, 2004-2014, Northern Ireland



2004. This investment will increase the demand for construction workers, offsetting in whole or in part the projected decline reported here.

Distribution, transport etc.

The annual average rate of employment growth in distribution, transport, etc in NI

Terry Morahan, Skills Unit, DEL

at 0.6% pa, is higher than the UK average. Within this broad sector retail distribution dominates employment growth, accounting for 13 of the 14,000 extra jobs expected by 2014. Projected employment increases in transport storage and communications are much more modest, while employment levels in hotels and restaurants are expected to remain unchanged.

Projected employment gains of 10,000 are expected to be accounted for by females.

Business & other services

Annual employment increase in business and other services is projected to be faster than the UK average (1.4% compared to 1.2%). The projected growth rate of 1.9% pa in other business activities exceeds the UK average, as employment is expected to increase by over 15,000 jobs over the decade to 2014. Projected absolute increases in banking and insurance are more modest, although the rate of increase projected in NI exceeds that in the UK. By 2014 employment in this broad sector is projected to have reached 160,000, compared with less than 60,000 in 1984.

Males are expected to be the beneficiaries of new jobs in this broad sector to a greater extent than females

Non-marketed services

Over the period to 2014, employment in non-marketed services is projected to expand at an annual average rate akin to the UK average. Health and social work and education account for all of the increase in this broad sector with employment gains of 10,000 and 6,000 projected, respectively. By contrast, employment in public administration & defence is projected to decline slightly, although by 2014 it is still projected to account for over 8% of total employment.

Over the period to 2014, a decline in male employment in non-marketed services is projected, compared with substantial increases for females.

Occupational Prospects

Overview

This section concentrates on the employment projections for different occupations. It should be remembered that such 'structural demand' provides only part of the overall picture of occupational change. For a fuller picture of the changing requirements for different occupations it is necessary to bear in mind the impact of retirements, inter-occupational moves, etc, as captured by 'replacement demand'. At the level of SOC Major Groups, the largest increase in occupational employment between 2004 and 2014 is projected for professional occupations, with an expected increase of nearly 20,000 jobs (see Figure 2 and Table 5). This represents an increase of approximately 20% and represents a rate of growth akin to the UK average. The next largest projected increases are for personal service occupations with expected net gains of about 15,000 jobs. Increases of 12,000 jobs are projected for both managers & officials and associate professional and technical occupations. Finally an additional 10,000 jobs are projected for sales and customer service occupations.

Projected job losses are concentrated in skilled trades occupations (nearly 8,000 jobs), with a faster expected annual average rate of job loss than the UK average, and elementary occupations (over 20,000 jobs). Employment for machine and transport operatives is expected to decline by 5,000, and a loss of about 2,000 jobs is projected for administrative, clerical and secretarial occupations.

1. Managers & senior officials

Over the period to 2014, the level of employment in this Major Group is projected to increase at an annual average rate of 1.2%



Terry Morahan, Skills Unit, DEL

Figure 2: Key Changes in NI, 000s

Growth in Claimant unemployment, Employment & Workforce, 2004-2014, Northern Ireland



Employment Growth (jobs) by Broad industrial Sector, 2004-2014, Northern Ireland



Changes in Employment Status, 2004-2014, Northern Ireland





Occupational Change, 2004-2014, Northern Ireland



Source: Working Futures 2004-2014 www.ssda.org.uk

compared with a growth rate of 1.3% pa across the UK as a whole. A projected increase of 15,000 jobs for corporate administrators is offset by an expected loss of 2,000 jobs for managers and proprietors (see **Table 2**). Females are expected to account for the vast majority of the employment gains,

2. Professional occupations

With a projected annual average rate of increase of

1.8% pa, expected employment gains in this Major Group in NI are projected to occur at a rate akin to the UK average. The largest contribution to the projected increase in employment in this Major

Terry Morahan, Skills Unit, DEL

Group is made by teaching and research professionals, with a projected 13,000 extra jobs by 2014, representing a growth rate of 2.5% pa, which is in excess of the UK average. Much more modest employment gains are expected for health professionals, and business professionals, with expected growth rates at rates only about half the UK average. A thousand additional jobs are projected for science/ technology professionals.

Females are projected to account for the majority of the extra jobs.

3. Associate professional & technical occupations

Associate professional and technical occupations are projected to gain 18,000 jobs. At 1.8% pa, the projected annual average growth rate is the same as that expected for the UK as a whole, 10,000. Nearly half of the projected job gains are accounted for by health associate professionals, with the annual average rate of employment growth easily exceeding the UK average. More modest increases are projected for business associate professionals, culture, media and sports occupations and science and technology associate professionals. Minor employment losses in protective service occupations are expected.

Females account for nearly all of the projected job gains between 2004 and 2014.

4. Administrative, clerical & secretarial occupations

Administrative, clerical and secretarial occupations are projected to lose about 2,000 jobs over the period to 2014. However, at 0.2% pa, the projected rate of job loss is slower than the UK average (0.9% pa). All of the projected job losses are in secretarial and related occupations, while for administrative and clerical occupations employment levels are expected to increase by 3,000.

The expected job losses fall entirely on females, with a small increase projected in male employment.

5. Skilled trades occupations

About 8,000 jobs are expected to be lost to skilled trades occupations between 2004 and 2014. At 0.8% pa, the projected rate of employment decrease is greater than in any other part of the UK, with the exception of the East Midlands and West Midlands. Skilled metal and electrical trades alone are projected to lose 10,000 jobs. Losses of about 3,000 jobs are expected in other skilled trades. Whereas employment levels for skilled agricultural trades are expected to remain stable,

an increase in employment (4,000 jobs) in skilled construction and building trades is expected.

Over twice as many job losses are projected to fall on males as on females.

6. Personal services occupations

Employment is projected to increase at 1.8% pa over the period to 2014, adding almost 15,000 jobs to this occupation. Caring personal service occupations are projected to contribute the majority of employment gains, with only 1,000 jobs expected in leisure occupations.

Females account for all of these gains, while male employment in this SOC Major Group is projected to fall slightly.

7. Sales & customer service occupations

At 1.5% pa, the projected growth rate over the period from 2004 to 2014 is similar to the UK average. The projected gain of about 10,000 jobs is split fairly evenly between sales occupations and customer service occupations.

More females than males are expected to gain these additional jobs.



Terry Morahan, Skills Unit, DEL

8. Machine & transport operatives

Employment in this SOC Major Group is projected to decline at 1.1% pa over the period to 2014. This is the fastest rate of loss projected for any part of the UK. The projected absolute employment loss for machine and transport operatives is over 5,000. Process machine operatives account for all of the projected losses, with a very small increase of 2,000 jobs expected for drivers and other operatives.

Females are expected to account for 4,000 of the projected employment losses.

9. Elementary Occupations

At 2.7% pa, the projected rate of employment loss in NI over the period to 2014 is faster than the UK average (2.2% pa). Only the West Midlands and East Midlands are projected to see faster rates of job loss.

About 13,000 jobs are expected to be lost in elementary service occupations, while a loss of 9,000 jobs is projected for elementary trades' occupations. By 2014 there are expected to be just under 75,000 jobs in elementary occupations in NI.

Replacement Demands

The key component of replacement demands is retirements from the workforce, especially those of older workers. However, replacement requirements for specific occupational groups, in particular geographical areas, can also arise for a number of other reasons. These include occupational mobility, as individuals change jobs for reasons of career progression (as well as other causes), and geographical mobility. Potentially, the latter may be quite important at a regional level. Unfortunately there are few reliable data on such flows, so the estimates presented here exclude replacement needs arising as a consequence of both occupational and geographical mobility. In both cases, there may be offsetting inflows to counterbalance some of the losses.

Regardless of whether expansion demand projections indicate an increase or decrease in employment levels, total requirements are positive for all SOC Major Groups. Viewing all occupations collectively, the expansion demand is for 28,000 jobs, the replacement demand for an additional ¹/₄ of a million jobs, thus making the replacement demand for NI over 300,000.

Of those occupations projected positive expansion demands, professional occupations have the highest overall requirement (53,000) followed by associate professional & technical occupations (49,000), managers & senior officials (45,000), personal service occupations (45,000) and sales and customer service occupations (33,000).

The occupations with projected negative expansion demands all have positive overall requirements. The highest is for administrative, clerical & secretarial occupations (38,000) followed by skilled trades occupations (27,000), machine & transport operatives (13,000) and finally elementary occupations (11,000).

Even where sectors are experiencing a decline in employment, retirements etc mean that new recruits are needed to replace those learning. In fact in NI all the SOC Major Groups have positive requirements for labour that in all cases replacement demand is greater than requirements – even when employment is declining, see **Figure 3**.



Terry Morahan, Skills Unit, DEL

Figure 3: Replacement Demands in NI



Northern Ireland

Structural demand

Source: Working Futures 2004-2014 www.ssda.org.uk

Summary and Conclusions

Projections strictly speaking are not forecasts but rather the extrapolation of past trends. Many "health warnings" need to be sounded. Writing in the 2003 Bulletin (No17 Ch11) this author remarked, "No-one looking to 2002 from a 1990 vantage would have been able to envision the impact of the Internet or have foreseen 9/11, SARS, Iraq - what surprise is next??" But there have been further surprises; eg the South East Asia Tsunami, the South East USA Hurricanes, \$70 oil prices and locally, IRA decommissioning. As Neils Bohr remarked "Prediction is very difficult, especially about the future"

One common approach is to use a 'scenario' approach with high, medium and low forecasts to cover the possibilities with a greater degree of confidence (see LMB 17 Ch 8) Nevertheless, the exercise is useful with a fair track record of success. No-one with any understanding of the economy would disagree, for example, that the textiles and clothing sector will lose jobs or indeed that manufacturing **employment** will decline (output will grow but productivity improvements will be greater resulting in small job losses). Or that there will be an increase in jobs requiring higher skills.

Terry Morahan, Skills Unit, DEL

The main conclusion is that most of the increases in employment will be in higher level jobs requiring more qualifications. However, there will still be job increases in some sectors which require fewer qualifications such as in personal services (eg nursing assistants, many leisure jobs) and in sales and customer services (eg shop assistants, call centre operatives).

Of its nature the IER exercise cannot go into great detail in specific sectors in specific regions. Personally I would argue that the projections are on the pessimistic side – not being able to take account for example of the almost £20 billion to be spent on infrastructure in the period to 2015.

The approach we use in NI is to choose specific sectors which are of particular importance to the economy, and which because of their high skill content need long lead-in training times. We then study these in greater depth and in a shorter (five years) timescale – producing more reliable results which still give sufficient time to mount relevant training programmes.

It must also be pointed out that there are other economic forecasts by region in the UK – for example by Oxford Economic Forecasting (OEF) and by Business Strategies Limited (BSL) the London-based private sector consultancy.



Terry Morahan, Skills Unit, DEL

Table 4: Sectoral Change in NI

		NI										U	IK	
		1984	1994	2004	2014	1984	1994	2004	2014	20	04-		20	04-
						0/ - 6	0/ - f	0/ - #	0/ - 6	20	14	0/	20	014
Se	ctoral categories	000s	000s	000s	000s	% of total	% of total	% of total	% of total	cnange 000s	% change	% per annum	% change	% per annum
1.	Agriculture, etc	+42	+35	+31	+30	+7.4	+5.5	+4.0	+3.6	-2	-5.2	-0.5	-15.0	-1.6
2.	Mining & quarrying	+2	+2	+2	+2	+0.4	+0.3	+0.3	+0.2	0	-21.4	-2.4	-17.6	-1.9
6.	Electricity, gas													
	& water	+8	+5	+3	+3	+1.4	+0.8	+0.4	+0.3	-1	-19.6	-2.2	-16.7	-1.8
	Primary sector													
	& utilities	+52	+42	+36	+34	+9.2	+6.6	+4.6	+4.1	-3	-7.3	-0.8	-15.6	-1.7
3.	Food, drink													
	& tobacco	+22	+21	+20	+19	+3.8	+3.2	+2.5	+2.3	-1	-3.5	-0.4	-10.0	-1.1
4.	Engineering	+14	+14	+17	+16	+2.5	+2.2	+2.1	+2.0	-1	-3.2	-0.3	-9.5	-1.0
5.	Rest of													
	manufacturing	+73	+70	+58	+50	+12.8	+10.9	+7.3	+6.1	-8	-14.0	-1.5	-11.3	-1.2
	Manufacturing	+109	+105	+94	+85	+19.1	+16.3	+11.9	+10.4	-9	-9.9	-1.0	-10.8	-1.1
7.	Construction	+44	+42	+59	+49	+7.7	+6.5	+7.5	+6.0	-10	-16.9	-1.8	-4.4	-0.4
8.	Retail, distribution	+83	+97	+133	+145	+14.6	+15.2	+16.8	+17.8	+13	+9.6	+0.9	+6.7	+0.6
9.	Hotels &													
	restaurants	+16	+27	+42	+42	+2.8	+4.2	+5.4	+5.2	0	0.0	0.0	+5.7	+0.6
10.	Transport & comm.	+22	+25	+33	+34	+3.9	+3.9	+4.1	+4.1	+1	+3.1	+0.3	+2.7	+0.3
	Distribution													
	transport etc.	+121	+149	+208	+221	+21.3	+23.2	+26.3	+27.1	+14	+6.6	+0.6	+5.6	+0.5
11.	Financial services	+13	+15	+19	+21	+2.3	+2.4	+2.4	+2.5	+2	+8.1	+0.8	+2.8	+0.3
12.	Other business													
	activities	+21	+38	+76	+91	+3.7	+5.8	+9.6	+11.2	+16	+20.8	+1.9	+15.7	+1.5
16.	Other services	+23	+35	+45	+49	+4.1	+5.4	+5.7	+6.0	+4	+9.2	+0.9	+9.3	+0.9
	Business & other													
	services	+58	+88	+140	+161	+10.1	+13.6	+17.7	+19.7	+21	+15.3	+1.4	+12.2	+1.2
13.	Public admin.													
	& defence	+55	+60	+65	+64	+9.6	+9.3	+8.2	+7.8	-1	-1.5	-0.1	-2.3	-0.2
14.	Education	+60	+64	+72	+78	+10.5	+10.0	+9.2	+9.6	+6	+7.9	+0.8	+5.7	+0.6
15.	Health &													
	social work	+72	+93	+115	+124	+12.6	+14.5	+14.6	+15.2	+10	+8.4	+0.8	+9.7	+0.9
	Non-marketed													
	services	+186	+217	+252	+266	+32.7	+33.7	+32.0	+32.6	+14	+5.7	+0.6	+5.8	+0.6
	All Sectors	+570	+643	+789	+816	+100.0	+100.0	+100.0	+100.0	+28	+3.5	+0.3	+4.3	+0.4

Source: Working Futures 2004-2014, www.ssda.org.uk



Terry Morahan, Skills Unit, DEL

Table 5: Occupational Change in NI

		NI											К
	1984	1994	2004	2014	1984	1994	2004	2014	20 20	04- 14		20 20	04- 14
Occupational sub-major group	000s	000s	000s	000s	% of total	% of total	% of total	% of total	change 000s	% change	% per annum	% change	% per annum
Corporate managers	+36	+50	+72	+86	+6.3	+7.8	+9.2	+10.6	+14	+19.5	+1.8	+19.9	+1.8
Managers/proprietors	+19	+20	+21	+18	+3.3	+3.0	+2.6	+2.3	-2	-11.7	-1.2	-7.1	-0.7
Sc. & tech. profs.	+10	+14	+21	+24	+1.7	+2.1	+2.6	+2.9	+3	+15.3	+1.4	+18.3	+1.7
Health professionals	+4	+6	+7	+8	+0.7	+0.9	+0.9	+1.0	+1	+12.4	+1.2	+29.4	+2.6
Teaching & res. Profs.	+27	+35	+45	+58	+4.7	+5.4	+5.7	+7.1	+13	+28.2	+2.5	+21.6	+2.0
Business professionals	+9	+13	+18	+19	+1.6	+2.0	+2.3	+2.4	+1	+7.0	+0.7	+14.5	+1.4
Sc. & tech. assoc. profs.	+8	+10	+13	+15	+1.3	+1.5	+1.7	+1.8	+1	+10.9	+1.0	+12.4	+1.2
Health assoc. profs.	+20	+26	+37	+45	+3.4	+4.1	+4.7	+5.5	+7	+20.2	+1.9	+7.8	+0.8
Protect. serv. occs	+8	+10	+14	+13	+1.4	+1.6	+1.8	+1.5	-1	-10.6	-1.1	+0.1	0.0
Culture, med. & sports	+4	+7	+12	+13	+0.7	+1.0	+1.5	+1.6	+2	+15.7	+1.5	+23.5	+2.1
Business assoc. profs.	+18	+24	+34	+36	+3.1	+3.7	+4.3	+4.4	+3	+7.4	+0.7	+9.2	+0.9
Admin & clerical	+57	+64	+76	+79	+10.0	+10.0	+9.6	+9.7	+3	+4.1	+0.4	-3.1	-0.3
Secretarial and related	+23	+25	+23	+18	+4.0	+3.9	+3.0	+2.3	-5	-21.5	-2.4	-25.2	-2.9
Skilled agric. trades	+25	+20	+20	+21	+4.3	+3.1	+2.6	+2.5	0	+1.5	+0.1	+15.5	+1.5
Skilled metal													
& electrical	+38	+35	+34	+24	+6.6	+5.5	+4.3	+2.9	-10	-30.2	-3.5	-27.1	-3.1
Skilled cons. & building	+27	+25	+34	+38	+4.7	+3.9	+4.3	+4.7	+4	+12.1	+1.1	+19.4	+1.8
Other skilled trades	+18	+19	+17	+14	+3.2	+2.9	+2.2	+1.8	-3	-15.6	-1.7	-14.6	-1.6
Caring personal service	+18	+32	+61	+74	+3.2	+5.0	+7.7	+9.0	+13	+21.5	+2.0	+22.8	+2.1
Leisure occupations	+10	+13	+14	+16	+1.8	+2.0	+1.8	+1.9	+1	+10.0	+1.0	+6.7	+0.7
Sales occupations	+29	+37	+54	+60	+5.0	+5.8	+6.9	+7.4	+6	+11.2	+1.1	+12.0	+1.1
Customer service occs.	+3	+5	+11	+15	+0.5	+0.7	+1.4	+1.8	+4	+39.3	+3.4	+32.2	+2.8
Process machine ops.	+45	+40	+29	+21	+8.0	+6.2	+3.7	+2.6	-8	-27.7	-3.2	-24.5	-2.8
Drivers & other ops.	+21	+22	+27	+29	+3.7	+3.5	+3.4	+3.6	+2	+8.2	+0.8	+17.2	+1.6
Elementary: trades	+38	+34	+32	+23	+6.7	+5.3	+4.1	+2.8	-9	-29.2	-3.4	-35.5	-4.3
Elementary: service	+56	+58	+62	+49	+9.9	+9.0	+7.9	+6.0	-13	-20.9	-2.3	-12.9	-1.4
All occupations	+570	+643	+789	+816	+100.0	+100.0	+100.0	+100.0	+28	+3.5	+0.3	+5.2	+0.5

Source: Working Futures 2004-2014, www.ssda.org.uk





Mike Crone, Economic Research Institute of NI¹

Due to their rapid growth during the 1990s, and as a function of claims about the rise of the knowledge-driven economy, the information and communication technology industries (ICT) became a focus of interest for both policymakers and academics. However, in 2000-01, the strong upward trends of the late 1990s came to an abrupt end and ICT entered a period of global uncertainty, manifest in a downturn in demand for ICT goods and services and turmoil on global stock markets. This article examines the impact of these changed circumstances through an investigation of official employment data in the period up to December 2003.

Overview

The article first examines employment change in the wider ICT sector and its four major sub-sectors, and is profiled for GB and NI. Second, the article takes a closer look at the relative position of NI in computer software and services - arguably the most important sub-sector of ICT - including a comparison of NI sub-regions with their GB equivalents. The article draws on a recent commissioned research report for Invest NI's ICT Directorate and supplements an earlier contribution by the author (see LMB No.18, Ch.14).

Defining ICT

Before progressing to the main analysis it is important to clarify terminology. The term ICT has become common currency over recent years but was initially poorly defined. In 1998, however, the OECD's (Organisation for Economic Cooperation and Development) Working Party of Indicators for the Information Society adopted a definition of the ICT sector based on the following principles:

For *manufacturing* industries, the products of a candidate industry:

 Must be intended to fulfil the function of information processing and communication including transmission and display. Must use electronic processing to detect, measure and/or record physical phenomena or to control a physical process.

For services industries, the products of a candidate industry:

 Must be intended to enable the function of information processing and communication by electronic means.

Based on these principles a specific definition of ICT was later agreed based on the industrial classes of revision 3 of the International Standard Industrial Classification (OECD, 2000). A subsequent publication, Measuring the Information Economy, provided a concordance table that enables the ISIC definition to be translated to the UK (SIC 1992 and 2003) and EU (NACE Rev.1) industrial classification systems (OECD, 2002). This decomposition of ICT has since been used by ONS and Eurostat and provides the basis of this article.

In essence, the ICT sector can be sub-divided into a number of major sub-sectors. The first major distinction is between ICT manufacturing industries and ICT service industries. Secondly, ICT services can be further subdivided into three broad subsectors: wholesale of ICT products; telecommunications; and computer software and services. Thirdly, these four major sub-sectors can be further



Mike Crone, Economic Research Institute of NI

sub-divided into a number of four-digit activity headings (see **Table 1**). Thus, the ICT sector is, in fact, a rather diverse amalgam of different industries and activities. As we will see below, this diversity has been mirrored in the divergent employment fortunes of the various sub-sectors. As a result the analysis ultimately raises questions as to how meaningful or helpful the ICT 'brand' is for economic analysis.

Employment Trends in the Wider ICT Sector

GB

Based on the OECD definition, there were 1,156,746 employee

jobs in the wider ICT sector in GB in December 2003 (Table 1): 4.5% of all employee jobs in GB. In terms of the sub-sectors of ICT, note that in December 2003 only 16% of GB ICT employment (187,800 employee jobs) was in ICT manufacturing industries compared to 84% in ICT services (968,900 employee jobs). Within the ICT services, computer software and services was the largest segment with 486,200 employee jobs (42% of the GB ICT sector). Telecommunications had 241,100 employee jobs and wholesale of ICT products had 238,000 employee jobs (21% of the GB ICT sector each).

Looking at changes over the five year period to December 2003, note that total GB ICT

employment grew by over 5% during both 1999 and 2000. then decreased by around 1% during 2001, and decreased by a further 4% during both 2002 and 2003. As a result, the number of ICT employees in GB in December 2003 was only marginally greater than it had been in December 1998. An examination of changes in the four main ICT sub-sectors over this five year period reveals some interesting shifts (Table 1 and Figure 1). The number of employee jobs in both ICT manufacturing and ICT wholesale was in decline throughout the period, decreasing by 34% (-95,000 jobs) and 13% (-34,000 jobs) respectively across the five years. The rate of decline in both

Figure 1: GB Employees in Four Major ICT Sub-sectors, 1998-2003





Mike Crone, Economic Research Institute of NI

Table 1: GB ICT Employment by Sub-sector, 1998-2003

ICT MANUFACTURING INDUSTRIES	1998	2001	2003	Change 1998-2003	% Change 1998-2003
3001: Manufacture of office machinery	11,124	9,157	7,662	-3,462	-31.1%
3002: Manufacture of computers/other					
information processing equipment	37,705	33,719	23,048	-14,657	-38.9%
3130: Manufacture of insulated wire and cable	19,801	15,323	10,527	-9,274	-46.8%
3210: Manufacture of electronic valves and					
tubes and other electronic components	51,340	37,341	28,450	-22,890	-44.6%
3220: Manufacture of television and radio					
transmitters and apparatus for line					
telephony and line telegraphy	38,223	43,342	25,367	-12,856	-33.6%
3230: Manufacture of television and radio					
receivers, sound or video recording					
or reproducing apparatus and					
associated goods	35,235	28,456	19,5 <mark>39</mark>	-15,696	-44.5%
3320: Manufacture of instruments and					
appliances for measuring, checking,					
testing, navigating and other purposes	78,573	74,089	65,592	-12,981	-16.5%
3330: Manufacture of industrial process					
control equipment	10,797	8,554	7,624	-3,173	-29.4%
ICT manufacturing total	282,798	249,981	187,809	-94,989	-33.6%
ICT SERVICE INDUSTRIES					
5143: Wholesale of electrical household goods	42,794	44,292	39,891	-2,903	-6.8%
5164: Wholesale: office machinery and equip.	89,139	83,249	65,363	-23,776	-26.7%
5165: Wholesale: other industry machinery etc	140,473	133,307	132,761	-7,712	-5.5%
Total wholesale of ICT products	272,406	260,848	238,015	-34,391	- 12.6 %
6420: Telecommunications	193,357	244,053	241,068	47,711	24.7%
7133: Renting of office machinery					
and equipment	3,072	2,901	3,677	605	19.7%
7210: Hardware consultancy	12,932	16,892	19,283	6,351	49.1%
7220: Software consultancy and supply	220,340	287,428	299,885	79,545	36.1%
7230: Data processing	46,431	55,254	37,334	-9,097	-19.6%
7240: Data base activities	6,669	10,535	10,879	4,210	63.1%
7250: Maintenance and repair of office,					
computing machinery	25,674	19,095	26,898	1,224	4.8%
7260: Other computer related activities	62,886	112,544	91,898	29,012	46.1%
Total computer software and services	374,932	501,748	486,177	111,245	29.7%
ICT services total	843,767	1,009,550	968,937	125,170	14.8%
ICT SECTOR: TOTAL	1,126,565	1,259,53 <u>1</u>	1,156,746	30,181	2.7%

Note: Equivalent compound annual growth rates 1998-2003 for major ICT sub-sectors as follows: ICT manufacturing -5.0%; Wholesale of ICT products -1.7%; Telecommunications +2.8%; Computer software and services +3.3%; Total ICT +0.3%. Source:Data on employee jobs obtained from ONS Annual Business Inquiry (via NOMIS).



Mike Crone, Economic Research Institute of NI

sub-sectors was notably more severe after 2000, suggesting the global ICT downturn accentuated an established downward trend (Figure 1). As a result, ICT manufacturing's share of total GB ICT employment fell from 25% in 1998 to only 16% in 2003 and ICT wholesale's share fell from 24% to 21%. In manufacturing, the ongoing 'global shift' of ICT production to lower-cost locations in Eastern Europe, China and South-east Asia was undoubtedly a major factor, in addition to the global downturn (van Egeraat and Jacobsen, 2004).

In contrast, computer software and services experienced very high annual employment growth rates during 1999 (15%) and 2000 (14%). Growth then slowed slightly to only 2.4% during 2001. 2002 was a watershed year for the sector with total GB employment falling (by around 3.4%) for the first time in over a decade. The decline in employment was short-lived, however, as the UK as a whole experienced a marginal increase in computer software and services employment during 2003 (Figure 1).

Telecommunications also performed relatively well during 1998-2003, adding jobs in each year up to December 2002 albeit at a slower rate after 2000 - before shedding 6% of its employment during 2003 (**Figure 1**). As a consequence, computer software and services' share of GB ICT employees increased from 33% in 1998 to 42% in 2003 and telecommunications' share increased from 17% to 21%. Thus, the ICT downturn seems to have had a *differential impact* on the various sub-sectors of ICT, with the ICT service industries being notably more resilient than ICT manufacturing. In particular, the employment impact of the downturn on GB computer software and services employment seems to have been quite modest and relatively short-lived.

At the regional scale, there were some notable changes in the size and composition of the ICT sector over the five years to December 2003 (Figure 2). **Overall ICT employment** expanded in six of the 11 GB regions during this period (South East, North West, West Midlands, East Midlands, Yorkshire and the Humber and North East) and contracted in five (London, Eastern, Scotland, South West and Wales). The latter group (except London) all suffered from their high relative specialisation in ICT manufacturing. Both the number of jobs and the share of ICT employment in ICT manufacturing declined across all GB regions during 1998-2003. Scotland and Wales - two regions which attracted significant inward investment in ICT manufacturing during the 1980s and 1990s - were affected particularly severely (Figure 2). In contrast, note that computer software and services employment expanded (in absolute terms and as a share of ICT) across all 11 GB regions between 1998 and 2003. As a

final observation, note that the regions with the most ICT jobs are those which are most specialised in computer software and services, as measured by location quotients – particularly the three regions of the Greater South East but also the North West and West Midlands.

NI and comparison with GB

Using data from the NI Census of Employment, we can make a cross-sectional comparison of NI and GB ICT sector employment in 2003. We can also compare changes in ICT employment in NI and GB during the period 2001-03, which coincided with the global ICT downturn (Table 2). First, note that, in 2003, NI ICT employment was more concentrated in ICT manufacturing than GB as a whole (32% of ICT employment versus 16% in 2003). NI ICT employment was correspondingly less concentrated in computer software and services than GB (30% of ICT employment versus 42% in 2003). Next note the following changes between 2001 and 2003: first, ICT manufacturing employment declined by 25% in both GB and NI (Table 2) but NI lost a greater proportion of its total ICT employment than GB (-11.6% versus -8.2%) as a result of its greater concentration in ICT manufacturing; second, ICT wholesale employment declined by 9% in GB but increased by 2.4% in NI and Telecommunications employment declined slightly in GB and increased very



104
Mike Crone, Economic Research Institute of NI

marginally in NI (**Table 2**); and, third, employment in the important computer software and services sector *declined* by 9% in NI compared to only 3% in GB (**Table 2**). Overall, therefore, it seems the NI ICT sector performed relatively poorly, in terms of employment, during the downturn period.

A Closer Look at Computer Software and Services

Overview and data issues

As we have seen above, computer software and services (Division 72 of SIC) is the most numerically important sub-sector of ICT employment in the UK. It has also out-performed other sub-sectors of ICT over recent years. In the remainder of this article, I use official data to benchmark NI's recent employment performance in computer software and services against appropriate GB comparators - at the regional, sub-regional, and city scales. The analysis uses location quotients (LQ), a simple and commonly used technique that compares the regional, county or local economy to a reference economy (here the UK national economy), in the process attempting to identify the degree of relative industrial specialisation of the

regional, county or local economy. The LQ for Division 72 employment in area A is calculated as the ratio of (a) area A's share of national employment in Division 72, to (b) area A's share of national employment in all industries. An LQ above/below 100 therefore indicates an area has more/less Division 72 employees than might be expected on the basis of its share of national employment in all industries.

ONS Annual Business Inquiry employee analysis data can be obtained in a sectorally and spatially disaggregated form (via NOMIS). This allowed an analysis of employment data for Division



Figure 2: Employees in Four Major ICT Sub-sectors by GB Region, 1998 & 2003



Source: Analysis of ABI employment data obtained from NOMIS.



Mike Crone, Economic Research Institute of NI

72 at three spatial scales. Regional data were available for the nine English Government Office Regions (i.e. the scale at which English Regional Development Agencies operate) and for Scotland and Wales. Data are also available for current GB local government

Table 2: Comparison of ICT Employment in GB and NI, 2001-03

ICT MANUFACTURING INDUSTRIES	NI CoE 2001	NI CoE 2003	NI % Change 2001-03	GB % Change 2001-03	Share of NI ICT 2003	Share of GB ICT 2003
30: Office machinery and						
computers	2,466	2,325	-5.7%	-28.4%	13.4%	2.7%
3130: Insulated wire and cable	nd	nd	nd	-31.3%	nd	0.9%
32: Radio, television and						
communication equipment						
and apparatus	4,619	2,861	-38.1%	-32.8%	16.5%	6.3%
3320: Instruments and appliances						
for measuring	233	308	32.2%	-11.5%	1.8%	5.7%
3330: Industrial process control						
equipment	nd	nd	nd	-10.9%	nd	0.7%
ICT manufacturing total	7,318	5,494	-24.9%	-24.9%	31.6%	16.2%
ICT SERVICE INDUSTRIES						
5143: Wholesale of electrical						
household goods	803	821	2.2%	-9.9%	4.7%	3.4%
5164: Wholesale: office machinery						
and equip.	328	338	3.0%	-21.5%	1.9%	5.7%
5165: Wholesale: other industry						
machinery etc	1,649	1,688	2.4%	-0.4%	9.7%	11.5%
Total wholesale	2,780	2,847	2.4%	-8.8%	16.4%	20.6%
6420: Telecommunications	3,786	3,802	0.4%	-1.2%	21.9%	20.8%
7133: Renting of office machinery						
and equip.	nd	nd	nd	26.7%	nd	0.3%
7210: Hardware consultancy	nd	64	nd	14.2%	0.4%	1.7%
7220: Software consultancy					· · · · ·	
and supply	4,577	4,571	-0.1%	4.3%	26.3%	25.9%
7230: Data processing	nd	nd	nd	-32.4%	nd	3.2%
7240: Data base activities	nd	nd	nd	3.3%	nd	0.9%
(250: Maintenance/repair: office				40.00/		0.0%
	na	na	na	40.9%	na	2.3%
7260: Other computer related	0.01	570	10 50/	10.00/	2.20/	7.00/
	001 E 777	5/2	-13.5%	-18.3%	ა.ა% 20 0%	1.9%
Iotal computer services	5,111	5,247	-9.2%	-3.1%	3U.2%	42.0%
ICI Services total	12,343	11,896	-3.6%	-4.0%	68.4%	83.8%
ICT SECTOR: TOTAL	19,661	17,390	-11.6%	-8.2%	100.0%	100.0%

Note: nd = not disclosed due to confidentiality constraints; For this reason NI ICT sector totals do not include headings 3130, 3330 and 7133.

Sources: GB data from ONS Annual Business Inquiry (via NOMIS). NI data from 2001 and 2003 Census of Employment, supplied by DETI Statistics Research Branch.



106

Mike Crone, Economic Research Institute of NI

areas (i.e. the 408 Unitary Authorities and Local Authority Districts). For an intermediate sub-regional scale, data were obtained for the English and Welsh counties and Scottish regions that existed prior to the 1996 reorganisation of local government boundaries (hereafter "counties"). Unfortunately there is no published sub-regional (e.g. county or district council) analysis of NI CoE or QES data at two-digit SIC level (i.e. for Division 72). However, to allow for a limited comparison of NI sub-regions with GB counties and local authorities, a special analysis of two-digit employment data from the 2001 and 2003 NI CoE was obtained from DETI Statistics Research Branch. The sub-regional scale utilised for this analysis was the European NUTS III region, of which there are five in NI (Belfast, Outer Belfast, East of NI, North of NI, and West & South of NI)². This is the smallest geographic scale at which Division 72 employment data can be published without breaching confidentiality constraints.

The Regional Scale

We begin by comparing NI with the 11 GB Government Office Regions. The absolute regional distribution of Division 72 employees in the UK is highly uneven. In 2003, London and the South East – which had 97,600 and 123,900 employees respectively – together accounted for just under half of all GB computer software and services employees. And two

2 NI NUTS III regions are aggregations of NI District Council Areas as follows: Belfast (Belfast); Outer Belfast Carrickfergus, Castlereagh, Lisburn, Newtownabbey and North Down); East of NI (Antrim, Ards, Ballymena, Banbridge, Craigavon, Down and Larne); North of NI (Ballymoney, Coleraine, Derry, Limavady, Moyle and Strabane); West & South of NI (Armagh, Cookstown, Dungannon, Fermanagh, Magherafelt, Newry & Mourne and Omagh). further regions - East and North West, with around 50,000 employees each - accounted for a further fifth. The remaining seven GB regions accounted for only one third of GB computer software and services employees. NI had fewer Division 72 employees than any of the GB regions in 2003 and throughout the preceding period. In 2003, regional LQs for Division 72 employment ranged from 183 (South East) to 39 (Wales). Four distinct 'tiers' could be identified in the 2003 regional LQ hierarchy: the first tier comprises the three regions of the Greater South East (all LQ>100); the second tier comprises three regions stretching down the western side of England (North West, West Midlands and South West, LQ 80-90); the third tier comprises four regions in the Northeastern part of the UK (East Midlands, Yorkshire and the Humber, North East and Scotland; LQ 60-75); the fourth tier comprises NI and Wales (LQ<50).

Looking at the performance of NI since 1995, official data show **Division 72 employment** increased rapidly from only 1,380 in September 1995 to a peak of 5,780 in September 2001 (NI Census of Employment). As in GB, Division 72 employment in NI then declined to around 5,100 in June 2003 (NI Quarterly employment survey) - a fall of 11.4% from the peak - before recovering to 5,750 by September 2004³. In terms of LQs, NI had a Division 72 LQ of only 24 in 1995, by far the

lowest among the UK regions. Due to impressive employment growth over the period - on average NI was the fastest growing UK region in terms of Division 72 employees between 1995 and 2003 (average annual growth of 18%) - the LQ increased to 42 in 2003 (although it had peaked at 46 in 2001). Thus, NI still had only half as many computer software and services employees as might be expected on the basis of its share of UK total employment.

How did NI's performance during the downturn period compare with other GB regions? Focusing on the three years after December 2000, we find that the downturn had a highly regionally differentiated impact on computer software and services employment (Figure 3). London was the worst affected UK region, experiencing a decline in Division 72 employment during each of the three years (2001, 2002 and 2003). However, NI's employment performance in Division 72 was worse than all other UK regions, with a 9% contraction in employment spread over 2002 and 2003. The South East and Scotland also experienced a similar (but not quite so severe) decline in Division 72 employment during 2002 and 2003. In the remaining eight UK regions, however, Division 72 employment performance was markedly superior to NI. Thus, Division 72 employment in the South West, East Midlands and Wales only declined during 2002



³ Source: September 2004 QES 2 digit analysis from DETI website (accessed July 2005) www.detini.gov.uk.

Mike Crone, Economic Research Institute of NI





Source: analysis of ONS Annual Business Inquiry, NI QES and CoE, and CSO Annual Service Inquiry.

before returning to growth during 2003; declined sharply during 2001 in East of England but returned to growth thereafter; and declined only marginally during 2003 in West Midlands after growth during 2001 and 2002. The two best performing regions during the period after December 2000 were the North West and Yorkshire and the Humber, where Division 72 employment continued to expand in each of the three years. The causes of NI's adverse performance during the downturn period require further investigation but might reflect the relative dependence of the NI software industry on inward investors. Several foreign firms

arrived and expanded rapidly during the late 1990s but are reported to have shed up to a quarter of their employment during the downturn (McGuinness and Doyle, 2003, p.8).

Sub-regional comparison

In the absence of county-level data, NI can be divided into two sub-regions for a cross-sectional comparison with the GB counties (**Table 3**). According to the NI Census of Employment "Greater Belfast" (an aggregation of the Belfast and Outer Belfast NUTS III regions) had 3,923 Division 72 employees in September 2003, which ranked it 35th out of 68 UK counties. For comparison, note that the metropolitan counties of Merseyside, Tyne & Wear and South Yorkshire had between 5,000 and 6,500 computer software and services employees in December 2003. Second, the "Rest of NI" subregion (i.e. East of NI + North of NI + West & South of NI NUTS III regions) had only 1,324 Division 72 employees in September 2003 (ranked 51st of 68 UK counties), which was only slightly more than the rural English counties of Lincolnshire and Cornwall and considerably fewer than the likes of Cumbria, Norfolk and Humberside.



Mike Crone, Economic Research Institute of NI

Region/Sub-region	Sept 2001 employees	Sept 2003 employees	Change in employees 2001-03	% Change employees 2001-03	Share of NI employees Sept. 2003	Location Quotient 2003
Northern Ireland	5,777	5,247	-530	-9.2%	100.0%	42
Sub-regions						
"Greater Belfast"	4,105	3,923	-182	-4.4%	<mark>74</mark> .8%	68
"Rest of Northern Ireland"	1,672	1,324	-348	-20.8%	25.2%	20
NUTS III regions						
Belfast	2,952	2,911	-41	-1.4%	55.5%	82
Outer Belfast	1,153	1,012	-141	-12.2%	19.3%	46
East of NI	512	336	-176	-34.4%	6.4%	13
North of NI	996	832	-164	-16.5%	15.9%	49
West & South of NI	164	156	-8	-4.9%	3.0%	7

Table 3: Sub-regional Analysis of NI Division Employment in 2001 & 2003

Note: "Greater Belfast" = Belfast + Outer Belfast NUTS III regions. "Rest of NI" = East of NI + North of NI + West & South of NI NUTS III regions. Location quotients calculated in relation to UK national economy.

Source: NI Census of Employment (special analysis supplied by DETI Statistics Research Branch) and author's calculations.

In terms of LQs, Greater Belfast (LQ 68) was therefore ranked 35th among the 68 UK counties in 2003, placing it above the comparable metropolitan counties of Merseyside, South Yorkshire and Strathclyde (LQs 54-59) but below Greater Manchester, West Midlands, Tyne & Wear and West Yorkshire (LQs 72-98). The "Rest of NI" (LQ 20) was ranked a lowly 66th among 68 UK counties in 2003, above only Shetland Islands and Western Isles and below peripheral rural counties such as Norfolk, Lincolnshire, Devon, Cornwall, Northumberland and Cumbria in England; Borders, Dumfries and Galloway, Tayside, and the Highlands in Scotland; and Gwynedd, Clwyd, Dyfed and Powys in Wales (LQs ranging from 23 to 47).

NI NUTS III regions; Belfast and its GB comparators

In both 2001 and 2003, NI Division 72 employment was highly polarised at NUTS III level (Table 3). Belfast was the dominant location for computer software and services employment within NI, having just over 2,900 employees in September 2003 and an LQ of 82. Outer Belfast (LQ 46) had around 1,000 Division 72 employees in 2003 and North of NI (LQ 49) - which includes Derry and Coleraine - had over 800. The other two (less urban) subregions - the East of NI and West & South of NI - had very few Division 72 employees (LQs 23 and 7 respectively). The highly unequal distribution of computer software and services

employment within NI may not be unexpected for a 'knowledge intensive' industry but must surely be a cause for concern among policy-makers.

Finally in this article, we compare Belfast's position in computer software and services with 18 of the leading British provincial cities outside the Greater South East of England⁴. Seven of these 18 cities had 5.000 or more Division 72 employees in 2003: Leeds (7,500), Birmingham, Edinburgh, Nottingham, Manchester⁵, Glasgow and Bristol. Two other cities - Newcastle and Sheffield - had slightly more Division 72 employees than Belfast in both 2001 and 2003. However, a further nine cities had fewer Division 72 employees than

4 Note that data availability dictates that we are comparing Division 72 employment within the administrative boundaries (i.e. unitary authority) of the various cities. Our concern is the inconsistent way in which cities are de-limited. For example, cities such as manchester and Nottingham have very tight geographical boundaries whereas cities like Leeds and Sheffield have wider boundaries covering the outer suburbs and near hinterlands as well as the central city area.

5 Note, however, there were a further 9,100 Division 72 employees in adjacent UAs of Salford, Trafford and Stockport - which some might consider to e part of the wider functional city of Manchester. Similarly, there were an additional 4,100 Division 72 employees in Solihull UA, adjacent to Birmingham.



.09

Mike Crone, Economic Research Institute of NI

Belfast in both 2001 and 2003: Coventry, Aberdeen, Liverpool, Derby, Bradford, Cardiff, Swansea, Hull and Leicester. In terms of LOs, Belfast - with a 2003 LQ of 82 - was ranked 156th out of 413 UK UALADs. Among the 18 provincial cities considered here, Belfast was therefore ranked above the cities of Aberdeen, Swansea, Liverpool, Hull, Bradford, Cardiff and Leicester, in terms of its relative specialisation in computer software and services,

but below the cities of Nottingham, Bristol, Edinburgh, Newcastle-upon-Tyne, Leeds and Manchester (Figures 4 and 5).

Focusing on the period 2001-03, the ICT downturn had a highly variable impact on Division 72 employment in the leading provincial cities outside the GSE. For example, computer software and services employment continued to expand (to varying degrees) in Leeds, Sheffield, Nottingham, Manchester and

Bristol but declined quite sharply (by more than 10%) in Birmingham, Edinburgh and Glasgow. Belfast had a more neutral experience with only a small negative change (-4%) in its Division 72 employment between 2001 and 2003. Note that the brunt of the downturn in NI was borne beyond the city of Belfast, where Division 72 employment declined by 21% over the same period.



0-28.5 28.5-40 40-53.5

170+





Source: author's analysis of Annual Business Inquiry and NI Census of Employment.



Mike Crone, Economic Research Institute of NI



Figure 5: Division 72 LQs for Belfast and 18 GB Cities, 2001 and 2003

Source: author's analysis of Annual Business Inquiry and NI Census of Employment.

References

McGuinness S, Doyle J (2003) Three Years on: Reassessing the Northern Ireland Labour Market for IT Skills: Final Report. Prepared by the Priority Skills Unit, Economic Research Institute of Northern Ireland. Commissioned by the Northern Ireland Skills Taskforce. Published by DEL. OECD (2000) *Measuring the ICT* Sector. Organisation for Economic Co-operation and Development, Paris.

OECD (2002) *Measuring the Information Economy*. Organisation for Economic Cooperation and Development, Paris. van Egeraat C, Jacobsen D (2004) The Rise and Demise of the Irish and Scottish Computer Hardware Industry, *European Planning Studies*, Vol. 12, No. 6, pp.800-834.

111



Ivor Johnston¹, Statistics & Research Branch, Department of Education

In Spring 2003, approximately 3,000 15-year olds in NI took part in a major international study of performance in reading, maths and science; a similar study had been conducted three years earlier. This article highlights some of the main findings from the 2003 study. In all three subject areas covered in the study, NI performed well: in maths six countries did significantly better than us, in reading three and in science only two. NI's performance in 2003 was very similar to that in 2000.

Introduction

The Programme for International Student Assessment (PISA) is a collaborative study among the member countries of the Organisation for Economic Cooperation and Development (OECD). It is conducted every three years and its main purpose is to assess the knowledge and skills of 15-yearolds in three broad areas of "literacy": reading, mathematics and science. It does not provide information about the extent to which pupils have mastered particular school subjects (which is already available from examination results, although the content of the curriculum differs from country to country). but rather aims to assess the extent to which young people can use their knowledge and skills to meet the challenges they are likely to encounter in adult life. The first PISA survey was carried out in 2000 in 32 countries, including NI. PISA 2003 was conducted in 41 countries², including all 30 OECD countries. The survey will be repeated in 2006. Each round of the survey covers all three domains of literacy, but the main focus changes: reading literacy in 2000³, mathematical literacy in 2003 and scientific literacy in 2006. The survey in NI was commissioned by the Department of Education and conducted by the Office for National Statistics; the fieldwork was undertaken by the Central Survey Unit of the Northern **Ireland Statistics & Research** Agency (NISRA).

Definitions

PISA's domains of literacy are defined in terms of the ability to complete a range of tasks that reflect real-life situations:

• **reading:** understanding, using and reflecting on written texts in order to achieve one's goals; to develop one's knowledge and potential; and to participate in society.

• **mathematical:** the capacity to identify and understand the role that mathematics plays in the world; to make well-founded mathematical judgments; and to engage in mathematics in ways that meet the needs of that individual's current and future life as a constructive, concerned and reflective citizen.



• scientific: the capacity to use scientific knowledge; to identify questions, and to draw evidencebased conclusions in order to understand and make decisions about the natural world and the changes made to it through human activity.

In each domain of literacy a pupil's score is expressed as a number of points on a scale, and shows the highest difficulty of task that the pupil is likely to be able to complete. The scales were constructed so that the average score for pupils from all OECD countries participating in PISA 2000 was 500⁴ and its standard deviation was 100 that is, about two-thirds of pupils internationally score between 400 and 600. Each country contributes equally to this average irrespective of its size.

1 This article is drawn from a detailed report by Eileen Goddard of the Office for National Statistics.

2 The response rates among schools in England and the UK as a whole were below the minimum requirement set by PISA. The OECD concluded that 'it was not possible to say with confidence that the UK's sample results reliably reflect those for the national population, with the level of accuracy required by PISA'. Comparisons of NI with England and the Uk have therefore not been made. 3 A summary of the results of PISA 2000 was given in

- Labour Market Bulletin 16, chapter 24.
- 4 The PISA 2003 reading scale was 'anchored' in the results for the 2000 assessment. The reading literacy scale for the 2000 assessment had a mean of 500 and a standard deviation of 100 for the 27 OECD countries

that participated. With the addition of Turkey, Slovak Republic and the Netherlands, all 30 OECD countries are now included. The overall mean for the OECD for reading literacy has been recalculated as 494 and the standard deviation remains 100.



Ivor Johnston, Statistics & Research Branch, Department of Education

The survey in NI

In NI co-operation was obtained from a sample of 118 schools throughout the region and then from 2,853 young people born in 1987 who were enrolled in them. This represented a school response rate of 81% and a pupil response rate of 84%. In March 2003 each pupil took a written assessment lasting two hours, which was administered in his or her own school using standardised methodology and in test conditions. All pupils were assessed in mathematical literacy, which was the main focus of this survey. In addition random subsamples of pupils were assessed in reading and scientific literacy.

Reading literacy

Pupils in NI scored an average of 517 points on the reading literacy scale, significantly higher than pupils in OECD countries as a whole, where the mean score was 494. NI pupils were at a similar level of achievement as those in, for example, Australia, New Zealand, Scotland, the Rol, Sweden, Netherlands and Belgium. Countries with lower average achievement than NI included France, Germany, and Japan; and in only three countries, Finland, Korea and Canada, did 15-year-olds do significantly better than in NI.





Reading literacy scale scores



Ivor Johnston, Statistics & Research Branch, Department of Education

In NI, girls scored higher than boys in reading literacy – a finding that was repeated in all the participating countries. Over OECD countries as a whole, the average difference in scores between boys and girls was 34 points, and in NI it was 33 points. Male/female differences in scores for reading literacy were not significantly different from those in Scotland or the Rol. The extent of variation in pupil reading scores in NI was relatively high and similar to that in Iceland, France and Australia. Several high achieving countries, such as Finland, Korea, and the Netherlands, showed relatively

Table 1: Mean scores in reading literacy by country

Countries in descending order of their mean score in reading literacy	All pupils	Girls	Boys	
Finland	543 (+)	565	521	
Korea	534 (+)	547	525	
Canada	528 (+)	546	514	
Australia	525	545	506	Mean score
New Zealand	522	535	508	for all pupils
NI	517	533	500	significantly
Scotland	516	527	504	higher than for the
Rol	515	530	501	OECD as a whole
Sweden	514	533	496	
Netherlands	513	524	503	
Belgium	507	526	489	_
Norway	500 (-)	525	475	
Switzerland	499 (-)	517	482	
Japan	498 (-)	509	487	
Poland	497 (-)	516	477	Mean score
France	496 (-)	514	476	for all pupils
US	495 (-)	511	479	not significantly
Denmark	492 (-)	505	479	different from the
Iceland	492 (-)	522	464	OECD as a whole
Germany	491 (-)	513	471	
Austria	491 (-)	514	467	
Czech Republic	489 (-)	504	473	
Hungary	482 (-)	498	467	-
Spain	481 (-)	500	461	
Luxembourg	479 (-)	496	463	Mean score
Portugal	478 (-)	495	459	for all pupils
Italy	476 (-)	495	455	significantly
Greece	472 (-)	490	453	lower than for the
Slovak Republic	469 (-)	486	453	OECD as a whole
Turkey	441 (-)	459	426	
Mexico	400 (-)	410	389	
OECD country average	494 (-)	511	477	

(+) Denotes a country mean score that is significantly higher than NI's.

Ivor Johnston, Statistics & Research Branch, Department of Education

little variation in pupil scores. Pupils in Belgium, Germany, Japan, Greece and New Zealand showed the highest degree of variation.

Mathematical literacy

Pupils in NI scored an average of 515 on the overall mathematical literacy scale. This was significantly higher than pupils in OECD countries as a whole, where the mean was set to 500. The average mathematical

literacy score of pupils in NI was significantly lower than in six OECD countries: Finland, Korea, Netherlands, Japan, Canada, and Belgium. Our pupils had similar average scores to those in Switzerland, Australia, Scotland, New Zealand, Czech Republic, Iceland, Denmark, France, Sweden, Austria and Germany. The mathematical literacy scores of pupils in NI were significantly better than those of pupils in thirteen countries, including the US, Italy, and the Rol.

There was no evidence of a significant male/female difference in overall mathematical literacy in NI; the mean score for boys was only four points higher than for girls. In all countries except Iceland, boys had a higher average score than girls although the advantage was relatively small and not significant in just under a third of the countries.

In NI the difference in achievement in mathematical literacy between the most able

Figure 2: Distribution of pupil proficiency in mathematical literacy by country 95% confidence interval of the mean score and the range of scores of the middle 90% of pupils



116

Ivor Johnston, Statistics & Research Branch, Department of Education

and least able pupils was less than the average for OECD countries. In some countries with high average scores, like Finland, variation was relatively small, but in others, such as Japan and Belgium, a greater degree of dispersion in pupil scores was observed.

There are four component scales for mathematical literacy. These

component scales are concerned with spatial and geometric phenomena and relationships (space and shape); functional relationships and dependency (change and

Table 2: Mean scores in mathematical literacy by country

Countries in descending order of their mean score in mathematical literacy	All pupils	Girls	Boys	
Finland	544 (+)	541	548	_
Korea	542 (+)	528	552	
Netherlands	538 (+)	535	540	
Japan	534 (+)	530	539	
Canada	532 (+)	530	541	
Belgium	529 (+)	525	533	
Switzerland	527	518	535	Mean score for all
ustralia	524	522	527	pupils significantly
cotland	524	520	527	higher than for the
lew Zealand	523	516	531	OECD as a whole
zech Republic	516	509	524	
11	515	513	517	
celand	515	523	508	
enmark	514	506	523	
rance	511	507	515	
weden	509	506	512	
Austria	506	502	509	— Mean score for all
Germany	503	499	508	pupils not significantly
ol	503 (-)	495	510	different from the
lovak Republic	498 (-)	489	507	OECD as a whole
lorway	495 (-)	492	498	_
uxembourg	493 (-)	485	502	
oland	490 (-)	487	493	
lungary	490 (-)	486	494	Mean score
Spain	485 (-)	481	490	for all pupils
IS	483 (-)	480	486	significantly
ortugal	466 (-)	460	472	lower than for the
aly	466 (-)	457	475	OECD as a whole
reece	445 (-)	436	455	
urk <mark>ey</mark>	423 (-)	415	430	
lexico	385 (-)	380	391	
DECD country average	500 (-)	494	506	

(+) Denotes a country mean score that is significantly higher than NI's.

Ivor Johnston, Statistics & Research Branch, Department of Education

relationships); quantitative relationships and patterns (quantity); and probabilistic and statistical phenomena (uncertainty).

Average achievement in NI was significantly higher than the

OECD average in two of the four components of mathematical literacy: change and relationships; and uncertainty. Pupils were particularly proficient in the uncertainty content area, having a mean score of 526 on this scale. There was no significant difference found on the space and shape, and the quantity scales.

In NI, the male/female differences on each of the four subscales were very small and not significant.

Table 3: Mean scores in the components of mathematical literacy by country

Countries in descending	Spac	e and st	аре	Change	and rela	tionship		Quantity		U	ncertani	ty
order of their mean score	All			All			Ali			All		
in mathematical literacy	pupils	Girls	Boys	pupils	Girls	Boys	pupils	Girls	Boys	pupils	Girls	Boys
Finland	539 (+)	538	540	543 (+)	537	549	549 (+)	547	550	545 (+)	539	551
Korea	552 (+)	536	563	548 (+)	532	558	537 (+)	524	546	538	525	547
Netherlands	526 (+)	522	530	551 (+)	548	554	528 (+)	530	526	549 (+)	544	554
Japan	553 (+)	549	558	536 (+)	533	539	527 (+)	525	528	528	521	535
Canada	518 (+)	511	530	537 (+)	532	546	528 (+)	528	533	542 (+)	538	551
Belgium	530 (+)	520	538	535 (+)	531	539	530 (+)	529	530	526	522	529
Switzerland	540 (+)	526	552	523	515	530	533 (+)	529	536	517	506	526
Australia	521 (+)	515	526	525	523	527	517	516	518	531	527	535
Scotland	507	501	514	529	5 <mark>2</mark> 4	535	519 (+)	517	521	536	533	538
New Zealand	525 (+)	516	534	526	517	534	511	505	517	532	526	538
Czech Republic	527 (+)	512	542	515	508	521	528 (+)	525	531	500 (-)	492	509
NI	501	497	505	519	517	521	507	509	505	526	524	529
Iceland	504	511	496	509	514	505	513	528	500	528	532	524
Denmark	512	504	521	509	499	520	516	511	520	516	505	527
France	508	499	517	520	518	522	507	506	508	506 (-)	501	512
Sweden	498	493	503	505 (-)	504	506	514	512	515	511 (-)	506	515
Austria	515	506	525	500 (-)	497	502	513	512	515	494 (-)	490	498
Germany	500	494	506	507	502	514	514	514	515	493 (-)	484	502
Rol	476 (-)	463	489	506 (-)	500	512	502	497	506	517	509	525
Slovak Republic	505	487	522	494 (-)	486	502	513	506	519	476 (-)	467	484
Norway	483 (-)	479	486	488 (-)	486	490	494 (-)	494	494	513 (-)	508	518
Luxembourg	488 (-)	474	503	487 (-)	480	494	501	497	506	492 (-)	481	503
Poland	490	484	497	484 (-)	481	488	492 (-)	491	493	494 (-)	492	495
Hungary	479 (-)	471	486	495 (-)	490	499	496	495	497	489 (-)	485	493
Spain	476 (-)	467	486	481 (-)	477	485	492 (-)	490	495	489 (-)		493
US	472 (-)	464	480	486 (-)	483	488	476 (-)	474	478	491 (-)	490	493
Portugal	450 (-)	443	458	468 (-)	462	475	465 (-)	459	473	471 (-)	466	476
Italy	470 (-)	462	480	452 (-)	442	463	475 (-)	469	481	463 (-)	451	475
Greece	437 (-)	428	447	436 (-)	427	445	446 (-)	435	458	458 (-)	449	469
Turkey	417 (-)	411	423	423 (-)	419	425	413 (-)	404	421	443 (-)	432	451
Mexico	382 (-)	374	390	364 (-)	360	368	394 (-)	388	400	390 (-)	388	392
OECD country average	496	488	505	499 (-)	493	504	501	498	504	502 (-)	496	508

(+) Denotes a country mean score that is significantly higher than NI's.



Ivor Johnston, Statistics & Research Branch, Department of Education

In NI 5% of pupils demonstrated proficiency at the highest level, Level 6, on the combined mathematical literacy scale: similar to the proportion in Scotland (4%) and significantly higher than the Rol (2%). The OECD country average was 4%. At this level pupils can: use advanced mathematical reasoning and master mathematical operations and relationships; formulate precise communications; conceptualise and work with models of complex mathematical processes and relationships, and reflect on and explain modelling outcomes; investigate and model with complex problem situations; and link different information sources and flexibly translate among them.

Table 4: Mathematical literacy: the proportion of pupils at each level of proficiency by country

Countries in descending		Proficiency level								
order of their mean score in mathematical literacy		Below level 1	level 1	level 2	level 3	level 4	level 5	level 6		
Finland	%	2	5	16	28	26	17	7		
Korea	%	2	7	17	24	25	17	8		
Netherlands	%	3	8	18	23	23	18	7		
Japan	%	5	9	16	22	24	16	8		
Canada	%	2	8	18	26	25	15	6		
Belgium	%	7	9	16	20	21	18	9		
Switzerland	%	5	10	18	24	22	14	7		
Australia	%	4	10	19	24	23	14	6		
Scotland	%	3	8	19	28	25	12	4		
New Zealand	%	5	10	19	23	22	14	7		
Czech Republic	%	5	12	20	24	21	13	5		
NI	%	5	11	19	25	22	12	5		
Iceland	%	4	10	20	26	23	12	4		
Denmark	%	5	11	21	26	22	12	4		
France	%	6	11	20	26	22	12	4		
Sweden	%	6	12	22	26	20	12	4		
Austria	%	6	13	22	25	20	10	4		
Germany	%	9	12	19	23	21	12	4		
Rol	%	5	12	24	28	20	9	2		
Slovak Republic	%	7	13	24	25	19	10	3		
Norway	%	7	14	24	25	19	9	3		
Luxembourg	%	7	14	23	26	19	8	2		
Poland	%	7	15	25	25	18	8	2		
Hungary	%	8	15	24	24	18	8	2		
Spain	%	8	15	25	27	18	6	1		
US	%	10	16	24	24	17	8	2		
Portugal	%	11	19	27	24	13	5	1		
Italy	%	13	19	25	23	13	6	2		
Greece	%	18	21	26	20	11	3	1		
Turkey	%	28	25	22	14	7	3	2		
Mexico	%	38	28	21	10	3	0	0		
OECD country average	%	8	13	21	24	19	11	4		

(+) Denotes a country mean score that is significantly higher than NI's.

Ivor Johnston, Statistics & Research Branch, Department of Education

At the lower end of the proficiency scale 11% of pupils in NI had Level 1 as their highest level of proficiency, which was similar to the proportion of pupils at this level in the Rol (12%); in Scotland the proportion was 8%, whilst the OECD country average was 13%. This level includes the ability to answer questions involving familiar contexts where all relevant information is present and the questions are clearly defined, and to identify information and to carry out routine procedures according to direct instructions in explicit situations. In NI 5% of pupils were not able to demonstrate proficiency at Level 1 on the

Table 5: Mean scores in scientific literacy by country

Countries in descending order of their mean score in scientific literacy	All pupils	Girls	Boys	
Japan	548 (+)	546	550	
Finland	548 (+)	551	545	
Korea	538	527	546	
Australia	525	525	525	
Netherlands	524	522	527	
NI	524	524	524	Mean score
Czech Republic	523	520	526	for all pupils
New Zealand	521	513	529	significantly
Canada	519	516	527	higher than for the
Scotland	514	510	518	OECD as a whole
Switzerland	513	508	518	
France	511	511	511	
Belgium	509 (-)	509	509	
Sweden	506 (-)	504	509	
Rol	505 (-)	504	506	
Hungary	503 (-)	504	503	Mean score for all
Germany	502 (-)	500	506	pupils not significantly
Poland	498 (-)	494	501	different from the
Slovak Republic	495 (-)	487	502	OECD as a whole
Iceland	495 (-)	500	490	
US	491 (-)	489	494	
Austria	491 (-)	492	490	
Spain	487 (-)	485	489	
Italy	486 (-)	484	490	Mean score for all
Norway	484 (-)	483	485	pupils significantly
Luxembourg	483 (-)	477	489	lower than the
Greece	481 (-)	475	487	OECD as a whole
Denmark	475 (-)	467	484	
Portugal	468 (-)	465	471	
Turkey	434 (-)	434	434	
Mexico	405 (-)	400	410	
OECD country average	500 (-)	497	503	

(+) Denotes a country mean score that is significantly higher than NI's.





Ivor Johnston, Statistics & Research Branch, Department of Education

Figure 3: Distribution of pupil proficiency in scientific literacy by country

PISA assessment, a lower proportion than for the OECD as a whole (8%) and the same as the proportion in the Rol. Pupils whose proficiency in mathematical literacy is below Level 1 are not necessarily incapable of performing any mathematical operation, but are unable to utilise mathematical skills in a given situation to a consistent standard.

Scientific literacy

The average scientific literacy score of pupils in NI (524) was significantly higher than the average for all OECD countries. The average score of pupils in NI was significantly lower than in Finland and Japan, but was not significantly different from those in Korea, Australia, Netherlands, Czech Republic, New Zealand, Canada, Scotland, Switzerland and France. Pupils in NI had higher average scores than those in all other countries including Germany, the US, and the Rol.

In NI girls and boys had the same mean scientific literacy score of 524 points.



Scientific literacy scale scores

Ivor Johnston, Statistics & Research Branch, Department of Education

Male/female differences were small and not statistically significant in most OECD countries.

In scientific literacy a number of countries had high average achievement levels but greater than average dispersion of scores. This included NI, Belgium, France, Japan, and Switzerland. In these countries, the range of scores between all but the top 5% and all but the least able 5% was between 344 and 361. The two countries with the least variation in scientific literacy were Mexico, which had the lowest average score, and Finland, which had the highest.

Comparison of results for NI in 2000 and 2003

In NI results on the reading and scientific literacy scales in 2003 were very similar to those for 2000. The assessment in mathematical literacy underwent substantial development for the 2003 survey, and the results for 2003 are not directly comparable with those for 2000.

Detailed report on PISA 2003 in NI

This article is largely drawn from Student achievement in NI in 2003, produced by the Office for National Statistics. The report may be accessed electronically at: http://www.statistics.gov.uk/ StatBase/Product.asp?vlnk= 13514&Pos=1&ColRank= 1&Rank=272

More information about PISA internationally

The OECD website www.pisa.oecd.org contains more information about PISA, including international reports.



Statistics Research Branch, Department of Enterprise, Trade and Investment

This article examines the employment of graduates and non-graduates in the NI labour market. Data have been taken from the Labour Force Survey (LFS), which is the largest regular household survey in NI. For the purposes of this study the term graduates refers to those persons who have, at any time, obtained a degree, which may either be a first or higher degree.

Graduate Numbers & Characteristics

In NI the number of graduates of working-age (16-64 for males and 16-59 for females) has almost doubled from 83,000 in 1995 to 155,000 in 2005. In contrast, the total working-age population only increased by 8% during this time. As a result, the proportion of the working-age population who are graduates has increased from 9% in 1995 to 15% in 2005. The number of graduates is split fairly evenly between males (51%) and females (49%), with the proportion of females increasing marginally from the figure ten years ago (48%)

There are more female (60%) than male (40%) graduates in

the 20-29 age group suggesting that for females, in particular, a higher proportion have been graduating over the last few years reflecting increases in female participation rates in higher education. For ages 30 and over this gender differential reverses and by the 50-59 age group, males represented a significantly higher proportion (64%) of the graduate population. The highest proportion of graduates in comparison to the general population were in the 20-29 and 30-39 age groups, where almost one-fifth of the population were graduates. This latter statistic reflects that overall participation in higher education has increased in recent years.







Statistics Research Branch, Department of Enterprise, Trade and Investment

In terms of qualification levels attained by NI graduates an estimated 40,000 (26% of graduates) had a higher degree in addition to their first degree. Almost one-half of these degrees were at Masters level. The main subject areas for degree holders were business and administration (22% or 33,000), followed by science and related degrees (17% or 26,000).

In NI at Spring 2005, there were an estimated 155,000 graduates, representing 14.8% of the working-age population. This is lower than the proportion in the UK as a whole, where 17.5% were graduates; the NI figure is sixth highest among the UK regions (see **Figure 3**). The proportion in NI is identical to that in Wales (14.8%), however it is significantly lower than London which has the highest proportion of graduates (26.0%).

Economic Activity of Graduates

Graduates have a clear advantage over non-graduates in terms of their chances of being economically active and in employment. Approximately 90% of graduates were in employment throughout the 10year period 1995-2005, however the proportion of non-graduates in employment has been much lower, with a current employment rate of 64.5% for non-graduates. In fact, there has



Figure 2: Subject Areas of Degrees (combined and single), Spring 2005

Figure 3: Percentage of working-age population who were graduates by UK region, Spring 2005



124

Statistics Research Branch, Department of Enterprise, Trade and Investment

been a differential of between 24 and 29 percentage points in the employment rate of graduates and non-graduates throughout the last ten years.

Overall the number of graduates of working-age in employment has almost doubled from 73,000 in 1995 to 139,000 in 2005. This compares to only a 7% growth in the total number of non-graduates of working-age in employment (from 529,000 to 567,000). Between 1995 and 2005 there was a larger increase in female graduates in employment than males. The number of female graduates in employment doubled from 34,000 to 68,000, while the number of males increased by 84% from 39,000 to 72,000. Consequently the proportion of graduates in employment who were female rose from 46% in

1995 to 49% in 2005. Employment rates for female graduates are similar to those of males, but there is a marked difference between employment rates of male and female nongraduates, with current rates being 70.7% and 58.0% respectively.

The employment rate for NI graduates is above the UK average (89.8% and 88.1% respectively). Employment rates for graduates did not show much variation across the UK regions, with the lowest employment rate (84.1%) in Wales and the highest rate (90.0%) in the East of England. However, NI had the second lowest employment rate for non-graduates at 64.5%. This is over seven percentage points lower than the UK average (71.6%).

Unemployment/ Economic Inactivity

Since the vast majority of graduates are in employment (90%), it follows that most of the unemployed and economically inactive population are nongraduates. Figures for 2005 show that 94% of the unemployed and 95% of the economically inactive population were non-graduates. It is also interesting to note that while two-fifths of female nongraduates and one-quarter of male non-graduates are economically inactive, the numbers of inactive graduates are too small to provide a reliable estimate.



Figure 4: Employment rates for graduates of working-age by UK region, Spring 2005



Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 5: Employment rate for non-graduates of working-age by UK region, Spring 2005



Employment status of graduates

It is possible to use the Labour Force Survey to analyse employed graduates in more detail and in particular to examine the type of employment in which they are engaged and the earnings that they receive.

Overall, the majority of both employed graduates and employed non-graduates were employees (89% and 81% respectively). However, nongraduates were more likely to be self-employed than graduates (17% and 11% respectively).

A higher proportion of graduates of working-age were working on a full-time basis than nongraduates (87% compared with 78%). While there was little difference for males in the proportion of graduates and nongraduates who worked full-time (96% and 93% respectively), there was a significant difference between female graduates and non-graduates; only three-fifths (59%) of female non-graduates worked on a fulltime basis, compared to almost four-fifths (79%) of female graduates.

Graduates and non-graduates are much more similar in terms of whether their employment is permanent or temporary in nature. A slightly smaller proportion of graduates of working-age (93%) were in permanent positions than nongraduates (94%). This differential between graduates

Table 1: Graduates and non-graduates of working age by employment type, Spring 2005

Type of Employment	Graduates	Non Graduates
Employee	124,000 (89%)	460,000 (81%)
Self-Employed	16,000 (11%)	95,000 (17%)
Other ¹	*	13,000 (2%)
All in employment	139,000 (100%)	567,000 (100%)

1 Includes those on government training and employment schemes or unpaid family workers.

* Sample size too small for a reliable estimate.



Statistics Research Branch, Department of Enterprise, Trade and Investment

	Graduates	Non Graduates
Full-time male	69,000 (96%)	296,000 (93%)
Full-time female	53,000 (79%)	147,000 (59%)
Full-time all ¹	122,000 (87%)	442,000 (78%)

Table 2: Graduates and non-graduates of working age working full-time, Spring 2005

 $\ensuremath{\texttt{1}}$ Excludes those that did not provide their full-time/part-time status.

and non-graduates was smaller for females than males (0.2 percentage points and 3.2 percentage points respectively). A similar proportion of male graduates (92%) and female graduates (93%) were in permanent positions. It is interesting to note that although only 59% of female nongraduates were working full-time, 90% of this group were in permanent positions.

The reliance of the NI economy on the public sector is well documented however the divergence between the levels of employment for graduates and non-graduates in this sector may not be as well known.

Despite the private sector accounting for 7 out of every 10 jobs in NI, less than half (47%) of NI graduates currently work in this sector. The remaining 53% (74,000 graduates) are employed in the public sector. In contrast three-quarters of nongraduates work in the private sector, with only one-quarter working in the public sector.

This difference is also apparent by gender as figures show that while 85% of male nongraduates work in the private sector, only 52% of male graduates work there. Also, while 62% of female non-graduates work in the private sector, the comparable figure for female graduates was only 41% – see **Table 3** for further details.



Table 3: Graduates and non-graduates of working age working in the public and private sectors,Spring 2005

	Grad	uates	Non Gr	aduates
	Public Sector	Private Sector	Public Sector	Private Sector
Male	48%	52%	15%	85%
Female	59%	41%	38%	62%
All	53%	47%	25%	75%

Statistics Research Branch, Department of Enterprise, Trade and Investment



Figure 6: Industry groups for graduates and non-graduates, Spring 2005

* Other Services includes Wholesale & Retail, Hotels & Restaurants and Other Services.

Figure 6 shows the proportion of graduates and non-graduates according to the industry section in which they work. It illustrates that a higher proportion of graduates work in Service Sector industries compared to nongraduates (87% compared to 68%). While approximately threefifths of graduates work in the Public Administration, Education and Health sector, the figure for non-graduates is much lower at 29%. In contrast, almost onethird of non-graduates work outside the Service Sector (e.g.

manufacturing, construction), compared to only 13% of graduates and 32% of nongraduates work in Other Services (including the wholesale and retail trade), compared to only 14% of graduates.

Figure 7 shows the breakdown of male and female graduates and non-graduates by industry section. Female graduates are more likely to work in Public Administration, Education or Health, with two-thirds (66%) employed in these sectors compared to 47% of female nongraduates. Male graduates (52%) are also well represented in these industries, while the proportion of male nongraduates in Public Administration, Education or Health is relatively small (15%). In contrast, whereas almost onehalf (49%) of male nongraduates are working in Non-Service Sector industries, the comparable figure for male graduates is only 17%.



Statistics Research Branch, Department of Enterprise, Trade and Investment



29

Figure 7: Industry groups for graduates by gender, Spring 2005

Statistics Research Branch, Department of Enterprise, Trade and Investment

Earnings

Figure 8 shows that average gross weekly earnings of graduate employees of workingage were approximately 70% more than non-graduate employees of working-age, with graduates earning on average £487 per week, while nongraduates earned on average £287 per week. This difference of £200 per week equates to a discrepancy of approximately £10,000 per year. **Figure 9** looks at hourly earnings. The average hourly rate of pay for graduates of working-age was two-thirds higher than that for nongraduates of working-age (£13.36 per hour compared with £7.96 per hour). Both male and female graduates earned substantially more per hour than their non-graduate counterparts, however the difference was more marked for males. The average hourly rate for male graduates (£14.29) was 71% higher than the rate for male nongraduates (£8.36), while the rate for female graduates (£12.32 per hour) was 63% higher than the rate for female non-graduates (£7.58 per hour).

On average male graduates earned 33% more than female graduates per week (£553 compared to £417), while male non-graduates earned 37% more than female non-graduates (£332 per week compared with £243 per week). As gross weekly









Statistics Research Branch, Department of Enterprise, Trade and Investment

earnings are affected by the number of hours worked per week and because a higher proportion of females work parttime, the average gross weekly earnings for females will be lower in comparison with male earnings. However, looking at hourly rates of pay reveals that on average, male graduates were paid 16% more than female graduates (£14.29 per hour compared with £12.32 per hour). For non-graduates the gender differential was smaller at 10%, with males earning £8.36 per hour and females earning £7.58 per hour.

Conclusion

It is clear from this study that on average graduates fare better in the NI labour market than their non-graduate counterparts in terms of both employment rates and levels of remuneration. Clear distinctions are also evident in the type of work engaged in by both groups. Graduates are more likely to be employees and are split fairly evenly between the public and private sectors. Non-graduates are more likely to work in the private sector and also have a higher proportion of people who are classified as self-employed. Comparing the NI labour market to other UK regions, the graduate employment rate compares favourably exceeding the UK average. Unfortunately this favourable comparison does not extend to the non-graduate employment rate where NI is second lowest of all the UK regions. The positive aspect of

this is that the proportion of graduates in the workforce is increasing with time which given the above figures should bode well for the future of the NI labour market.

Note

The analysis of graduates and non-graduates in this article is based on respondents' answers to the Labour Force Survey questions on qualification levels. Approximately 1% of respondents did not supply details of their qualification levels and these people have therefore not been included in the analysis.





Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Using data provided by the Universities and Colleges Admissions Service (UCAS) for the 2003/04 academic year, this article compares the different characteristics and choices of NI domiciled fulltime undergraduate higher education (HE) students who left to study in GB with those who remained in NI. It also examines those students who applied through UCAS for a HE place but were not accepted.

Introduction

In the 1994/95 academic year 40% of NI domiciled full-time first year undergraduate students enrolling on higher education courses in the UK moved from NI. Nearly ten years later, in 2003/04, this percentage had declined to 26%.

Students who leave NI for HE, tend not to return after graduation. The Higher **Education Statistical Agency** (HESA) Destinations of Leavers from HE Survey 2003/04, which surveyed students six months after graduation, showed that of those NI domiciled students who graduated from full-time undergraduate courses at GB institutions and whose destination was known, just over one-third returned to NI after graduation. In contrast, 91% of those who graduated from an NI

Higher Education Institution remained in NI.

In the 2003/04 academic year 12,429 NI domiciled students were accepted through UCAS to full-time undergraduate courses in UK institutions, with 8,422 (68%) accepted to NI institutions and 4,007 (32%) accepted to GB institutions. This represents a 4% increase from the 2002/03 academic year when 11,954 were accepted for a place. 3,607 NI domiciled students (22% of all applicants) applied through UCAS in 2003/04 but were not accepted i.e.

Most applicants were young: 87% of accepted applicants to UK institutions were aged under 21, with similar proportions accepted to GB (86%) and NI institutions (87%). 80% of applicants who were not accepted were in this age group.

In terms of gender, 57% of those accepted to NI institutions were female compared to 53% accepted to GB institutions. Females accounted for 61% of those applicants who were not accepted.

60% of NI domiciled accepted applicants came from a grammar school background compared to 35% of not accepted applicants.



Figure 1: NI domiciled HE applicants by A-level points score



Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Figure 2: Proportion of NI domiciled applicants by gender and region of study



Region of study by A-level score^{1,2}

An analysis of the A-level score of NI domiciled applicants by region of study shows that a greater proportion of those accepted to GB institutions held either "lower"3 or "higher"4 A-level scores compared to those accepted to NI institutions, who held "mid-range" scores (Figure 1). In other words, students who had either very high A level grades or fairly low grades were more likely to leave NI to study, whilst those with middle-ranking grades were more likely to stay. 36% of NI domiciled applicants that were not accepted to a UK institution through UCAS held "lower" range A-level scores.

On average, males were accepted for places at institutions in both NI and GB with lower A-level scores than females (**Figure 2**). Students not accepted for a HE place, irrespective of gender, held the lowest average A-level scores by a significant margin.



- 1 A-level point allocation is: A= 120, B=100, C=80, D=60,
- E=40.
 Those students recorded as having zero A-level points are excluded from the calculation of average A-level
- score.3 "Lower" range A-level scores, in this instance, are defined as 1 to 179 A-level points.

4 "Higher" range A-level scores, in this instance, are 360 or more A-level points

Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Subjects studied

Business & administrative studies and subjects allied to medicine had the highest number of enrolments⁵ of NI domiciled students at both NI and GB institutions in 2003/04.

20% 18% **GB** institutions 16% NI institutions Proportion of students 14% 12% 10% 8% 6% 4% 2% 0% Engineering Architecture, Build & Planning Law Technologies Combined subjects Business & Admin studies Subjects allied to Medicine Mathematical & Comp Science Social Studies Medicine & Dentistry Education **Biological Sciences** Creative Arts & Design Languages and related subjects Physical Sciences Hist & Philosophical studies Vet Sci,Ag & related Mass Comms and Documentation Subject of study

Figure 3: NI domiciled HE students accepted to NI and GB institutions by subject area



Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Figure 4: Not accepted NI domiciled applicants as a percentage of all NI domiciled applicants by firm subject choice and region of study



Subject of study

Figure 4 shows that for most subjects, non-acceptance rates were higher in NI institutes than their GB counterparts, for example 27% of those NI domiciled applicants who applied for veterinary science and agriculture courses at NI institutions were not accepted for a place compared to 9% of those who applied to GB institutions. In only a small number of subjects (eg low, physical sciences) were nonacceptance rates higher in GB.



Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Region of study by Socio-Economic Classification (SEC)⁶

Figure 5 shows that applicants from lower SEC groups were less likely to be accepted than those from middle SEC groups and specially those from upper SEC groups. An analysis of SEC⁷ by region of study shows that 32% of not accepted applicants were from the lower SEC groups. It also shows that while 26% of all NI domiciled accepted applicants to UK institutions were from the lower SEC groups, 28% of those accepted at NI institutions and 21% accepted to GB institutions were from these groups. This represents an increase from 2002/03 when 24% of all NI domiciled accepted applicants were from the lower SEC groups, with 26% and 19% accepted to NI and GB institutions respectively.

Region of study by Socio-Economic Classification and average A-level score

The average A-level score of NI domiciled accepted applicants in the upper two SEC groups was higher for those accepted to GB institutions, while in the remaining SEC groups the average A-level score was broadly the same or higher for those accepted to NI institutions (**Figure 6**). Those NI domiciled applicants not accepted for a HE place had consistently lower A-level scores than those accepted across all 7 SEC groups.



Figure 5: NI domiciled HE applicants to NI and GB institutions by SEC

Figure 6: Average A-level score by SEC and region of study



6 Those students declared as unknown in the SEC have been excluded from any analysis.

7 To assist with analysis, the SEC groups have been split, in some cases, into three categories: upper, middle and lower



was different from their

The term "reserve region"

should not be interpreted as

student did not wish to study in

that region but rather that they

did not obtain a place in their

most preferred region as

deduced from their UCAS

Limitations to the

There are a number of

above methodology for

limitations associated with the

assessing locational choice. In

some cases student choices

application form.

methodology

necessarily meaning that a

preferred region.

Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Locational choices of accepted applicants

Using data about accepted applicants' firm, insurance and clearing choices as revealed on their UCAS form, the choices of accepted applicants have been examined to determine whether students accepted a HE place in their "preferred region" or "reserve region". These terms are defined as:

Preferred Region - a student successful in attaining a HE place in their 1st choice region of study (whether that be in NI or GB)

Reserve Region - a student whose accepted region of study

Figure 7: Proportion of students by regional preference



were so unrelated/diverse that it was not possible to determine an applicant's preference. These applicants, which account for around 5% of students, have been excluded from the detailed analysis. It is also not possible to take into consideration influences upon students prior to them choosing where and what to study.

The methodology adopted for determining whether a student accepted their preferred or reserve region, together with further details on the limitations of the methodology can be found in the full report which is available in the statistics section of the DEL website.

Regional preference and gender

On the basis of this categorisation, of the 12,429 NI domiciled applicants accepted to UK institutions8 in 2003/04, 96% obtained their preferred region (67% in NI and 29% in GB) and 4% obtained their reserve region (1% in NI and 3% in GB) (see Figure 7). This suggests that 3% of applicants would have preferred to have studied in NI but accepted a place at a GB institution instead. On the other hand 1% of accepted applicants would have preferred to have studied in GB but accepted a place at a NI institution.

Of those accepted applicants who left NI in 2003/04, just over 9% were assessed to have taken up a place in their reserve choice of region.





regional preference

Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Regional preference by average A-level score and gender

In terms of average A-level scores, those NI domiciled applicants accepted to GB institutions on the basis of their preferred choice were the best qualified, regardless of gender (Figure 8). Conversely, those accepted applicants who obtained their reserve choice of region in GB (i.e. their preferred choice would have been to stay in NI) had the lowest average A-level score by some margin. Overall, female accepted applicants tended to possess higher average A-level scores than males, across all preferences.



Figure 8: Accepted applicants by gender, average A-level score and





Lower SEC group

Upper SEC group

Regional preference and Socio-Economic Classification (SEC)

We saw earlier that 26% of all NI domiciled accepted applicants were from the lower SEC groups. However, a lower proportionate share of applicants from these groups accepted a place in GB regardless of whether it was on the basis of their preferred (21%) or reserve (23%) choice of region. A lower proportionate share also accepted a place in NI on the basis of their reserve (19%) choice (**Figure 9**).

139

Ann Mallon, Tertiary Education Analytical Services Branch, DEL

Regional preference by average A-level score and SEC

An analysis of the SEC of NI domiciled accepted applicants by average A-level score shows that those from the lower SEC groups tend to possess lower A-level scores (**Figure 10**). This holds for all regional preference groups. The average A-level score of those whose preference was to stay in NI but who accepted a place in GB was lower than the other preference group, regardless of SEC group.

The full report, entitled "NI domiciled higher education applicants: An analysis of UCAS data – 2003/04 academic year", can be found in the statistics section of the DEL website **www.delni.gov.uk**.



Figure 10: Proportion of accepted applicants by SEC, average A-level


Kate Purcell, Employment Studies Research Unit (ESRU), Bristol Business School University of the West of England, Peter Elias and Rhys Davies, Institute for Employment Research (IER), University of Warwick.

In October 2005 the Department for Employment and Learning published the research report: Northern Ireland's graduates: the classes of '95 and '99. The research examines the labour market experiences of two cohorts of graduates, one graduating in 1995, and one in 1999. This article summaries the key findings of this report.

Introduction

This article reports on survey data from samples of two cohorts of graduates: Those who graduated in 1995 and who were surveyed in 1997/98 and again in 2002/03; and those who graduated in 1999 and who were followed up in 2001/02. The survey was UK-wide and included graduates from NI **Higher Education Institutions** (HEIs) and also NI-domiciled students who studied elsewhere in the UK. Further details on the methodology can be found in the full report¹.

Career paths of NI graduates

Figure 1 compares the career profiles of NI domiciled students who graduated in 1999 from NI (Higher Education Institutions) with all UK graduates in the same year. The employment rate immediately after graduation is slightly higher among NI

graduates, with 74% entering directly into employment compared to 69% of all UK graduates. The rate of assimilation into employment was subsequently lower among NI graduates for most of the first year after graduation: however, some 12 months after graduation, these employment profiles had converged. The trajectories of these profiles indicate that the pattern of assimilation into employment was almost identical beyond this point. Three and a half years after graduation, the rate of employment among NI graduates was 91%, compared to 92% among UK graduates.

Reflecting this assimilation into employment, experience of unemployment declined rapidly after graduation. For NI graduates, 11% indicated that they were unemployed immediately after graduating. One and a half years after







Source: The Class of '99: Survey of Early Career Paths of 1999 Graduates.



¹ Full Report is available online at http://www2.warwick.ac.uk/fac/soc/ier/research/ current/7yrs2/rp6.pdf

Kate Purcell, Employment Studies Research Unit (ESRU), Bristol Business School University of the West of England, Peter Elias and Rhys Davies, Institute for Employment Research (IER), University of Warwick.

graduation the graduate unemployment rate had declined to approximately 2%, with the proportion of the cohort unemployed remaining relatively stable after this time. There is some indication that the experience of unemployment among NI graduates during the 12 months after graduation was slightly lower than that observed among all UK graduates. However, this difference was not large and the unemployment rates of NI graduates converged with those of UK graduates beyond the 12 month period following graduation.

Figure 2 compares the career profiles of 1995 NI graduates with UK graduates over a period of seven years following graduation. In comparison with the 1999 graduates, the experience of unemployment immediately following graduation was higher among this cohort. However this must be considered within the context of improved labour market conditions with the period between 1995 and 1999, characterised by falling levels of unemployment generally. Participation in employment among NI graduates is shown to

have been lower during the first two years following graduation and the difference can be accounted for by the higher rate of participation in full time study. More than a quarter of NI graduates participated in further full time study as the main activity during the first 12 months following graduation, compared to just 17% among UK graduates. In contrast to the 1999 cohort, this higher rate of participation in full time study was shown to continue into the second and third years following graduation.





Source: Survey of 1995 Graduates Seven Years On



Kate Purcell, Employment Studies Research Unit (ESRU), Bristol Business School University of the West of England, Peter Elias and Rhys Davies, Institute for Employment Research (IER), University of Warwick.

Figure 3 shows the types of jobs held by the 1995 cohort during the seven year period following their graduation in July 1995. These figures demonstrate a continued movement away from employment in non-graduate occupations, continuing beyond the four year point at which the 1999 cohort were observed. Seven years after graduation, 13% of the 1995 NI graduates were employed in non-graduate occupations, identical to the proportion observed for UK graduates.



Figure 3: The occupational evolution of employment among 1995 NI graduates

Modern graduate job

Traditional graduate job

Kate Purcell, Employment Studies Research Unit (ESRU), Bristol Business School University of the West of England, Peter Elias and Rhys Davies, Institute for Employment Research (IER), University of Warwick.

The earnings of NI graduates

Figure 4: Earnings of 1999 graduates in full-time employment in 2003/04 by region of employment and region of residence prior to studying for 1999 qualification

Figure 4 shows the influence of location of employment on earnings: graduates are distinguished according to their region of domicile prior to studying for their 1999 degree and by the region in which they were employed in 2003/04. This shows the impact of the location of work on earnings. The lowest average earnings in the sample of 1999 graduates are recorded in NI, regardless of whether or not the graduate had his or her origins in NI.



Other UK domicile before 1999 degree course

Source: The Class of '99: Survey of Early Career Paths of 1999 Graduates.



Kate Purcell, Employment Studies Research Unit (ESRU), Bristol Business School University of the West of England, Peter Elias and Rhys Davies, Institute for Employment Research (IER), University of Warwick.





Source: The Class of '99: Survey of Early Career Paths of 1999 Graduates.

The variation in earnings by sector of employment is shown in **Figure 5**. For men, three sectors stand out as above average. In the information and communications sector; business services; and other public services, male graduates from NI HEIs who graduated in 1999 earned over £25,000 per annum on average at the time of the survey. Again, we note lower average earnings for women in full-time employment in all sectors, with the exception of distribution, hotels and catering where both male and female graduate average earnings were similar.





Kate Purcell, Employment Studies Research Unit (ESRU), Bristol Business School University of the West of England, Peter Elias and Rhys Davies, Institute for Employment Research (IER), University of Warwick.

Debt and graduates from NI

In considering levels of indebtedness we must also consider that those students graduating from a HE course in 1999 would have been eligible to apply for a means-tested mandatory award for living costs under the pre-1998 student support arrangements. The student loans available pre-1998 were also much smaller than current maximum loan amounts. Table 1 shows how levels of student indebtedness among graduates vary by both area of domicile before entering higher education and by the location of HEI. Sample size considerations limit the extent to which such an analysis can be undertaken. For example, within our sample of graduates who had accumulated repayable debt, only 49 can be identified as leaving NI to commence studying for their 1999 qualification. With this caveat in mind, such graduates are estimated to incur levels of

debt that are identical to those accumulated by others attending HEIs located outside of NI. However, the survey results would suggest that the levels of debt amongst those who remained in NI to study are lower than for those who had studied outside NI.

The full report provides further details of the career paths of NI graduates, their geographical mobility, earnings and debt and is available to download from: www.delni.gov.uk/statistics.



Table 1: Levels of student debt by location of residence and HEI³

		Location of HEI atte	Location of HEI attended for 1999 degree		
		Other UK	NI	All	
UK-domiciled	% with debt	81.8%	60.2%	81.7%	
	Level of debt	£4,913	£2,210	£4,904	
	No. in sample	(5,580)	(34)	(5,614)	
NI-domiciled	% with debt	81.0%	72.7%	73.5%	
	Level of debt	£4,921	£3,219	£3,390	
	No. in sample	(49)	(763)	(812)	
All	% with debt	81.8%	72.1%	81.1%	
	Level of debt	£4,913	£3,175	£4,790	
	No. in sample	(5,629)	(797)	(6,426)	

Source: The Class of '99: Survey of Early Career Paths of 1999 Graduates.



Michael Anyadike-Danes, Economic Research Institute of NI

This paper examines regional variations in disability within the UK and also considers the relationship between disability and employment at a regional level using data from the Labour Force Survey. The paper also explores the relationships between the main health problems of disabled people and regional employment rates.

Introduction

Relatively little seems to be known about the long term evolution of the incidence of disability and therefore on the labour market experience of the disabled in the UK (see the recent and very thorough discussion of incidence measures in Bajekal et al (2004), also Sly et al (1999)). However, since Spring 1997 we do have responses to the disability questions in the Labour Force Survey (LFS) (Jenkins (1997)) which are available for regions. Here we examine whether an investigation exploiting the spatial dimension of the LFS data may help address some of the important issues. This study is exploratory because since little use seems to have yet been made of these data outside the occasional 'official' commentaries in the ONS publication Labour Market Trends, and those commentaries have had very little to say about regional variations. For example, in the most recent 2002 commentary¹ on the Autumn 2001 LFS data just one table provided regional data (Smith and Twomey (2002, p. 418)).

This paper reports a systematic set of cross regional comparisons derived from the LFS data for the Winter quarter of 2003. Of course, given the provenance of the data, the focus here is on the labour market activities of working age persons and within that context we look, in turn, at regional variations in:

- the overall incidence of disability
- the employment rate of the disabled
- the main health problems of the disabled
- the employment rates of the disabled by main health problem.

First, though, a crucial definition. Here disabled refers to the LFS category "current long-term disabled" which means the respondent is either "disabled" as defined by the Disability Discrimination Act (DDA) and/or "work-limiting disabled". Simply put, the person has a health problem or disability which is likely to last more than a year and which affects their capacity to carry out normal day-to-day activities and/or affects the amount or kind of paid work they might undertake (see the Annex for a more detailed description).





Michael Anyadike-Danes, Economic Research Institute of NI

The Incidence of Disability

We start with Figure 1 which displays regional data on the proportion recorded as disabled in the working age male (16 to 64) and working age female (16 to 59) populations. Both male and female series show quite substantial (and similar) variation. The regions are organised in ascending male working age rate order and fall into three broad categories. At the low (left hand) end we have the 'South': London (GL); South East (SE); and the East of England (EN); all around 15%. At the other, high (right hand) end, and almost ten percentage points larger, we have the 'extreme North': Wales (WA) and the North East (NE)². Most of the rest of the country falls in quite a narrow range – 20% plus or minus 2¹/₂ percentage points in between. Notice too how similar, region by region, are the male and female working age rates. Only in the North West, where the male rate is $3^{1/2}$

percentage points above the female, is there any perceptible difference.

Of course, because the working age for males extends five years beyond that of females, and because the incidence of disability rises with age (as we shall see), male/female working age comparisons might be regarded as 'biased' to some extent. One simple way of allowing for such a bias is to calculate the incidence of disability for males 16 to 59 years, and this adjusted male rate has been plotted too: it is the dashed line on the chart. Comparing females with males for the same 16 to 59 year old age group we now see that the incidence of disability amongst females is actually greater than or equal to the incidence of disability amongst males in every region.

Notice too that the 'slope' of the male 16 to 59 line is considerably less steep than the

male 16 to 64 line, implying (unsurprisingly) that the incidence of disability amongst 60 to 64 year old males is disproportionately higher in the 'North' than in the 'South'. But before turning to a more detailed examination of cross-regional comparisons by age, let us first look at the comparison between male and female incidence rates by age using regional average data. Figure 2 records the figures. Although female incidence rates appear higher for every age group (except 16 to 19 year olds) the male/female difference in averages turns out to be less than the corresponding cross-regional standard error. So the two curves are, essentially, the same. Moreover, and just as striking as the similarity between male and female rates, is the steepness of the 'slope' in both curves: from the 40 to 44 year old age group onwards each curve rises at least 5 percentage points from age group to age group.

Figure 1: UK regions incidence of disability, working age ratio to population, male & female winter 2003 %





2 There is, though, apparent anomaly in the ordering. Northern Ireland is much closer to the 'middle' of the regional distribution than might have been expected. As we shall see above, there the Northern Ireland figure is indeed 'anomalous'.

Michael Anyadike-Danes, Economic Research Institute of NI

Given the similarity between male and female rates they can be safely combined into a 'person' figure to provide a relatively clear picture of crossregional variation in incidence by age. **Figure 3** records the regional maxima and minima, as well as the regional average, for each age group. For the younger age groups, up to and including 45 to 49 years, the range is between 5 and 10 percentage points and shows no systematic variation. But the difference between the maximum and minimum then widens, to 13 percentage points for 50 to 54 year olds (East of England (23%) to Wales (36%)) and for 55 to 59 year olds to 18 percentage points (East of England (27%) to Wales (44%))³. And it is these cross-regional variations in agespecific incidence which accounts (proximately) for the cross-regional variation in the overall 16 to 59 rates which **Figure 1** revealed⁴.

As you will recall the disabled figure is the sum of three categories: Disability



Figure 2: UK regional average, incidence of disability, ratio to population by age, male & female %





3 There is an even striking difference for 60 to 64 year old males; the incidence ranges from around $^{1}/_{3}$ in South England to almost double that rate, around $^{2}/_{3}$ in the North East.

Alternatively, we could say that there is insufficient cross regional variation in the age composition of the population to make a difference.



Michael Anyadike-Danes, Economic Research Institute of NI

Discrimination Act (DDA) disabled; work-limiting disabled (WL); and those who are both DDA disabled and work-limiting disabled (DDAWL). Figure 4 displays regional incidence data for males and females aged 16 to 59 years. We can see straightaway that not only is the DDAWL category the largest (about $^{2}/_{3}$ on average), it also accounts for the bulk of the variation in the overall incidence of disability. The sum of those either DDA or WL is about 7% in almost all regions (so on average about 40% of the total disabled)

for both males and females. Indeed there are just two exceptions (London and NI) where the rates are 2 to 3 percentage points lower. But it is the NI exception which is the more striking since it is these figures which account for NI having an overall incidence of disability more like that of the East Midlands (almost 'southern') instead of being closer to Wales (more 'northern') as we might have anticipated. If, for example, the DDA or WL rate in NI were at the regional average, its overall rate would be about 22%, just fractionally below the North East and Wales.

Employment Rates of the Disabled

The contrasts between the employment rates of the disabled and the not disabled are remarkable, as we can see from **Table 1** which displays regional average data. The average employment rate for not disabled 16 to 59 year old males at 86% is *thirty one percentage points higher* than for disabled





Table 1: Employment Rates, UK regions, Male & Female 16 to 59 years, ratio to population, %

	All			Male			Female		
	Male	Female	Male less Female	Not disabled	Disabled	Not disabled less Disabled	Not disabled	Disabled	Not disabled less Disabled
Average	81	70	11	86	54	32	76	45	31
Minimum	75	62	13	82	38	44	68	29	39
Maximum	87	76	11	90	69	21	81	57	24
Range	12	14		8	31		13	28	



Michael Anyadike-Danes, Economic Research Institute of NI

16 to 59 males; and although working age female employment rates are around 10 percentage points lower than males (essentially the proportion 'looking after the home')⁵, the gap between the average not disabled and average disabled female rates is *twenty eight percentage points*, virtually the same as for males. Indeed, as the table reveals, there is a remarkable degree of consistency across the sexes in the relationship between the employment rates of the not disabled and the disabled. But the 'shape' of the relationships underlying these differences are better appreciated by looking at **Figure 5** which displays the employment rates for disabled and not disabled by sex and region⁶. The pattern turns out to be quite striking. First of all, there is relatively little variation across regions in the employment rates of the not disabled (either male or female) and the male/female 'gap' changes very little. Second, there is a very steep 'gradient' across the regions in the employment rates of the disabled, and a relatively constant 'gap' between males and females.



Figure 5: Employment rates, males & females 16-59, ratio to population, %

5 For a discussion of male/females contrasts in crossregional variation of employment rates see Anyadike Danes (2004).

6 The ordering of regions is based on the employment rate for all persons (male & female, not disabled & disabled).



Michael Anyadike-Danes, Economic Research Institute of NI

Figure 6 re-presents the employment rate data as a scatter-plot: female versus male, separately for disabled and not disabled. This display shows very clearly what might be characterised as the 'two worlds' of employment rates. At the top right hand corner we have the not disabled 'world' with male employment rates 80% plus and female rates 65% plus. There is much more variation in the disabled 'world': at the 'southern' end (the top right hand end, South East and East of England) employment rates are relatively high, though still 20 percentage points away from the border with the not disabled world; whilst the 'Northern' end (bottom left hand end, NI and Wales) is around 50 percentage points adrift from the 'Southern' end, much further from the other 'world'.

The Health Problems of the Disabled

Respondents to the LFS are asked to identify their "main health problem" from a list of 17 conditions⁷. As we can see from

Table 2 the incidence of each ofthese health problems variesconsiderably, but is rathersimilar between the sexes (it isalso likely to vary with age butwe only have data on workingage for this LFS question). There

Table 2: Main Health Problems of the Working Age Disabled by sex, ratio to population %, average over regions

	Male	Female
Arms hands	1.1	1.4
Legs or feet	2.5	1.8
Back or neck	3.5	3.4
Difficulty in seeing	0.4	0.3
Difficulty in hearing	0.4	0.3
Skin conditions allergies	0.3	0.3
Chest breathing problems	2.3	2.3
Heart blood pressure circulation	3.0	1.6
Stomach liver kidney digestion	0.9	1.0
Diabetes	1.2	0.8
Depression bad nerves	1.2	1.7
Epilepsy	0.4	0.4
Learning difficulties	0.5	0.4
Mental illness phobia panics	0.5	0.6
Progressive illness n.e.c.	0.7	0.9
Other problems disabilities	1.1	2.2
All health problems	19.8	19.4

Figure 6: Employment rates by region, Disabled & Not disabled, females vs males (16-59), ratio to population %





- 7 For one health problem Speech Impediment so few instances were recorded that it was added into Other, leaving us with 16 categories of Main Health Problem
- leaving us with 16 categories of Main Health Problem.
 8 See Anyadike-Danes (2005) for a full description and an application to the related problem of the composition of non-employment.
- Details of the estimated coefficients and a more detailed account of the model and its solution are available from the author on request.

Michael Anyadike-Danes, Economic Research Institute of NI

	Male			Female			Male/Female Diff		
	'North'	'South'	Diff	'North'	'South'	Diff	'North'	'South'	
Arms	6.47	4.16	2.31	7.46	6.61	0.85	-0.99	-2.45	
Legs	15.23	8.92	6.31	9.28	8.95	0.33	5.95	-0.03	
Back	19.58	14.65	4.93	18.75	16.84	1.91	0.83	-2.19	
Sight	1.5	2.05	-0.55	1.57	1.03	0.54	-0.07	1.02	
Hearing	1.45	1.93	-0.48	0.96	2.14	-1.18	0.49	-0.21	
Skin	1.49	1.91	-0.42	1.52	1.78	-0.26	-0.03	0.13	
Chest	10.96	12.19	-1.23	11.35	12.59	-1.24	-0.39	-0.4	
Heart	15.21	14.34	0.87	7.63	8.94	-1.31	7.58	5.4	
Stomach	2.9	5.79	-2.89	5.43	5.11	0.32	-2.53	0.68	
Diabetes	4.87	8.47	-3.60	3.66	3.96	-0.30	1.21	4.51	
Depress	7.72	3.97	3.75	12.1	5.88	6.22	-4.38	-1.91	
Epilepsy	2.1	1.91	0.19	2.45	1.87	0.58	-0.35	0.04	
Learning	2.17	3.23	-1.06	1.83	1.75	0.08	0.34	1.48	
Mental	2.16	2.59	-0.43	2.68	3.52	-0.84	-0.52	-0.93	
Progress	2.09	5.59	-3.50	3.61	6.06	-2.45	-1.52	-0.47	
Other	4.1	8.29	-4.19	9.72	12.96	-3.24	-5.62	-4.67	

Table 3: Projected Composition of Health Problems by sex, 'North' vs 'South'

Notes:

1. For the full name of each health problem see Table 2;

2. 'North' is calculated using an incidence of disability rate of 25%, 'South' with a rate of 15%

are four conditions which stand out on the Male list, recording an incidence of 2% or more: Legs; Back; Chest; and Heart. The first three are equally prominent on the Female list, the fourth (Heart) is only half as important. Notice too that, between them, the 'big four' account for around half of the total (a little more than half for males, a little less than half for females).

We already know that the incidence of disability shows a very strong cross regional 'gradient' so it seems quite natural to ask whether the distribution of health problems might also display an interpretable pattern of interregional variation. One way of approaching this question,

especially given the striking pattern in incidence, is to ask whether or not there is any correlation between a region's disability rate and the share of the different categories of health problems in the overall total. So we will be able to determine, for example, whether Depression makes up a significantly larger share of health problems in regions with a relatively high incidence of disability (the 'North') than regions where the disability rate is relatively low (the 'South'). The simplest way to answer such questions is to estimate a model where the shares of the different health problems in regions are a function of the regional disability rates. This is a reasonably straightforward exercise in 'compositional data analysis'8

which yields the results set out in **Table 3**. The table presents a set of projections which have been calculated by 'plugging in' to the model (which is made up of the coefficients of the estimated relationships⁹) two extreme values of the disability rate (these are the top and bottom of the regional distribution as we can see from **Figure 1**), we have: a high 'North' value 25%; and a low 'South' value, 15%.

The first six columns of the table record, for males and females separately, the projected shares of the different health problems in 'North' and 'South' and the difference between them. Let us take males first and look at those problems where 'Northern' shares exceed those in the



Michael Anyadike-Danes, Economic Research Institute of NI

'South' by more than 2 percentage points. There are four, in descending order (with the difference in parentheses): Legs (+6); Back (+5); Depression (+4); and Arms (+2). Balancing these we also have four health problems with larger 'Southern' shares: Other (-4); Progressive (-4); Diabetes (-4); Stomach (-3). Whilst it is not wise to draw any strong conclusions from these results, it does appear that those more prevalent in the 'North' look rather more workrelated than those in the 'South': whilst those more prevalent in the 'South' might appear less environmentally dependent (most notably Progressive which covers cancers). By contrast, there is very little of a regional gradient in the female shares. Just Depression (+6) gets a larger 'Northern' score, whilst Progressive (-2) and again Other (-3) in the 'South'. The last pair of columns in Table 3 record male/female

differences at the 'Northern' and 'Southern' ends of the distribution. Notice that the male/female difference in Heart (+) and Other (-), which was noticeable in the regional averages (Table 2), appear in both columns. This is not typical though: Legs (+6) is an important problem for men in the 'North' but not in the 'South': whereas Back (-2) is a significant problem for women in the 'South' but not in the 'North'. Depression is a more important problem for women both 'North' (-4) and 'South' (-2).

Employment Rates by Health Problem

Finally, we ask the question: how do the employment rates of the disabled vary by health problem? And does that variation show any regional gradient? Our approach here will involve just summary statistics

rather than any more formal modelling work. Rather than relying on just the extremes of the regional distribution to investigate cross-regional contrasts, here we will use a wider definition of the north/south divide: the difference between the averages for the 'North': a combination of the North East, Wales and NI; and the 'South': South East, South West, and East of England. The 'North'/'South' difference in disabled employment rates computed for these groupings is around 20 percentage points for both males and females.

The line on **Figure 7** records the employment rate for disabled working age 'Northern' males in increasing order. It ranges from 10% for those with Mental Health problems to 70% whose main health problem is a Skin Condition. The bulk of health problems (12 out of 17) record

Figure 7: UK selected regions, working age males, employment rates by health problem, 'North' & 'South' %





Michael Anyadike-Danes, Economic Research Institute of NI

employment rates which fall within a relatively narrow range between 30% and 50%. The bars along the bottom of the chart represent the 'Southern' differential in employment rates. So, for example, disabled males with a Mental Health condition have a 10 percentage point higher employment rate in the 'South' than in the 'North'. As you will notice straightaway, Skin Condition is the only health problem for which a higher employment rate is recorded in the 'North' (and the difference is just one percentage point). Moreover, for a whole range of health conditions (more than half of those listed) the employment rates in the 'North' are lower than in the 'South' by 20 percentage points or more.

Figure 8 provides a parallel set of comparisons for females. Although the range of 'Northern' female employment rates is the same as that for males – from 10% to 70% - the distribution appears flatter through more of its range. Again for more than half the problems, 'Northern' employment rates are lower by 20 percentage points or more.

Some Concluding Remarks

It is becoming more widely accepted that there is an association between spatial variations in sickness in the UK and variations in the state of the labour market (for a brief review of the literature see Anyadike-Danes (2004); Beatty, Fothergill and Macmillan (2000) provides a conceptual discussion). But the relationship between spatial variations in the state of the labour market and labour market outcomes for the disabled has attracted much less attention. Not only have we

shown that there is a clear cross-regional pattern in the incidence of disability, but we have uncovered an even more strikingly differentiated regional pattern in the difference between the employment rates of the disabled and the not disabled. Moreover, we showed that there is significant crossregional variation in the main health problems of the disabled which, in turn, is correlated (albeit more strongly for males) with inter-regional patterns in the incidence of disability and employment rates of disabled people.

Reference

Anyadike-Danes, M. (2004), "The Real North South Divide? Regional Gradients in UK Male Non-Employment" **Regional Studies**, vol. 38, pp. 85-95



Figure 8: UK selected regions, working age females, employment rates by health problem, 'North' & 'South' %





Michael Anyadike-Danes, Economic Research Institute of NI

Anyadike-Danes, M. (2005), "How well are women doing? Female Non-employment across UK Regions" *forthcoming* **Applied Economics**

Bajekal, M, T. Harries, R. Breman and K. Woodfield (2004), **Review of Disability Estimates and Definitions** Department of Work and Pensions, In-house Report 128 (London, DWP)

Beatty, C., S. Fothergill and R. Macmillan (2000) "A Theory of Employment, Unemployment and Sickness" **Regional Studies**, vol. 34, pp. 617-630



Disability Rights Commission (2004), "Disability Briefing – January 2004" downloaded from the DRC website **www.drc-gb.org** on 2nd January 2004.

Jenkins, J. (1997), "Assessment of the quality of the data from the spring 1997 LFS disability module" *Labour Market Trends*, December pp. 494-495

Office of National Statistics (2004a), *Labour Force Survey User's Guide – Volume 2 2004 Questionnaire*. Downloaded January 12, 2005.

(http://www.statistics.gov.uk/ downloads/theme_labour/LFS UGvol2.pdf)

Office of National Statistics (2004b), *Labour Force Survey User's Guide - Volume 3: Details* of *LFS variables 2004*. Downloaded January 12, 2005.

(http://www.statistics.gov.uk/ downloads/theme_labour/LFS UG_Vol3_2003.pdf)

Sly, F., T. Thair and A. Risdon (1999), "Disability and the labour market: results from the winter 1998/9 LFS" *Labour Market Trends*, May pp. 455-466

Smith, A. and B. Twomey (2002), "Labour market experience of people with disabilities" *Labour Market Trends*, August pp. 415-427

Twomey, B. (2001), "Disability and the labour market: results from the summer 2000 LFS" *Labour Market Trends*, May pp. 241-252

Annex - The LFS Disability Questions

Since spring 1997 all workingage LFS respondents have been asked:

 Do you have any health problems or disabilities that you expect will last more than a year? (if yes they are asked to say what kind and given a list; can be more than one)

And, if yes,

 Does this health problem or disability substantially limit your ability to carry out normal day-to-day activities? Those answering 'yes' to Q1 & Q2 (or having a progressive illness cancer, muscular dystrophy, etc) are *current DDA disabled*.

Those answering 'yes' to Q1 are also asked:

- Does this health problem affect the KIND of work that you might do?
- Does this health problem affect the AMOUNT of paid work you might do?

Those answering yes to either Q3 or Q4, are *work-limiting disabled*.

Those who are either *current* DDA disabled or work-limiting disabled or both, is defined as having a current long term disability. The term 'disabled' is used here to refer to this latter category: those with a **current long term disability**.

Respondents answering "yes" to Q1 that identified more than one health problem or disability are also asked which is their "main" health problem or disability.

For a detailed description of the LFS questionnaire see ONS (2004a), for a description of the variables see (ONS, 2004b).



Jim Russell, Pathways to Work, DEL

The Government's welfare reform agenda began in 1998 with the introduction of New Deal in NI and GB. This first phase of intervention was aimed at helping unemployed people on Jobseeker's Allowance (JSA) back to work. The most recent initiative, Pathways to Work, started in NI in October 2005 and represents an attempt to assist those people who are sick or disabled and who are claiming **Incapacity Benefit (IB) to enter** or re-enter the labour market.

Background

Chapter 8 of last year's Labour Market Bulletin¹ detailed how unemployment has fallen sharply in NI since the mid-1990s. The claimant count unemployment rate currently stands at around 3% and the Labour Force Survey unemployment rate, which is less susceptible to changes in levels of benefit claims - is around 5%. At the same time employment levels have risen sharply in NI with more than 100,000 extra people in work now than there were in the early 1990s.

However as the article also discussed, levels of economic inactivity have not changed much in NI over a 20 year time period: between 1984 and the present, working age economic inactivity rates have varied mostly within a narrow band of 27%-30%: there is certainly no discernable falling trend. As unemployment has fallen, policy attention has strayed to this segment of the working age population. If full - or even fuller - employment is to be achieved, then increasing employment rates will have to be accompanied by falls in inactivity rates: the inactive represent a key source of labour and NI inactivity levels of around 28%, which are considerably in excess of the UK average of around 21% - represent a key policy challenge. Furthermore, economic inactivity also tends to be associated with deprivation and social exclusion - so reducing inactivity is also a key

element in combating poverty. This is not to say that economic inactivity is necessarily a bad thing – the group includes students, for example, who are investing for their future: and many people are inactive by choice. What it does mean is that high levels of inactivity – particularly inactivity caused by sickness and disability – are a labour market as well as a medical issue.

Government has already responded to the increased need to focus on inactivity levels. For example, New Deal provision has been expanded to cover those who are economically inactive (eg the New Deals for Disabled People and for Lone Parents); new claimants in receipt of benefits other than JSA are being invited to workfocussed interviews to see how they can be helped, if appropriate, into the labour market; and basic/essential skills initiatives have targeted those in most need of help and we know that many inactive people have no or poor qualifications and are operating at low levels of literacy and numeracy. However to date these initiatives, although they have helped, have failed to impact significantly, and it has become clear that more needs to be done.

Incapacity Benefit

On the whole people with sickness and/or disability in NI have not shared in the growth of employment that has occurred



Jim Russell, Pathways to Work, DEL

over the past decade or so. While the number of people in work has been growing – and the number unemployed has been falling – the number of claimants of Incapacity Benefit (IB) have been rising. The most recent published IB figures for NI at the time of writing relate to February 2005, and these show that:

- The number of IB claimants in NI is more than 112,000².
- This figure is almost four times higher than the number of JSA claimants (currently around 29,000).
- This represents 10.4% of the working age population, compared to 6.7% in GB. IB levels in NI are therefore high in a UK context.
- The number of IB claimants has increased by more than 13% since February 1998, although the number of recipients of IB has fallen over the same period (by more than 6%).
- Of those receiving IB, the vast majority (89%) have been on the benefit for more than a year. Around half have been on the benefit for four years or more. Once on IB, especially beyond a few months, it is a difficult benefit to get off.
- There are considerable geographical variations in the rate of IB claimants within NI, ranging from 6% of the working age population in

North Down DC area to 15% in Strabane DC area. North Down is the only DC area in NI to be below the GB average rate.

However, closer analysis of the medical conditions that people have which lead to their claim to IB suggests that perhaps twothirds of them have mild or moderate medical conditions that in favourable circumstances would be generally manageable and not necessarily result in exclusion from the workforce although they could preclude the person from following their previous occupation. This analysis is supported by the indepth regional analysis of IB in this Bulletin by Michael Anyadike-Danes (see Chapter 17). In addition, there are indications that most people who move on to IB expect to get back to work at some stage but the longer they stay on IB the more difficult it becomes to return to work.

This is the context in which DEL took the decision to introduce Pathways to Work pilots as a way to best offer help and support to this group, with the objective of moving some IB claimants closer to the labour market and back to work.

Pathways to Work in NI

Pathways to Work pilots have been running in GB since October 2003 in a number of areas: these pilots are currently being evaluated. The early indications are that the programme is operating effectively, with early results somewhat exceeding expectations³ and current GB plans are for expansion and extension. The development of Pathways to Work in NI has also been informed by evaluation of previous work carried out here with this group, especially the introduction of a work-focussed interview (WFI) regime for all working-age benefit recipients. The main characteristics of previous interventions were:

- They had minimal impact, with low uptake from the target group and correspondingly few moves off benefit and into employment.
- It was recognised that the impact of the work-focussed interview regime was not maximised by timing this interview towards the beginning of a claim for benefit: claimants understandably see sorting out of benefits and thus securing income as a priority at this stage.
- There was a general recognition that more support was needed for this group: they need more than advice and guidance but in addition help in particular areas, as well as training in some instances.
- There was a need for a better thought out partnership approach: Personal Advisers have specific skills, but cannot hope to adequately



2 All IB figures are from the Department for Social Development www.dsdni.gov.uk/incap_feb05.xls. JSA figures are from the Department for Enterprise, Trade and Investment www.detini.gov.uk
3 DWP have put some results of early Pathways analyses in the public domain. See, for example www.dwp.gov.uk/pub_scheme/2005/mar/pdfs/ib_where_we_have_got.pdf



Jim Russell, Pathways to Work, DEL

cover the range of help required by clients. Therefore it became imperative to develop partnerships with those organisations that can help. Given that members of the client group will have a range of medical conditions, links with the medical profession and organisations delivering healthcare were identified as being key partners.

 Finally, it was acknowledged that there was a need to change attitudes and perceptions. These included attitudes of clients themselves, to encourage them to have more confidence in approaching the labour market; attitudes amongst employers; and attitudes amongst DEL's own staff.

Learning from these lessons, Pathways to Work was introduced on 3 October 2005 in three pilot areas in NI: Ballymoney; Lurgan; and Magherafelt. Initially, the pilots will cover fresh claims for IB, but from April 2006 this will be extended to include those claiming for up to two years in the pilot areas.

In the pilot regime, the initial work-focussed interview will take place at week 8 of a benefit claim, thus allowing time for benefit issues to be addressed and also in recognition of the fact that a proportion of new claims (especially those with acute rather than chronic conditions) will sign off anyway in the early stages of a claim without the need for any intervention⁴. A certain proportion of claimants will be exempt the WFI process if their conditions are considered such that they would not benefit from participation in the regime; and a further group of clients deemed to be already close to the labour market will also be exempt. However, people in both of these client groups will be entitled to participate in the WFI process on a voluntary basis.

Once clients enter the WFI regime, as long as they remain on the benefit they should attend an initial interview and up to a further five interviews over a 6-month period. A key element of the regime is that clients will be offered help to manage their condition if appropriate, and also other assistance to help them to move towards the labour market. Attendance at the interviews will be a mandatory aspect of the regime: taking up of further help will be voluntary. Key features of Pathways are shown in **Box 1**.

Monitoring and Evaluation of Pathways

The aim of the Pathways pilots will be to put into place a comprehensive package of support measures to help sick and disabled clients consider work where this is possible. Monitoring and evaluation procedures are being put into place to ensure that this is tested appropriately. Monitoring will examine the experience of clients in Pathways areas specifically the uptake of the WFI regime; the extent to which clients avail themselves of the assistance that is offered to them; and the flows through the benefit and particularly moves to employment in the Pathways



- Improved and enhanced work-focussed interview regime
- New role for specially trained Personal Advisers
- Better Use of Medical Information
- Work-focussed health rehabilitation programmes and condition management programmes
- A package of incentives to encourage people to try work; to make work pay; and to support those who try it and for whom the job doesn't work out
- Improved support from the Department's specialist Disablement Advisory Service.

4 In fact, the moving of the WFI to week 8 has taken place in respect of all fresh claims for IB from 3 October, not just in the pilot areas. This is partly because it has been recognised that this approach would be useful for all new claims, but it also renders any evaluation of Pathways easier as it removes a potential source of variation between pilot and non-pilot areas.

Jim Russell, Pathways to Work, DEL

pilot areas compared to non-Pilot areas and to the pre-Pathways regime. However, quantitative evidence, although vital, will not be enough. At an early stage of Pathways it will be necessary to assess what is working well in order to build on the effective components of the package (and, similarly, what isn't working so well and acting accordingly); and it will be important to know how the partnership arrangements are progressing on the ground.

Conclusion



Pathways to Work marks a significant extension to the welfare reform agenda in NI. Its introduction marks a substantive change in the way that the welfare system interacts with a significant group of clients who are sick or who have a disability in an attempt to improve labour market outcomes for this group and - eventually - to shift NI's inactivity rate in a downwards direction. Given the persistence of high rates of inactivity in NI for the past two decades as mentioned in the early part of this article, this will be no easy task. Much will depend on wider economic and labour market conditions, but monitoring and evaluation will be necessary to test this intervention robustly. However, as Chapter 1 of the Bulletin has discussed, the world in relation to welfare reform does not stand still, and further reform of IB appears to be firmly in the pipeline. The next edition of the Labour Market Bulletin will report on the initial progress

of the Pathways pilots: and doubtless it will have much else to report besides in this area.

Further information about Pathways to Work in NI can be obtained on the DEL website www.delni.gov.uk.



Angela Hodkinson, Deloitte MCS Ltd

This article reports main findings from the Evaluation of the New Deal for Disabled people which was carried out for DEL by Deloitte MCS in 2003/04.

Introduction

The New Deal for Disabled People (NDDP) is an employment programme designed to meet the needs of those claiming health related benefits who are deemed to be job ready or almost job ready. Its target group includes a diverse range of people with various disabilities and/or illnesses. All NDDP clients should be capable of moving into work with only a low level of assistance.

NDDP in NI is the responsibility of the DEL and the Social Security Agency (SSA). Within DEL, the Disablement Advisory Service (DAS) delivers the programme through its Disablement Employment Advisors based in JobCentres/Jobs and Benefits Offices. There is also a network of independent Job Brokers that provide NDDP services under contract to DAS.

NDDP is a voluntary programme. Clients choose whether to take up the programme with a DEA or a Job Broker. In each case, clients can access training needs assessment, jobsearch support and training through NDDP. DEAs have access to a Pre-Employment Training and Education Budget (a maximum of £750 for up to 26 weeks training), which is not available to Job Brokers. From the programme launch in April 2001 and March 2004, a total of 2,349 people registered for NDDP (58% through DEAs and 42% through Job Brokers).

DEL commissioned Deloitte MCS to look at the DEL input to NDDP in NI in 2003. Core evaluation activities were:

Survey of NDDP Participants

- 1st wave, 242 face to face interviews, Nov 2003; and
- 2nd wave, 191 face to face interviews, March 2004. completed.

Survey of Eligible Non-Participant

'Opt In' letter issued to 1,000 eligible benefit claimants. 24 non-participants interviewed face to face.

Survey of Employers involved in NDDP

- 1st wave, 100 telephone interviews, Nov 2003;
- 2nd wave, 66 telephone interviews, March 2004.

Consultation with Programme Delivery Staff

- Network of 6 independent Job Brokers
- 5 Disablement Employment Advisors

Consultation with Other Stakeholders

- 3 Focus Groups with Disability Sector
- Programme Data Analysis
 Output, cost and other programme data

Evaluation Findings & Conclusions

Participants' Experiences of NDDP

On the basis of survey evidence it can be concluded that NDDP



Angela Hodkinson, Deloitte MCS Ltd

has been reasonably effective in meeting its objectives. A quarter of participants have moved into paid work and most were satisfied with the work they had obtained. People in work included those who had never worked prior to NDDP and among those who applied for paid work, three quarters were successful. Key findings were:

- NDDP participants were appropriately motivated to take part in NDDP demonstrating a commitment to enter employment, and most felt their disability allowed them to carry out some type of work. Most had reasonable work experience;
- no single marketing activity dominated in terms of successful promotion of NDDP. The letters issued to eligible benefit claimants to notify them of the programme had only limited success in attracting participation;
- participants tended not to 'shop around' for an NDDP provider and many were unaware of the provision options available. Proximity of DEA/Job Broker and previous contact with them were more important factors in registering with a provider for NDDP; and
- satisfaction with the service provided was generally high, although up to a third were not entirely satisfied with either the amount of adviser support time available, the

pace of progress or the usefulness of support provided in meeting their needs.

Employment Outcomes

Analysis of programme monitoring data (see **Table 1**) indicated that of the 2,349 people registered for NDDP between April 2001 and March 2004, 47% went into full time, part time or permitted work. A greater proportion of DEA clients went into work, but a greater proportion of Job Broker clients reached sustained employment. Value for money estimates suggest that the costs of achieving these outcomes are reasonable, with lower average costs in relation to Job Broker outcomes.

Employer Experiences of NDDP

Evidence from the employer survey indicates that:

- employers were generally satisfied with the service they had received, although some felt the amount of support had not met their requirements. Satisfaction was somewhat higher among those who dealt with Job Brokers than those who dealt with DEAs;
- NDDP had realised a significant impact on the employment of people with disabilities by these employers and most felt that taking part in NDDP had resulted in improved understanding of the needs

Table 1: NDDP Registrations and Employment Outcomes

Registrations	Number	%
Job Broker	1,356	58%
DEA	993	42%
Total	2,349	100%
Clients into Work	Number	%
Job Broker	345	31%
DEA	765	69%
Total	1,110	100%
Employment Status	Number	%
Full-time work	629	57%
Part-time work or permitted work		
	481	43%
Total	481 1,110	43% 100%
Total	481 1,110	43% 100%
Total Sustained Employment	481 1,110 Number	43% 100% %
Total Sustained Employment Job Broker	481 1,110 Number 191	43% 100% % 57%
Total Sustained Employment Job Broker DEA	481 1,110 Number 191 142	43% 100% % 57% 43%



Angela Hodkinson, Deloitte MCS Ltd

of workers with disabilities; and

 as a result of participation, these employers would recruit people with disabilities again, and almost all would participate in NDDP again.

Programme Design and Delivery

While NDDP has been reasonably successful in terms of meeting its core employment objectives, there have been some difficulties in terms of programme design and delivery. The evaluation conclusions in this regard are as follows:

Target Participants and Recruitment

• DEL defined the target group for NDDP in terms of benefit eligibility and job readiness. The evaluation found that there has been a lack of 'fit' between the target group NDDP was designed to support and expectations of providers as to the broader range of needs it should address. In particular providers and other stakeholders perceived that the programme had a role in meeting the needs of those with more significant barriers to employment for whom support is variable across NI. Stakeholders perceived a lack of integration exists between DEL's provision for people with disabilities (not just NDDP) and that of health-led and not for profit

support for people with disabilities. There is also a perceived lack of support for training for people with disabilities generally. As this evaluation did not set out to assess the entire range of measures for people with disabilities, this perception could not be validated. However, it can be concluded that the specific role NDDP was designed to fulfil in the range of interventions for people with disabilities has not been consistently applied or understood;

- participants whose needs could not be met with the intervention NDDP was designed to provide have been inappropriately recruited onto the programme. This has resulted in additional inputs by Job Brokers and DEAs (in terms of time and support), and associated difficulties in sustaining the programme within the current funding mechanism. Job Brokers used their other services to support NDDP participants as funding support was not available for training within the programme:
- despite a range of marketing activity, participant recruitment has been difficult at times and there is no strategic approach to marketing across the DEA network and Job Brokers. In some areas and with some providers, participant numbers have been particularly low. No clear

reason emerged as to why this was the case, but influencing factors seemed to relate to a lack of dedicated resources in Job Brokers, operating in a rural location and lack of experience in delivering support for people with disabilities;

- the lower than expected number of participants recruited onto the programme coupled with the relatively large number of Job Brokers resulted in a lack of economy of scale. There were therefore difficulties for Job Brokers in sustaining the programme within the allowances available (even given an increase in registration fees in April 2003). If only those with the lowest level employment barriers had been recruited to NDDP, numbers would be even lower; and
- in order to increase participation from within the target group there is potential to make the programme more attractive in terms of clarity around benefit issues, NDDP branding, product differentiation and provision of financial incentives such as cash bonuses for participants completing placements or sustaining employment.

Employer Participation

 employer engagement has been localised and stemming from individual participants, with only isolated examples



Angela Hodkinson, Deloitte MCS Ltd

of more strategic relationships having been established with employers. (Two of the Job Brokers developed partnerships with large employers to help meet their recruitment needs while simultaneously supporting NDDP participants). For NDDP to have a significant impact on the attitudes of employers towards people with disabilities, a more strategic approach is required.

Delivery Mechanism

- as currently designed, NDDP is only likely to be appropriate for a small proportion of those on eligible benefits (DWP estimates that NDDP is appropriate for only four per cent of those on eligible benefits in GB). In this context, the current network of Job Brokers and DEAs is not the most efficient means of programme delivery and could be rationalised;
- broad similarities exist in terms of the services provided by the DEAs and Job Brokers but potential participants have not been assured of the same support from all providers - there have been geographic differences in access and the products available to each type of provider have varied; and
- the 'twin-track' delivery model has resulted in negative competition

between DEAs and Job Brokers and between Job Brokers. It has not served to promote integration or best practice development within the sector or ensure that each participant will receive the support that best meets their particular needs.

Recommendations

The evaluation recommended that due to the employment outcomes achieved on the programme, and positive feedback from clients and employers involved, DEL continued to provide employment support through this programme. However, actions were recommended to improve programme uptake and performance:

Strategic Issues - the specific role of NDDP must be clarified and its position in the range of employment support for people with disabilities must be clearly articulated (including both DAS provisions and support provided by the voluntary sector and health and social services trusts). This should include defining the strategic role of NDDP, identifying the target group and means by which potential participants' should be initially assessed, and putting in place systems to support movement between NDDP and other more intensive interventions.

Employer Impact - more strategic relationships should be developed with employers to meet the needs of programme participants and promote equal access for people with disabilities in the labour market. This might include building intermediary partnerships with large employers with recruitment needs, so that they can adapt their job offering for the NDDP client group and thus fill their vacancies.

Strategic Plan – following amendments to the programme, a strategic plan should be developed to define NDDP's role, the objectives it aims to meet, the delivery processes it will use and the strategy for programme promotion at a regional and local level.

Programme Design – in redesigning the programme, DEL should consider what steps can be taken to make NDDP more attractive to people with disabilities within the target group. The role of financial incentives should be considered such as placement completion bonuses or bonuses for those sustaining open employment.

Programme Delivery Options -

the current Job Broker/DEA delivery model should be reviewed to promote a more strategic approach to meeting the employability needs of people with disabilities and reduce confusion for potential participants.

For further details please contact Angela Hodkinson, Deloitte MCS Ltd, 028 9032 2861



Eric Hanvey & Christine Jones, PEER Consulting

PEER Consulting were appointed by the Department for Employment and Learning in November 2004 to undertake an evaluation of the New Deal Self-Employment Route. This article presents an overview of the findings of this evaluation, the overall aim of which was to evaluate the performance and experiences of New Deal participants who chose the selfemployment route.

Background

The New Deal Self-Employment (NDSE) route has been available from the inception of the New Deal in 1998. It is available to those on the New Deal for 18 to 24 year olds, New Deal 25+, the New Deal for Lone Parents (NDLP) and more recently as part of the New Deal for Partners (NDP). The NDSE route has three distinct stages, which apply equally within all four of the relevant New Deals, these are;

Stage 1 – a **Basic Awareness Session** typically lasting one half-day. This is to ensure participants do not have unrealistic expectations about their ability to succeed in selfemployment.

Stage 2 - Attendance at the **Start A Business Programme** (SABP) usually over a 3 week period, where the participant receives support, mentoring and help to develop a Business Plan.

Stage 3 - A period of **Test Trading** for up to 26 weeks, with the support and guidance of a contracted Provider experienced in advising and assisting people in self-employment.

Approach

Our approach to the evaluation involved the use of a number of

research tools focusing on the experience of those who had participated in the self – employment route and in particular its impact on participants' chances of becoming self-employed and sustaining a successful business. The main research activities we used were:

- A review of monitoring data and key policy documents.
- A range of key informant interviews including interviews with NDSE Route providers.
- A survey of 200 participants stratified in relation to participation from the various different New Deals i.e. the bulk coming from the ND25+ approximately 125, with a further 70 from the ND 18-24 and the remaining 5 from the NDLP
- Four focus groups, two with Personal Advisers and two with participants.

Main Findings

The main findings of the evaluation are set out under two broad headings relating to the more qualitative aspects of the process and the more quantitative assessment of programme outcomes.





Eric Hanvey & Christine Jones, PEER Consulting



Figure 1: Paticipants rating of a range of programme factors



Process

Figure 1 above summarises all the responses provided by programme participants in relation to our questions on the utility of the different elements of the NDSE route.

We can see from this figure that for all aspects of the programme the responses were very positive with the majority of respondents saying that they found the support provided very helpful in relation to starting their business. In relation to participants' overall rating of the helpfulness of all aspects of NDSE in starting a business and continuing in self employment, more than 60% of respondents rated the programme at least "very helpful" (and nearly a fifth said they couldn't have done without it). Less than 7% found

NDSE "not at all helpful". The responses in relation to individual elements - for example regarding test trading; developing business ideas etc were also very positive. The only issue raised where more than 10% did not find the assistance provided "at all helpful" was in relation to provider assistance and advice on accessing alternative sources of funding. This is a crucial issue for any new business and a particular problem for NDSE participants who do not have a history of earnings to support their attempts to obtain finance. It also stemmed from a lack of consistency in the type of support provided to participants which was evident from our consultations and focus groups. Quite simply, it seemed to be easier for participants in some areas to access loan funding

than in others. We have touched on this issue in the recommendations, but in this context it is worth remembering that half of all respondents rated the advice they received in this area to be "very helpful" and a further quarter found it "helpful".

One other issue with regard to process that came up in our consultations was in relation to the time taken to get NDSE participants through the process. NDPAs and the Stage 1 and 3 providers remarked upon the delays they found in getting participants onto Stage 2. This problem seems to be most acute in areas where there are small numbers of participants going through the NDSE route and/or where the provider themselves has a small catchment area and a relatively low level of throughput in terms of the SABP



Eric Hanvey & Christine Jones, PEER Consulting

as a whole. One solution to this would be closer co-operation between adjacent LEAs to ensure that the NDSE participant gets on the soonest available SABP course within a reasonable proximity.

However, apart from these minor inconsistencies and delays in the process it is important to reflect that the overall impression from our consultations and focus groups was highly positive about the programme, with both NDPAs and participants providing positive statements with regard to the training and support delivered by the programme.

Outcomes

The labour market outcomes, evidenced in our participant survey, support the positive picture we obtained from the more qualitative elements of our methodology. Overall some 66%

of the ex-NDSE participants surveyed are now in employment either as employees or in selfemployment (see Figure 2 below). This is a remarkable achievement, particularly when compared to a previous report by the Education and Training Inspectorate in 2001 where only about one third of participants achieved sustained selfemployment. It also compares very favourably with the overall outcomes for the New Deal 25+ where just 38% of participants were in employment.

In addition to these labour market changes the programme has also realised a number of other benefits including the following;

- 28 additional jobs created in the new businesses established by the 200 NDSE participants surveyed.
- An average increase in the

incomes of the NDSE participants surveyed of 70%.

The evaluation considered the factors which influenced the propensity of NDSE participants to remain in self-employment or employment. The most important factor was previous labour market experience with those who had spent the most time out of the labour market i.e. unemployed or on other benefits, the least likely to remain in sustained selfemployment. In addition we also found that there was some relationship with regard to education, age and health. In summary;

- Those with no education were least likely to remain in sustained self-employment.
- The older cohorts were less likely to remain in selfemployment as were those with poor or fair health.





Figure 2: Progression through the Programme (all participants)

Source: Peer Consulting Survey of New Deal Self-Employed Participants, 2005

Eric Hanvey & Christine Jones, PEER Consulting

 We also found that those who owned their own home were more likely to remain self-employed perhaps indicating better access to finance.

Overall the evaluation would indicate that the programme is working well and in particular has improved its outcomes considerably since the 2001 report, which was itself largely positive about the programme. The more qualitative elements of our methodology confirmed these findings with high satisfaction ratings for all elements of the programme.

Recommendations

Given the overall positive performance of the programme it should not be surprising that we have relatively few recommendations to improve the delivery of the New Deal Selfemployment Route. However there were a few issues, particularly in the consistency of delivery and with regard to accountability which we feel could be improved through new and simpler contractual arrangements for the delivery of this element of the New Deal. The main issues which we feel these changes would help to tackle are as follows;

• **Timing:**- during our evaluation this was an issue for both New Deal Personal Advisers and Selfemployment Providers delivering stages 1 and 2. The main issue was the time elapsed in getting participants onto and through Stage 2 of the programme due to problems in getting them registered on a SABP course and once on the course the length of time taken in some instances to develop their business plan.

- Focus:- we were struck by the differences in scale between the level of ND Selfemployment activity of some Providers compared with others. We also, perhaps not surprisingly, found a qualitative difference in relation to their knowledge of, and commitment to, the programme for those providers who managed significant numbers of participants. They were also more likely to provide additional support for ND Self-employment participants specifically.
- Accountability:- we believe that the current delivery structures are overly complex in relation to the separation of Stage 1&3 providers and Stage 2 providers. This was particularly apparent when we attempted to analyse the numbers in terms of progression through the Selfemployment route.

To tackle these issues we feel that the contractual arrangements should be simplified to make it easier to assess the performance of different providers and to simplify the management arrangements for DEL. However given that the programme is currently performing well we feel that there is no great urgency in relation to these changes and they can be made when the contract for the self-employment route comes up for renewal.

In relation to the structure of the delivery mechanisms we would suggest the following:

- That DEL should contract with a number of lead providers across NI who would take full responsibility for individual participants while they progress through the ND Self-employment Route.
- While not prescriptive we feel that a structure based on that of DEL's own regional operations would be sensible with perhaps 2 to 3 lead providers in each of North, South and Belfast.
- Whilst the Lead Provider • would take responsibility for the delivery of all stages of the NDSE Route, Stage 2 would still consist of the SABP programme and would be delivered by a member of the Enterprise NI network. The key factors in deciding which Local Enterprise Agency should include a consideration of accessibility (although 90% of all participants own a car) and minimising delay between moving from Stage 1 to Stage 2.



168

Eric Hanvey & Christine Jones, PEER Consulting

- The Lead Provider would also be the sole point of contact for the NDPA making it easier for them to track their clients while participating on the programme.
- For both contractual and administrative simplicity we would also suggest that payment for Stage 2 should be channelled through and managed by the Lead Provider. The contractual relationship for Stage 2 will therefore be between the Lead Provider and the Stage 2 Provider.

We believe that these changes would simplify the delivery mechanisms, provide better accountability and create Lead Providers with a stronger focus on the specific requirements of NDSE Route participants.





Evaluation of Training for Work

Angela Hodkinson, Deloitte MCS Ltd

The Training For Work Programme was introduced by DEL on a pilot basis in October 2001 and is designed to improve the employability of those out of work but who are not eligible for participation in New Deal. This article summaries the findings of the programme evaluation commissioned in 2003.

Introduction

Training for Work (TfW) was introduced in October 2001 on a pilot basis and is delivered by Enterprise Ulster on behalf of DEL. TfW is one of the Focus for Work (FfW) programmes, which aim to improve the employability of those who are out of work but not eligible for New Deal. It provides vocational training for adults over a period of up to a year, during which time participants should still be encouraged to seek and secure employment if possible. An interim evaluation of TfW was completed in September 2002. This focused on the difficulties faced by the programme in meeting the participation targets set at the design stage - only around ten per cent of the programme's capacity was met in its first six months. In order to make informed decisions about whether the programme should be mainstreamed on completion of the pilot, DEL appointed Deloitte to undertake a final evaluation of TfW in July 2003.

Findings

The evaluation found that:

1. The original policy rationale for a vocational training programme for unemployed people not eligible for New Deal still exists. In addition, labour market data suggests that sufficient economically inactive and unemployed people exist to warrant continued intervention in this regard;

- 2. At the time of the evaluation, design changes and further "bedding in" of the programme had resulted in much improved performance in terms of participation rates, but these changes were relatively recent and the programme had not yet reached its full potential;
- 3. TfW had successfully attracted clients from the client groups specified for the programme but since the pilot was introduced progress had been made in terms of client segmentation by need rather than benefit status. More needs to be done to identify the specific characteristics of each client group and assess the progression possible in relation to each one;
- 4. TfW had provided a flexible range of training to a high standard. TfW had also provided support, assessment and supervision to a high standard. The chief concern with regards to provision was the programme's reliance on childcare training which at that time had accounted for the majority of programme activity;
- TfW had not met the targets set for qualification and employment outcomes and according to these measures the programme had only partially achieved



Evaluation of Training for Work

Angela Hodkinson, Deloitte MCS Ltd

objectives as regards improving clients' employability. However, other evidence suggested that participation in the programme had resulted in employability benefits for the individuals involved;

6. The lower than expected occupancy on the programme meant that the quantum of benefits realised had not met expectations. The grant provided to Enteprise Ulster had not been adjusted in line with participation on the programme resulting in very high unit costs and poor value for money; and



 Liaison between DEL and Enterprise Ulster at a local level had constrained programme effectiveness and there is significant potential to improve local arrangements to the benefit of the programme.

Recommendations

It was recommended that DEL continued to meet the need for vocational training for adults through TfW, but it was recommended that revisions were made to the programme to ensure that it operates more effectively, accounts for the employability needs of different client groups and provides better value for money. The following recommendations were made:

- Clients should be redefined in terms of the target groups now identified by DEL:
 - clients that need vocational training and have other barriers to employment – these should be largest proportion of TfW's clients;
 - harder to help clients that have more complex, difficult to resolve barriers to employment; and
 - clients that need vocational training to access employment but who are relatively "easy to help" due to their lack of other barriers – these should be a relatively small proportion of TfW's clients;
- 2. Seek to diversify the training provided through TfW to reduce the reliance on childcare training by making efforts in the 12 months following the evaluation to promote training opportunities in other regional skills deficit areas;
- The target average occupancy rate of 1,000 trainee opportunities should be maintained for TfW but

this target should be segmented to reflect the range of occupational areas and client groups DEL wishes the programme to address;

- DEL should consider reducing the eligibility for JSA clients from 26 weeks to 13 weeks and waiving the eligibility rule completely where appropriate;
- DEL should continue to liaise with SSA to explore the possibility of non JSA benefit customers remaining on their relevant benefit during their TfW placement;
- Training plans should be developed that are consistent with the needs of the customer groups identified above such that there would be a real variety in the duration of training. The maximum training period allowed should be one year;
- 7. Different targets should be set for harder to help clients that reflect distance travelled and are consistent with expectations for this group. Targets for the remaining clients should be based on the achievement of targeted qualifications, completion of planned placement hours, and employment outcomes;



Evaluation of Training for Work

Angela Hodkinson, Deloitte MCS Ltd

- DEL should consider the possibility of alternative means of provision of vocational training for those clients closest to employment that need little support during their training;
- 9. DEL should revise the current funding arrangements for TfW to provide a more flexible system in terms of operating the programme to ensure better value for money. This could be achieved through linking grant payments to minimum occupancy levels or to agreed targets for programme benefits;
- 10. The local interface between DEL and Enterprise Ulster must be improved and efforts must be made to devolve responsibility for the programme to local level and ensure that TfW is treated as part of the JobCentre/Jobs and Benefits Office core business. This should include the following:
 - TfW should remain part of the FfW product range and be included as an option when staff are undertaking Work Focussed Interviews or Employment Review Interviews;

- a programme of internal promotional activity should be jointly devised by DEL and Enterprise Ulster to disseminate information on revised TfW structures throughout the organisations;
- local Enterprise Ulster staff and JobCentre/JBO staff should be jointly charged with developing plans to promote TfW to the local market. Enterprise Ulster should develop a promotional plan that operates at a regional and local level and resources permitting, allocate a central specialised resource to assist with local office promotions and recruitment activity; and
- DEL should remain involved in the recruitment process for TfW by signing off ITPs and conducting Work Focussed Interviews or Employment Review Interviews with clients.

Several programme delivery options were considered in relation to TfW and it was recommended that a further pilot period of 1 year should be allowed to develop as far as possible the changes proposed in this report.

For further details please contact Angela Hodkinson, Deloitte MCS Ltd, 028 9032 2861







Strategic Review of Construction Industry Training Board

Angela Hodkinson, Deloitte MCS Ltd

In 2004 DEL reviewed the Construction Industry Training Board (CITB) and appointed Deloitte MCS to carry out this review.

Introduction

The CITB was originally established under the Industrial Training Act (NI) 1964 and the subsequent Industrial Training (Construction) Act (NI) 1964. The 1964 Act was replaced by the Industrial Training (NI) Order 1984. As well as being an Industrial Training Board, the CITB is an Executive Non Departmental Public Body.

CITB's current strategic plan sets out strategic objectives in seven areas:

The underlying requirement of the review was to determine whether the functions exercised by CITB are required and, if they are needed, whether the existing NDPB model is the best model by which to deliver them. Subsequently the various functions of the CITB were to be reviewed to determine whether they could be provided more effectively in the future.

At the time the review commenced, CITB was already in the process of organisational restructuring. The rationale for this restructuring was the change in CITB's strategy since the last review in 1998 from being primarily a training provider (training being free at the point of access to its levy payers), to a strategy of developing and encouraging the training network and employers to deliver adequate training to meet the needs of industry.

CITB's Performance

CITB's performance was considered against its strategic objectives and its contribution to meeting DEL objectives. Findings in each strategic performance area were as follows:

Identifying Training Requirements:

- CITB produced an employment forecasting model in 2003, providing a good baseline for strategic planning but demand forecasting at the macro level had not been kept up to date. It was considered that CITB could do more in its strategic planning to reflect broader research on supply and demand within the sector; and
- at a micro-level, systematic mechanisms were not in place to utilise intelligence gathered by the training advisors which indicates industry needs.

Setting and Maintaining Standards:

 CITB has made an important contribution to the introduction and promotion of industry registration schemes, in particular the Construction Industry Register scheme (CSR). There is now an infrastructure in place to meet training and assessment needs and an



Strategic Review of Construction Industry Training Board

Angela Hodkinson, Deloitte MCS Ltd

appropriate level of monitoring takes place to ensure the integrity of the scheme.

Encouraging Training and Promoting Systems of Standards:

 while uptake of registration schemes was initially slow, around 62% of the workforce is now registered as competent to practice. This demonstrates considerable progress towards CITB's longterm strategic aim of ensuring a fully competent workforce across all categories;



- CITB is also seeking to progress registration schemes so that they require qualifications, thus seeking to contribute further to DEL workforce development objectives (e.g. to ensure qualification of the workforce to at least Level 2);
- there has been a reasonable amount of advisory activity and it would appear that CITB's aim of encouraging employers to take ownership of training is progressing satisfactorily. However, it was difficult to assess the quality and impact of advisory services due to inconsistency in target setting and the lack of mechanisms to systematically collate and analyse advisor activity / feedback; and

 the uptake of training grants has much improved, although some grant remained unallocated.

Encourage New Entrants and Retention:

- the number and retention of new entrant apprentices is improving each year, but retention rates are still poor. CITB has played an active role in promoting construction as a career and in trying to reshape apprentice training to influence the rates of retention; and
- there is no clear understanding of the number of other new entrants into the industry (i.e. not apprentices). It is important that CITB develop its intelligence in this area in order to fully assess whether industry demands for new entrants have been met and to take account of any needs these workers may have (for example, the language requirements some migrant workers may have).

Act as Trainer of Last Resort:

 the amount of direct training provided by CITB has reduced in accordance with the strategic decision taken to only provide training where no other provider was available. However, there have been difficulties in predicting demand. Improvements in managing the intelligence gathered through advisors, sub-sector needs analyses and the industry model should support demand estimates; and

 direct training provided through CITB's training unit (now branded as TASC) is subsidised by a levy allocation and income from training services has been well below budget.

Spreading the Cost of Training Across the Industry:

analysis of levy income • shows the increase in resources available to CITB to meet its strategic objectives over the last few years. In 2003/04, levy income totalled £3.9m. Levy database analysis shows that the means for calculating levy payments results in a reasonable spread of the costs of training across the industry according to company size. However, using the distribution of grant claims as a measure of benefit from CITB activity illustrates that benefits have not been spread well across the industry. Grant payments totalled £1.4m in 2003/04, but only 41% of employers paying a levy have claimed a grant from CITB; and


Strategic Review of Construction Industry Training Board

Angela Hodkinson, Deloitte MCS Ltd

 there is scope for CITB to improve cost-benefit analysis for levy payers to make better links between the levy paid and benefits obtained as these are not always well understood within the sector.

Results of Consultation

The review included consultation with external stakeholders, staff, Board members and a selfcompletion survey sent to 400 levy paying employers (the response rate was 22%). Results were as follows:

- the need for training within the construction sector is not matched by uptake of training within the construction sector. Hence, consultation indicates that intervention in the form of CITB and its functions is still needed;
- the continuation of the levy is supported as a means of funding CITB and for the leverage it holds with regard to encouraging firms to train;
- the role of CITB has been changing with regard to a shift away from direct training, but also in relation to the challenges related to the development of Sector Skills Councils (SSCs). For several in the sector, these changes have made CITB's role and purpose less clear;
- the perceived value for money provided by CITB is a significant concern for many

within the sector. Key to this are lack of transparency with regard to how the levy is used, issues related to CITB's premises, administration of the levy and the perceived administrative overhead required by CITB's NDPB status; and

there are perceived to be issues with representation and effectiveness of the CITB Board. There were concerns on representation associated with the balance between larger employers and smaller employers, the need for and contribution of employee and educationalists, and the perceived concentration of power amongst a few large building contractors. With regard to effectiveness the key issue was the Board's need to provide more strategic leadership at a time of change.

Contextual Issues

The current policy and industry context suggested the continued need for the functions of CITB and the future direction it should take.

As an industrial training board and a partner in the construction sector SSC (ConstructionSkills), CITB has a clear role to play in meeting current policy objectives in terms of articulating skills demand for the construction industry and supporting the industry workforce to meet that demand. CITB's involvement in ConstructionSkills presents opportunities to build capacity around research, intelligence and promotions, and to strengthen its strategic position.

With the growth in public sector building expenditure and a number of significant private sector developments, there is general agreement that there will be increased demands for skilled construction workers in NI in coming years. Furthermore, there is growing concern that the industry does not have the capacity to meet the challenges ahead. However, there is no consensus as to the future demand for the NI construction sector and there is a need for clarity in this area. In taking forward its responsibilities in this area CITB needs to develop its own projections but also give consideration to other views developed. Changing building techniques must also be factored into projections. Agreement should be reached as to the needs of the sector in NI. both in terms of the amount and type of workforce development required.

Additionally health and safety remains an important issue to address, with little improvement in the number of accidents, despite the growth of industry registration schemes.

Conclusions

The strategic review of CITB concluded that since the 1998 review, the organisation has made considerable efforts to



Strategic Review of Construction Industry Training Board

Angela Hodkinson, Deloitte MCS Ltd

address the recommendations made and as a result has realised a reasonable impact in terms of its own and DEL's strategic objectives. We concluded that there is a continued need for intervention to ensure that strategic objectives for the construction sector and workforce development can be met. The review of organisational options available to CITB did not suggest that government priorities and industry objectives could be better met under any option other than the current NDPB status. Recommendations are listed below.

Recommendations



At a strategic level, it was recommended that CITB address the capacity of its Board to lead the organisation in meeting its strategic objectives, particularly, in view of the broader contextual changes arising from the development of Sector Skills Councils, the demand implications of the Strategic Investment Programme, the strategic direction of DEL, and major stakeholders within the sector such as Construction Employers Federation. A need to strengthen the understanding of demand in the sector was also identified, with CITB having a role to play in identifying training needs in terms of scale and type of training using its own and other forecasting data. Finally, it was recommended that a more strategic relationship should be developed between DEL and

CITB to better benefit both parties. In particular CITB and DEL should consider how CITB links into key strategic initiatives such as the Skills Strategy and the strategy for further education (FE Means Business) and accountability meetings should be held between the two organisations.

From an operational perspective, the review recommended that:

- CITB should increase training grant uptake among construction employers and that the Board should monitor the distribution of grants claimed across the industry in terms of company size and sub-sector to ensure that the levy payers most in need of subsidy are supported.
- CITB should continue to promote industry registration schemes to help meet its strategic objective to ensure fully competent workforce across all categories. It should also continue to progress moves to develop CSR to require qualification thus meeting government objectives around minimum qualification levels.
- recent restructuring rightly recognises the value of CITB's **Training Advisors** as the 'face' of the organisation and the first point of contact for many levy payers. The recent increase in the number of advisors and

expansion of their role was endorsed as a means by which to:

- understand employer requirements at a micro level;
- encourage workforce development and uptake of training;
- improve levy management; and
- communicate and demonstrate the benefits of paying levy.
- CITB needs to improve capacity to capture data on **new entrants** to the industry who do not come through the apprentice training route so this supply is better understood and so the training needs of this population can be met.
- CITB should continue to provide direct training where required, but improve demand forecasting and regularly test other options for external delivery so as the Board can keep provision under review. It is expected that CITB costs with regard to direct training would continue to fall as grant uptake increases.
- Strategic relationships should be further developed with the further education sector and the construction sector SSCs.



Strategic Review of Construction Industry Training Board

Angela Hodkinson, Deloitte MCS Ltd

- · The Board should prioritise improving communications over the forthcoming period to communicate to the sector employers and stakeholders what CITB's role is and to demonstrate the benefits it generates for the industry. Communications should help employers develop the business case for training for example case studies linking training activity with improved productivity, retention rates, reduced sickness levels etc. CITB should also carry out an annual levy payer survey that allows satisfaction with CITB services and customer views to be tracked effectively.
- The Board should agree an appropriate financial management strategy to deal with the current retained surplus. This should include improved transparency of what CITB spends its money on, and how the levy is spent, in order to improve perceptions regarding value for money.
- The Board has commenced a review of CITB's premises which we would expect to consider the future premises needs of CITB and its customers, and the implications of selling the current site. This review should be completed as a matter of urgency.

For further details please contact Angela Hodkinson, Deloitte MCS Ltd, 028 9032 2861





Wendy Lecky, Tertiary Education Analytical Services Branch, DEL

The Department for Employment and Learning's Research Agenda 2004-07 was launched in November 2004. This article reports progress on the Agenda to date and details the individual research projects that DEL proposes to take forward. DEL's Research Agenda is predicated on the Department's commitment to evidence based policy formulation and development. It recognises that access to high quality, up to date research is an essential ingredient in both shaping policies and services and successfully delivering its strategic objectives. The Department has three overarching aims in terms of delivering the Agenda:

- To strengthen further the link that exists between research and policy development within the Department;
- To provide improved coordination 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 the Department.

The Research Agenda sets out eleven themes where DEL considers that the research either needs to be updated or where there are gaps in the knowledge base needing filled. These themes are:

- Interagency Co-operation on Improving Employability;
- Dispute Resolution and the Tribunal System;
- Research to Inform
 Employment Law Issues;

- Engagement with the Voluntary and Community Sectors, in relation to Training and Labour Market Activities after the ending of EU Objective 1 Funding;
- Research to Inform the Welfare Reform Agenda;
- Continuation of Research into Issues Affecting the Labour Market in NI;
- Research in Support of the Skills Agenda;
- Higher Education Research and Development and Knowledge Transfer Activities;
- The Outcomes of Education
 and Training;
- Widening Access to Further and Higher Education; and
- A Programme of Market Research.

A number of issues for investigation are outlined under each theme within the Research Agenda¹.

At the end of November 2004, Central Procurement Directorate (CPD) on behalf of the Department invited researchers to come forward with proposals to address the questions raised under each of the above themes. This competition closed in mid-January 2005. There was a high response to the call for proposals and nine projects have been recommended as suitable for commissioning, as set out overleaf².



1 The DEL Research Agenda can be accessed online on www.delni.gov.uk/docs/pdf/DELResearchAgenda04_ 07.pdf

2 In addition to the nine projects detailed in this article, there are a further two projects which the Department may take forward but in respect of which a final decision has not yet been taken. In both instances there are potential overlaps with other research and the Department needs to satisfy itself that any projects would substantially add to existing and planned research before commissioning. 181

Wendy Lecky, Tertiary Education Analytical Services Branch, DEL

Delivering Employability through partnership? Best practices in inter-agency cooperation on improving employability in Europe {Research theme: Inter-agency Co-operation on Improving Employability}

Napier University Edinburgh (Ronald McQuaid, Colin Lindsay & Malcolm Greig) and University of Ulster (Martin McCracken) will undertake this piece of research. The purpose of the project is to explore issues around where outside NI, best practice in improving employability is to be found. It requires an exploration of the extent to which best practice depends upon interagency co-operation, how this might relate to the kind of agencies involved, the roles and responsibilities of such agencies, the costs and benefits associated with inter-agency cooperation, and the impacts (including their measurability) on relevant target client groups. The intention is to use the results of this research to inform future DEL policy toward a variety of target client groups. The research project commenced in August 2005 and is scheduled for completion in the Summer of 2006.

Labour Markets, Spatial Mobility and Benefit Claimants: Rural/Urban contrasts in NI {Research theme: Research to Inform the Welfare Reform Agenda}

This research commenced in September 2005 and is being undertaken jointly by the School

of Geography, Queen's University Belfast (Ian Shuttleworth) and the Institute for Employment Research, University of Warwick (Anne Green). The project seeks to extend earlier research undertaken in NI in three major ways. Firstly, by extending it geographically beyond Belfast by looking at perceptions and experiences of the labour market in selected urban and rural locations. Secondly, it is expanded beyond young people by looking at Jobseekers Allowance and Incapacity Benefit Claimants. Thirdly, it will include household circumstances. access to transport, attitudes towards mobility, and the interplay of spatial/non-spatial barriers to employment as well as the labour market perceptions. The project is due to be completed by October 2006.

Understanding why people return to New Deal in NI {Research theme: Research to Inform the Welfare Reform Agenda}

This research commenced in September 2005 and is being undertaken jointly by the Centre for Economic and Social Inclusion and Locus Management: The purpose of the research is to give a better understanding for the reasons why some people return to New Deal, and to have a deeper insight into the characteristics and labour market experiences of returners. The research will be a survey of New Deal returners across NI who are onprogramme in a defined period.

The study will build on the experience of evaluating StepUP – the GB pilot for New Deal returners. The views of providers and other stakeholders will also be assessed through interviews and focus groups. The research is due to be completed by the end of 2006.

NI Skills Task Force Executive Skills Watch Survey {Research theme: Research in Support of the Skills Agenda}

PA Consulting has been commissioned to continue their Executive Skills Watch Survey for the Department. This survey includes an analysis of the executive, managerial, senior professional and senior technical skills requirements in the NI market place by way of analysing the relevant vacancies being advertised in the Belfast Telegraph. The survey will include both private and public sector executive vacancies. To augment the quantitative data gathered as part of the survey, the research will also include a qualitative element into relevant and current issues affecting the NI executive labour market. The research will cover one calendar year finishing in mid-2006.

Occupational Forecasts and Replacement Demand in NI {Research theme: Research in Support of the Skills Agenda}

Regional Forecasts is currently undertaking a piece of research to provide occupational forecasts and replacement demand analysis for NI. Replacement demand refers to



Wendy Lecky, Tertiary Education Analytical Services Branch, DEL

the net 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. It is envisaged that the analysis will act as a tool in helping to identify potential future staffing levels across occupations in NI. In addition, by linking the analysis through to qualification structure, it can act as an early warning of likely shortfalls or over-supply of certain qualifications within NI. The research should be completed towards the end of 2006.

What can literacy scores tell us about NI's productivity gap? {Research theme: Research in Support of the Skills Agenda}

This study, undertaken by Regional Forecasts, commenced in October 2005 and should be completed by the end of 2005. It will access the role of labour market skills in explaining the productivity gap in NI. A recent study in Canada has highlighted a strong correlation between improved literacy scores of the workforce and higher levels of Gross Value Added (GVA). The current research will investigate if similar conclusions could be attributed to the NI economy. An initial review will evaluate the relevant literature regarding productivity and literacy scores in a UK context. If a subsequent data scoping exercise is successful then part two of the research will statistically analyse

the relationship between literacy scores and GVA, with comparisons between NI & GB.

An examination of Higher Education Research and Development and Knowledge Transfer in NI {Research theme: Higher Education Research and Development and Knowledge Transfer Activities}

This piece of research commenced in September 2005 and is being undertaken by InnovationLab (Ireland) Ltd. This project will benchmark the current levels of investment in Higher Education (HE) Research and Development (R&D) and knowledge transfer activities in NI with other comparable regions. In addition the study will benchmark the outcomes of HE R&D in NI against other regions and compare overall levels of effectiveness. Examples of leading practice will also be identified and consideration of suitability for transfer to the NI context. The study is due to be completed in Spring 2006.

An econometric study of HE students who do not complete their courses {Research theme: Widening Access to Further and Higher Education}

Professor Vani Borooah and Dr Mark Bailey, University of Ulster, have been commissioned to undertake an econometric study to determine the characteristics of HE students who are most likely not to complete their courses and to quantify this risk for different groups of students. The research will use data held by student records from within the University of Ulster. The study will also investigate the reasons for attrition. The research is due for completion in Summer 2006.

Higher Education (HE) and Further Education (FE) Participation in NI {Research theme: Widening Access to Further and Higher Education}

Bob Osborne, University of Ulster, and Tony Gallagher, Queen's University of Belfast, will lead on this piece of research which commenced in July 2005. This project seeks to examine the characteristics of higher education participation in NI which is not currently available from statistical sources. It will among other things examine why NI domiciled students apply to universities outside of NI and if any do so reluctantly. It will be based on a sample of post-primary schools and FE colleges and will explore student choices relating to FE and HE and the factors behind those choices. The outcomes from the research should be available by April 2007.

A Steering Group has been set up for each project, including representatives from other Departments as appropriate, which is being chaired by the relevant Policy Division within DEL to assist in the integration of research findings with policy development and service



Wendy Lecky, Tertiary Education Analytical Services Branch, DEL

delivery. Progress will be monitored at a strategic level by the Department's Research Steering Group.

When completed, copies of each of the research reports will be made available electronically on the Department's web-site or in hard copy upon request. Summaries of the research findings will also be provided as articles in the Labour Market Bulletin. In some instances dissemination may also take place through seminars and conferences.

The research delivered under the auspices of the Research Agenda should add substantially to DEL's evidence base and improve the efficacy of policymaking. The Department now plans to review and update the Research Agenda to ensure that it continues to reflect its research priorities, for example by considering themes that the tenders received in the initial call for bids did not address.

It should be noted that Research commissioned through the Research Agenda does not represent the totality of research work carried out by the Department. For example, DEL has also been involved in research that flows from specific demands which could not be accommodated through a call for proposals as took place under the Research Agenda - an example of this is Essential Skills research which is reported on elsewhere in the Bulletin. Also, the Department liaises with

other Departments to carry out research of cross-departmental impact - a case in point being the Labour Market Dynamics Study (see Chapter 29) which flowed from work carried out by the Taskforce on Employability and Long-term Unemployment, and which is being led by the Office of the First Minister and Deputy First Minister. Finally the Department carries out an extensive programme of policy and programme evaluations (reported on in Chapters 19 to 22) which complement the work being carried out under the Research Agenda.





John Kerr, Tertiary Education Analytical Services Branch, DEL¹

The Department for **Employment and Learning** monitors a number of **Government organisations and** research bodies to keep abreast of pertinent 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 and so that, when commissioning its own research the **Department avoids any** unnecessary duplication of work carried out elsewhere.

This article summarises a selection of research published in the last year. All of the research is available on the internet and the relevant web addresses are given and key 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.

The Organisation for Economic Co-operation and Development (OECD) groups 30 member countries sharing a commitment to democratic government and the market economy. The OECD plays a prominent role in fostering good governance in the public service and in corporate activity. It helps governments to ensure the responsiveness of key economic areas with sectoral monitoring. By deciphering emerging issues and identifying policies that work, it helps inform the policy making process.

• Education at a glance: 2005

The 2005 edition of the publication *education at a glance* provides a rich, comparable and up-to-date collection of indicators on the performance of education systems. While the focus is on the 30 OECD countries, the indicators also include an increasing level of coverage of partner countries from throughout the world. The indicators look at who participates in education, what is spent on it, how education and learning systems operate and a wide range of outcomes ranging from how well secondary school children can solve problems to the effect of education on adults' chances of employment.

www.oecd.org/document/ 34/0,2340,en_2649_ 201185_35289570_ 1_1_1_1,00.html

Review of National Policies for Education: Review of Higher Education in Ireland

This OECD review evaluates how well the Irish Higher Education sector is meeting its objective of placing its HE system in the top rank of the OECD in terms of both quality and level of participation. From this review the OECD has offered 52 wide ranging recommendations that the Irish HE sector should consider to enable its further evolution in order to achieve its objective. Interestingly, one of the recommendations the OECD review makes is that subject to means testing, fees for undergraduate study be reintroduced and the "Free Fees" policy be withdrawn. www.education.ie/servlet/ blobservlet/oecd review national policies education.doc





John Kerr, Tertiary Education Analytical Services Branch, DEL

• Putting the Young in Business: Policy challenges for Youth Entrepreneurship

This sets out a potential response to two major challenges facing OECD countries: the need to ensure that young people can play a full role in society, and the need to foster entrepreneurship for job creation, innovation and economic adaptability. To this end, the OECD hopes this document will stimulate policy debate on the factors that encourage youth entrepreneurship, the obstacles that stand in its way and the policy measures that can support it. www.oecd.org/document/ 27/0,2340,en_2649_ 201185_34264859_ 1 1 1 1,00.html

On the edge: Securing a sustainable future for higher education

This report examined Higher Education in eight countries including England and Ireland. The report outlines the challenges for governors and managers of HE institutions posed by the changing culture of the sector The paper identifies the governments' drive to see greater collaboration with business as an example of this cultural change. The authors infer that the challenge of introducing best management techniques,

such as; investing for sustainability and developing an integrated institutional strategy in order to accommodate this change, is one of the greatest challenges facing the public service today. www.oecd.org/dataoecd/ 10/63/33642717.pdf

Ageing and Employment Policies: United Kingdom

This report is part of an OECD-wide study of the position of older people in the labour market across many developed countries: by "older workers", the OECD is referring to those aged 50 or over. There are many drivers behind this study - but a key one, common to all developed countries to a greater or lesser extent - is the demographic ageing of the population combined with employment rates that fall amongst older workingage people. The report begins by outlining the challenge for the UK: that is, the share of population aged 65 and over will rise from 23% of the working age population in 2003 to 47% in 2050. This has to be seen in the context of recent increases in the trend towards earlier labour market exit (ie, early retirement). The report examines the current policy response in terms of pension/benefit policy and also in terms of labour market policies. It also

outlines possible further reforms in these areas and sets out a series of recommendations for government, including reducing onflows to disability benefits; developing programmes to help women remain in employment; simplifying the state pension system; adjusting eligibility ages for retirement-related benefits; ensuring good governance of pension schemes; completing the introduction of anti-age discrimination legislation; promoting better work-life balance; improving the delivery of the New Deal 50 plus programme: strengthening careers guidance for older people; and propping selfemployment amongst older workers.

www.oecd.org/dataoecd/ 31/47/35050713.pdf

The Learning and Skills Development Agency's (LSDA)

mission is to improve the quality of post-16 education and training in England, Wales and NI. They do this through research to inform policy and practice, through helping to shape and communicate education policy and through improvement and support programmes for organisations that deliver post-16 education and training. In the past year they have published the following research:



John Kerr, Tertiary Education Analytical Services Branch, DEL

 Vocational Higher Education

 Does it meet employers' needs? by Brenda Little et al.

More than half a million students are studying vocational higher education courses in English colleges and universities. Many of these are sub degree courses - vocational undergraduate studies that do not lead to an honours degree qualification. These sub degree students most of them studying part time - represent about twofifths of all undergraduates in higher education. The study found that employers place different values on advanced vocational awards. Some indicate a preference for those with vocational HE qualifications since they report that they tend to have better technical and practical skills, whilst others prefer to recruit graduates, who, they say, have greater business awareness, a broader perspective and personal skills. The study recommends that employers are provided with clearer information about the range of HE qualifications. It also recommends that educational providers engage with employers to ensure provision meets their needs. The authors hypothesise that if this is done it should help the government achieve its goal of parity of esteem

between vocational and academic programmes. https://www.lsda.org.uk/ cims/order.aspx?code= 041538&src=XOWEB

 Participation by 17 year olds: A systematic review of the factors that influence participation in the second year of post compulsory education

This review attempts to answer the question: 'What are the factors that influence learner participation in the second year of post compulsory education?' The review discovered that there are several factors which influence participation including; family background, previous achievements and the duration of the course chosen at 16+. The review concludes that attempts to improve participation at 17+ would need to consider the effects of offering courses that terminate after one year to 16+ year olds. Poverty also remains a significant factor in non participation. The authors conclude with praise of the EMA, based on early analysis which claims the EMA influences more young people back into full time study after completing a course.

https://www.lsda.org.uk/ cims/order.aspx?code= 041764&src=XOWEB Can Further Education offer support for Business Innovation?

This publication provides the findings from a feasibility study. Between February and July 2004, the Learning and Skills Development Agency (LSDA) conducted a feasibility study on behalf of the Department for Education and Skills (DfES) and the Learning and Skills Council(LSC) into the possibility of colleges and other LSC funded providers delivering support for company innovation and development. The study followed an earlier consultation on the development of the concept of and criteria for business innovation and support. Comments from employers included the huge potential for a working relationship between colleges and business. Employers suggested that Further Education could specifically offer R&D support for prototype development, IT networking, exploring the best use of manufacturing technology, website design and development etc. www.lsda.org.uk/pubs/

The **Learning and Skills Research Centre (LSRC)** is an independent research centre, based at the Learning and Skills



John Kerr, Tertiary Education Analytical Services Branch, DEL

Development Agency. Its key tasks are to encourage innovation, explore new research methods, engage with new ideas and ensure that research findings are firmly embedded in policy and practice.

 Do summative assessment and testing have a positive or negative effect on post-16 learners' motivation for learning in the learning and skills sector? By H. Torrance and J. Coultas

The report seeks to address the case of why some learners progress whilst others do not. The research carried out by the authors found that where assessment methods are discussed, the evidence suggests that learners across all sectors prefer coursework assessment. To support this, the report points to the fact that many learners fear end of course tests and that this fear precipitates drop outs and deters progression. https://www.lsda.org.uk/ cims/order.aspx?code= 031849&src=XOWEB

Emerging policy for vocational learning in England. Will it lead to a better system? By Cathleen Stasz and Susannah Wright

This report analyses recent policy initiatives in England relating to vocational learning, and compares them with policies in Wales, Scotland, and NI. It describes key policies with respect to problems that have been anticipated, as these initiatives are implemented, and provides some tentative ideas about future scenarios for vocational learning system. The report should be of interest to policy-makers, teachers, employers and others who are engaged in the vocational learning system.

https://www.lsda.org.uk/ cims/order.aspx?code= 041657&src=X0WEB

The Department for Education and Skills (DfES) in England commissions a substantial quantity of research in the sphere of further and higher education. During the past year DfES has published a number of research articles including:

 Impact of E-Learning on learner participation, attainment, retention and progression in Further Education: Report of a scoping study by Rachel Harris et al.

> The findings indicated that key informants were positive about the effect of E-learning on participation, retention and attainment. The researchers do point out that it may be possible to show associations between effective implementation of E-learning and performance measures. However, this is counterbalanced with the difficulties of isolating its distinctive impact from other influencing factors and the consequent desirability of

using a variety of methods of investigation; both qualitative and quantitative are recognised.

www.dfes.gov.uk/research/ data/uploadfiles/RW15.pdf

• Review of gap year provision by Andrew Jones

The review aims to provide a definitional framework for understanding gap years in a policy context. The author also identifies the positive benefits a gap year can have on participants, employers and society as a whole. The review suggests that there is currently adequate provision of gap year opportunities, so much so that supply currently exceeds demand. The author concludes with the supposition that it may be beneficial to introduce participant accreditation schemes such as formal non academic qualifications. http://bookshop. universitiesuk.ac.uk/ downloads/measuring achievement.pdf

 Parental Background and Child Outcomes: How much does money matter, and what else matters? By L. Blow et al

This project addresses the question "does money matter, and what else matters?" in relation to child and adult outcomes. Previous research concluded that low incomes are clearly associated with poor outcomes early in life,



John Kerr, Tertiary Education Analytical Services Branch, DEL

however this project discovered that there are underlying factors other than low incomes which may result in poor child outcomes such as; poor parenting, the quality of education which the child receives etc. www.dfes.gov.uk/research/ data/uploadfiles/RB655. pdfas

The Higher Education Policy Institute (HEPI) was established with the aim to ensure, as far as possible, that higher education policy development in the UK is informed by research and by knowledge of the experience of others. Over the past year they have published:

 Non completion at the University of North London (UNL) and London Guildhall University (LGU): A case study by Libby Aston and Bahram Bekhradnia

An earlier HEPI report ('New dogs and old tricks: What can the UK teach the US about University education') looked at differences in non completion in the UK and USA and concluded that the higher non completion rates in the USA were explained, in part at least, by the much greater open access ethos that existed there, where students are admitted to university who almost certainly would not be admitted in the UK. It appears that similar differences in philosophy may have been at work between UNL and LGU, which would

go a long way to explaining the otherwise unexplained differences in non completion. The researchers point out that widening access has a price which is paid by those institutions with the greatest commitment to widening participation and policy makers need to recognise this when interpreting non completion rates. www.hepi.ac.uk/downloads /15RetentionatLondonMetr opolitanUniversity-V2.pdf

The Centre for the Economics of Education (CEE) was set up to undertake systematic and innovative research in the field of the economics of education. The CEE investigates a broad range of policy questions and addresses issues that have previously only been tackled in a more piecemeal fashion by individual researchers. It is a genuinely interdisciplinary research centre, which includes experts in the fields of education, economics and statistics. Among the research published in the past year was:

 Parental Education and child's education: A natural experiment by Arnaud Chevalier

This research focuses on educational choices between generations in the UK. Since education has been one of the key priorities of the Government, these results are important to design policies for children at risk of under achievement. The study found that there is a knock-on effect of education from one generation to the next. Therefore policies, such as education maintenance allowance, may have even greater benefits, since the offspring of individuals who have continued in education will also experience more education as a result of the policy. Thus the returns to society of investing in education (and widening access policies) may be underreported. http://cee.lse.ac.uk/cee% 20dps/ceedp40.pdf

Family income and educational attainment by Jo Blanden and Paul Gregg

•

This research endeavours to explain why children from poorer backgrounds have lower educational attainments than their betteroff peers. The researchers have tried to identify the extent to which these differences are caused by income itself rather than parental ability, education, and other aspects of the child's experience which differ between families but are not a direct result of income. This paper discusses the variety of approaches that researchers have used to solve this identification problem in the US. These methods are then applied to UK data in order to find out the extent to which income makes a difference to the probability of staying on in



John Kerr, Tertiary Education Analytical Services Branch, DEL

education and to final qualification attainment. http://cee.lse.ac.uk/cee% 20dps/ceedp41.pdf

The Centre for Economic

Performance (CEP) is an interdisciplinary research centre at the London School of Economics Research Laboratory. It was established by the Economic and Social Research Council (ESRC) in 1990 and is now one of the leading economic research groups in England.

 Intergenerational mobility in Europe and North America by Jo Blanden, Paul Gregg and Stephen Machin

This project was supported by the Sutton Trust and sought to understand more about how intergenerational mobility compares across countries in Europe and North America. The researchers found that the expansion in university participation has tended to benefit children from affluent families more and thus reinforced immobility across generations. If improving intergenerational mobility is viewed as desirable, this clearly suggests that from early ages, including prior to school entry, Britain needs to adopt a strategy to equalize opportunities. The paper suggests policies be applied at all stages of the education

process if Britain is to improve its intergenerational mobility. These include, support during the early years for parents and children; policies to improve the performance of deprived children in schools; and steps to promote participation at the post compulsory level. http://cep.lse.ac.uk/pubs/ download/DP0517.pdf

• Tackling Unemployment: Europe's successes and failures

This research explores why unemployment has fallen in some European countries but not in others. The variability is highly informative because despite 'free' movement of labour, European countries have more or less independent labour markets. Four strategies to tackle unemployment are relevant. There should be active polices to ensure that everyone gets offers of training or work within a year of being unemployed. There should be high quality help in finding work but citizens must take advantage of it or cease to draw benefits. Policies are needed to deal with regional unemployment and finally labour supply reducing policies should be phased out. Centrepiece. Vol 10 (1).

The Institute for Employment Studies (IES) is an independent, international centre of research and consultancy in human resource issues published research this year included:

 Higher degrees of freedom: The value of postgraduate study by L. Barber, E. Pollard, B. Millmore and V. Gerova

The demand for postgraduate study in the UK is increasing at a much faster rate than undergraduate study. Last year there were approaching half a million post graduate students in HE study. Much is known about graduate choices and destinations yet far less is known about the rising population of postgraduates. This report looks at what influences postgraduate choice of study, their study experiences and labour market outcomes. www.employmentstudies.co.uk/summary/ summary.php?id=410

The Contribution of skills to business performance by P. Tampkin

This report explores the literature linking skills with business performance with the explicit aims of: providing a consistent, motivating and evidence based message to employers about the 'bottom line' business benefits of





John Kerr, Tertiary Education Analytical Services Branch, DEL

investing in skills and training. The paper also creates a framework that would be able to facilitate the gathering of cumulative and comparative data sets and therefore permit more robust conclusions to be drawn in the future.

www.employment studies.co.uk/summary/ summaries.php?id=est&sort =date

Training a Mixed-Age Workforce Practical Tips and Guidance

This project explores the barriers to training experienced by workers of different ages. The wider context for this research is the forthcoming age discrimination legislation due to be implemented in October 2006. The DWP has responsibility for providing practical help and guidance for employers. A key objective of this project is to address some of the myths and stereotypes that may currently deter employers from training their workers.

The report collates the available research findings and other information on all aspects of participation in training, and the barriers to participation, relating to employees of all ages. It provides practical guidance on the variety of training support channels and on age diverse training practices. www.agepositive.gov.uk/ agepartnershipgroup/ research/trainingmixedage workforce.pdf

Gender Segregation in Apprenticeships

This research focuses on apprenticeships. Previously called 'modern apprenticeships' (MAs), these are currently the main vocational training route into work for young people in Britain. The aim of the research was to investigate what the national Learning and Skills Council and its local arms (LLSCs) have done to address gender segregation in MAs. A further aim was to consider the actions taken by partner organisations that work with LLSCs, such as training providers, employers, the Connexions service and **Education Business** Partnerships (EBPs).

The research has a number of implications for the future, for sound data collection, challenging gender segregation, providing information on vocation options and funding issues. www.eoc.org.uk/cseng/ research/gender_ segregation_in_ apprenticeships_wp25.pdf Platform for Progression: Employer Training Pilots Second Year Evaluation Report

> The Employer Training Pilots (ETP) were introduced in six Local Learning & Skills Council (LSC) areas in September 2002, initially for one year. They were subsequently extended for a second year from September 2003 and a further six pilots were added. An initial evaluation report was published in November 2003 and this report (based on **ETP Management** Information, findings from surveys of participating employers, learners and providers, and case studies with each of the Local LSCs and their key delivery partners) presents an assessment of progress at end-August 2004.

> ETP seeks to test the effect on training for low-skilled employees of an offer of free/highly subsidised training for a first level 2 qualification or in basic skills, wage compensation (of various levels) to employers for giving employees paid time off in which to train, and provision of information, advice and guidance. www.dfes.gov.uk/research/ data/uploadfiles/ETP2.pdf



John Kerr, Tertiary Education Analytical Services Branch, DEL

• The Contribution of Skills to Business Performance

This report explores the literature linking skills with business performance. We have completed a large literature review focusing on the literature linking skills to performance and also the wider HR and High Performance literature and studies on engagement.

This work has highlighted a wide range of studies, which provide evidence of benefits from skills, training and development for individuals and organisations. The literature on high performance workplaces and practices also shows a considerable weight of evidence to suggest that a range of HR practices are linked to organisational performance, and are predominantly adopted by organisations seeking to produce differentiated goods or services. www.dfes.gov.uk/research/ data/uploadfiles/ RW39S.pdf

The Institute for Employment Research (IER) based at the University of Warwick

 What is effective career guidance? Evidence from longitudinal case studies in England.

This bulletin presents findings from a research project exploring what is

effective career guidance. Although there is a lack of compelling evidence regarding the nature of effective career guidance and its benefits, there has long been an emphasis on the strategic economic role of guidance. More recently, government in England has made significant public investment in career guidance. This study concludes that guidance is useful to clients when it provides support and safety; gives access to relevant resources; continues over a period of time; and brings about positive changes in terms of attitudes, behaviour or thinking, which in turn lead to assisting clients' transitions through education and training into employment. The study is continuing with clients to be followed up over the next four years.

www2.warwick.ac.uk/fac/ soc/ier/publications/ bulletins/ier78.pdf

 IER are also involved in labour market forecasting – see chapter 11 of this Bulletin.
 www2.warwick.ac.uk/fac/ soc/ier/research/forecast/

The Department for Work and Pensions (DWP) in GB

commission a large quantity of research on social and economic welfare. Below are a selection of research articles which they have published during the last year: • Employers and the New Deal for Disabled People Qualitative Research, Second Wave

The New Deal for Disabled People is the major labour market programme for disabled people who want to find work. It forms a key part of the government's Welfare to Work strategy.

This report sets out the findings from the second wave of qualitative research with employers. At the time the research was carried out. NDDP had been operating nationally for two years. The interviews provided an opportunity to look closely at how the programme had developed over time, and was now being delivered, from an employer perspective. In particular, the research explores the extent to which NDDP is influencing employers and the difference it is making to their recruitment practices and to their workforce. It looks in detail at the types of relationships that exist between employers and Job Brokers. It also looks at how these relationships are felt to benefit employers and the clients recruited through the programme.

www.dwp.gov.uk/asd/ asd5/rports2005-2006/ rrep231.pdf



192

John Kerr, Tertiary Education Analytical Services Branch, DEL

Understanding Workless People and Communities: A Literature Review

This literature review firstly examines how psychosocial models are used to explain the effects that mass unemployment has on individuals. It then explores the concept of worklessness and the barriers faced by key groups of workless people. The review moves on to examine, in turn, how worklessness can be understood at the individual level, the community level, and at the level of geographical concentrations of worklessness. www.dwp.gov.uk/asd/ asd5/rports2005-2006/rrep255.pdf

Incapacity Benefit Reforms Pilot: Findings from a longitudinal panel of clients

The Incapacity Benefit Reforms were introduced in October 2003 following the Pathways to Work Green Paper to increase the number of incapacity benefit recipients who move towards and into paid work. The package of measures that comprise the reforms is being piloted in seven areas of England, Scotland and Wales.

As part of a wider programme of evaluation, a longitudinal qualitative study of participants in the pilot has been set up. Over the life of the pilots over 100 people will take part in the study in three cohorts. The report is based on the findings from the first cohort of 24 new recipients of incapacity benefits who were interviewed three times over a nine-month period between 2004 and 2005.

The study was undertaken by the Social Policy Research Unit at the University of York, the National Centre for Social Research and the Policy Studies Institute in the three pilot areas that became operational in 2003. The report presents an analysis of the views and experiences of pilot participants, including their attitudes towards working, their involvement with the series of workfocused interviews, and their use of existing and new services available through the pilot.

The report ends with an assessment of the impact of the pilot on people's movements towards and into work, and identifies issues that can inform future policy development. www.dwp.gov.uk/asd/ asd5/rports2005-2006/rrep259.pdf

The role of work in low income families with children - a longitudinal qualitative study

This report is based on the findings of a qualitative study designed to explore the longer term effects of

working on families with children. The study was longitudinal and reinterviewed respondents from two earlier DWP studies carried out with low income families who had made an initial transition from benefit receipt into work. The research explores the factors that affect the participation in work following the initial transition from benefits, and the role that Government support plays in respondent's experiences. It also seeks to improve the understanding of the financial, material and psychological impacts of work on the respondents and their families in the longer term. The research was carried out by the National Centre for Social Research. www.dwp.gov.uk/asd/ asd5/rports2005-2006/rrep245.pdf

Jobcentre Plus evaluation: summary of evidence

Jobcentre Plus brings together the Employment Service and those parts of the Benefits Agency dealing with people of working age to deliver a single, workfocused, integrated service to both employers and benefit claimants of working age. The aim of this service is to help more people into work and employers to fill their vacancies; to provide people of working age with the help and support to which they are entitled; and to improve continuously the quality, accessibility and delivery of



John Kerr, Tertiary Education Analytical Services Branch, DEL

services to all working age customers. In October 2001, the Jobcentre Plus service began operating in 56 Pathfinder sites and associated contact centres in 17 clusters across the UK. and now covers over fifty per cent of the country. In order to monitor the extent to which Jobcentre Plus is meeting its service delivery and labour market objectives, a continuous evaluation has taken place, involving analysis of administrative data on service delivery and labour market outcomes (conducted internally); and social research commissioned externally). www.dwp.gov.uk/asd/ asd5/rports2005-2006/rrep252.pdf

Delivering the Jobcentre Plus vision

Jobcentre Plus has brought together the former **Employment Service and** those parts of the Benefits Agency dealing with people of working age, to deliver a single service responsible for helping jobless people into work, and work and benefits advice. The first phase of Jobcentre Plus was launched in 56 Pathfinder offices across Great Britain in October 2001, which were followed by the second stage of the national implementation in April 2002. As part of a wider evaluation of Jobcentre Plus,

FCOTEC Research and Consulting Limited were commissioned by DWP to conduct a fourth wave of qualitative research to assess the extent that offices were delivering the Jobcentre Plus vision. Interviews and observations with staff and customers took place between April and July 2004, and builds on earlier research, to show the progress achieved by offices over the last year. www.dwp.gov.uk/asd/ asd5/rports2005-2006/rrep253.pdf

The Sector Skills Development Agency (SSDA) funds, supports and champions the new UK-wide network of influential employerled Sector Skills Councils (SSCs). The Skills for Business network comprises the SSDA and SSCs.

The link below leads to numerous reports which present findings from the National Employers Skills Survey conducted in England in 2003 and the Future Skills Wales Generic Skills Survey 2003 on a SSC basis.

Data has been made available to the SSCs to add interpretation and context to the sectoral results emerging from these key surveys. The reports were published in autumn 2004. A total of 23 reports for SSCs were published using data from the England survey and 16 using results from the Wales survey. www.ssda.org.uk/ssda/default. aspx?page=867 For SSC reports based on the Future Skills Scotland Employer Skills Survey 2002, visit www.futureskillsscotland.org. uk/web/site/FSSReports. asp?subtypeid=15

The **Economic and Social Research Institute** aims to produce high quality research, relevant to Ireland's economic and social development, with the aim of informing policy-making and societal understanding. Among the research published in the last year was:

Gender Differentiation and Early Labour Market Integration across Europe

This research examines gender differentiation in early labour market outcomes across twelve European countries. In spite of the fact that the educational attainment of women has now surpassed that of men in many countries, differences persist in the type of educational courses taken by young women and men. Countries differ in the extent of educational segregation by gender but certain regularities are evident, with health welfare, education and arts courses dominated by women and engineering courses dominated by men. Gender differences in field of study are found to play an important role in channelling young people towards gender-typical careers. Thus, countries with higher levels





John Kerr, Tertiary Education Analytical Services Branch, DEL

of educational segregation by gender are found to have higher levels of occupational segregation by gender. However, gender continues to have a strong direct effect on labour market outcomes in both track-differentiated and general educational systems. www.esri.ie/advsearch. cfm?t=Find%20Publications &mld=2&detail=1&id=2252

The Labour Market Characteristics and Labour Market Impacts of Immigrants in Ireland

There are two purposes of this research. Firstly in the production of a labour market profile of non-Irish immigrants who arrived in Ireland in the ten years to 2003. Secondly to use the labour market profile in estimating the impact of immigration (non-Irish) on the Irish labour market. Immigrants are shown to be a highly educated group. However, they are not all employed in occupations that fully reflect their education levels. The model of the labour market that has been used to simulate the impact of immigration differentiates between low-skilled and highskilled labour. This allowed the estimation of the impact of immigrants (a) if they were employed at a level fitting their education and (b) if they were employed in

occupations below their educational level. www.esri.ie/pdf/OPEA052_ Labour%20Market% 20Characteristics.pdf

 Equality at Work? Workplace Equality Policies, Flexible Working Arrangements and the Quality of Work

This research examines the extent of formal workplace policies to promote equality in the workplace and of flexible working arrangements, specifically part-time working, flexible hours, job-sharing and working from home. It examines the impact of equality policies on employees' perceptions of fairness and equality of treatment and practice in their employing organisations. It also examines the impact of equality policies and flexible working arrangements on aspects of workers well being (work pressure and stress), on their attitudes to their jobs and employers (job satisfaction and organisational commitment) and on job quality (earnings and autonomy). The study addresses these issues using the data collected in a recent nationally representative survey of over 5000 employees in Ireland conducted by the ESRI for

the National Centre for Partnership and Performance (NCPP). www.esri.ie/pdf/ BKMNEXT053_Equality% 20at%20Work.pdf

The Scottish Executive

commissions a substantial quantity of research in the sphere of Employment. Research plays an important role in shaping the policies of the Scottish Executive. In the past year they have published the following research:

• Disability and Employment in Scotland: A Review of the Evidence Base

The aims of this research review were to identify and discuss the evidence that is available through research and statistical data sources on the employment position of disabled people; to highlight where evidence is available, the role played by policy interventions to facilitate and promote labour market participation by disabled people; and to identify gaps in the current research base.

The main objectives of the review were to explore the evidence base relating to the following themes: Rates of employment for disabled people within different types of mainstream employment, including self employment,



John Kerr, Tertiary Education Analytical Services Branch, DEL

barriers identified as standing in the way of accessing or participating in mainstream employment, including self employment, the range of support mechanisms on offer to support access to and retention within employment, including self employment (e.g. Access to Work and direct payments) and the extent to which these are successful in promoting labour market participation for disabled people, the role of specialist programmes and ILM initiatives for disabled people both in terms of practices within these initiatives and the long term trajectories of those who participate in them, the evidence relating to the career trajectories and progression of disabled people within open employment and the factors that contribute to allowing career progression, the evidence relating to the potential business benefits of continued employment of disabled people over the long term, the impact of the Disability Discrimination Act on disabled people's participation in employment both in terms of access to and opportunities within the labour market, the financial position of disabled people relative to others within the

labour market, and the financial costs of work and disability both presently and in terms of pension protection. www.scotland.gov.uk/ Publications/2005/01/ 20511/49760

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. Listed below is a selection of highly regarded and popular research websites:

Department for Education and Skills www.dfes.gov.uk/research/programmeofresearch/index.cfm?type=0

Department for Work and Pensions www.dwp.gov.uk/asd/

Higher Education Policy Institute www.hepi.ac.uk/pubs.asp?DOC=Reports

The Institute for Employment Studies www.employment-studies.co.uk/pubs/listing.php?id=new

The Institute for Employment Research **www2.warwick.ac.uk/fac/soc/ier/**

Universities UK http://bookshop.universitiesuk.ac.uk/

Learning Skills Research Centre www.lsrc.ac.uk/publications/index.asp

Learning and Skills Development Agency www.lsda.org.uk/pubs





John Kerr, Tertiary Education Analytical Services Branch, DEL

Higher Education Funding Council for England www.hefce.ac.uk/pubs/hefce/2005

National Research and Development Centre www.nrdc.org.uk/content.asp?CategoryID=329

The Institute for Fiscal Studies www.ifs.org.uk/publications.php

The National Foundation for Educational Research **www.nfer.ac.uk**

Higher Education Authority Ireland www.hea.ie/index.cfm/page/publications/category/143

Centre for Economic Performance http://cep.lse.ac.uk

Institute for the study of social change www.avataronline.net/issc/sections/publications.shtml

Institute of Public Policy Research www.ippr.org

Centre for the Economics of Education http://cee.lse.ac.uk/publications.htm

Organisation for Economic Co-operation and Development **www.oecd.org**

ESCRC Centre on Skills Knowledge and Organisational Performance **www.economics.ox.ac.uk/skope**

Higher Education Academy http://www.heacademy.ac.uk/726.htm

Department for Employment and Learning **www.delni.gov.uk**

Economic Research Institute of Northern Ireland www.erini.ac.uk







Tom May and Tom Leney, ReferNet UK branch

ReferNet is an EU-wide body charged with improving the evidence and information base on Vocational Education and Training across Europe. This article reports on ReferNet's actions to try and bring a local dimension to this work.

Introduction

The number of member states in the European Union has nearly doubled since 1995. With the involvement of countries that are outside the union but involved in European issues (such as Turkey and Iceland), European projects on innovation in Vocational Education and Training (VET) include up to 32 states. Documents previously published in paper format are increasingly likely to be available on the World Wide Web. These two trends mean that, when looking for European information or data on the labour market or training, the challenge is to find relevant, meaningful and comparable information guickly: unlike ten years ago it is now possible to find as many case studies as figures in data sets.

Establishment of ReferNet

The EU funded European Centre for development of Vocational Education and Training (Cedefop) set up the European Network for Reference and Expertise (ReferNet) in Vocational Education and Training (VET). ReferNet's aim is to provide comparable VET information across Europe in order to inform researchers and policy makers at all levels. ReferNet operates on a cascade system of country networks, looking to connect existing networks rather than duplicating, it now covers 27 countries. The UK ReferNet is coordinated by the Qualification

and Curriculum Authority (QCA) and has a steering group representing the Devolved Administrations and organisations involved in VET, including DEL. The UK ReferNet website is:

http://www.refernet.org.uk, where our major publications and a range of useful links can be found.

One of the main activities of the Network involves the writing of thematic overviews on aspects of VET. These are:

- 1. General policy context framework for the knowledge society
- Policy development objectives, frameworks, mechanisms, priorities
- Institutional framework provision of learning opportunities
- 4. Initial vocational education and training
- 5. Continuing vocational education and training for adults
- 6. Training VET teachers and trainers
- Skills and competence development and innovative pedagogy
- 8. Accumulating, transferring and validating learning
- 9. Guidance and counselling for learning, career and employment
- 10. Financing investment in human resources
- 11. European and international dimensions, towards an open area of lifelong learning.



Tom May and Tom Leney, ReferNet UK branch

In order to give comparable information across countries these are available online (http://www.trainingvillage.gr/ etv/Information resources/Nat ionalVet/Thematic/), it is possible to search by theme, country and section. Another main activity is to answer queries on specific aspects of VET. It is through these two principal activities that ReferNet was able to support extensively the 'Maastricht study': Achieving the Lisbon Goal: The Contribution of VET. (This is available from the UK ReferNet Website).

The Lisbon Goal and the role of Vocational Education and Training

The Lisbon goal was set in 2000 by the European Council of Ministers, its (ambitious) principal aim is to make Europe "the most dynamic and competitive knowledge-based economy in the world" by 2010, and socially inclusive. In 2004 QCA under the auspices of the European Commission's Directorate General for Education and Culture led the research for the Maastricht study in collaboration with 11 partners from eight countries. The report analysed the contribution of VET to achieving the Lisbon goal and influenced the framing of the Maastricht Communiqué. This sets out the way forward for training towards the Lisbon goal and was agreed by the European (member state) education ministers in

December 2004. The report* addressed the involvement of VET under the following themes:

- Context of VET in Lisbon: including key questions, strategies and indicators and the impact of enlargement.
- Progress of VET systems towards achieving the Lisbon goal: looking at effectiveness, efficiency, flexibility and attractiveness of VET, and the implications of Europe's ageing population.
- Innovation in teaching and learning: raising innovation in learning environment, content and methods, also assessment and quality assurance as well as issues regarding teachers and trainers.
- Building competences for a European labour market: giving a global context, VET development compared to labour market demand, and labour market mobility.
- Analysis and conclusions: Stating the potential of VET (including limitations), the current state of play, issues on indicators and data, and key messages.

The reporting methodology was based on the self-assessment reports prepared by the Directors General for VET (DGVTs) of 31 European countries, and on independent expert reviews of the national and international literature on VET. It was for these reviews that ReferNet was invaluable. It provided a ready list of VET contacts (national ReferNet

Coordinators) who, due to the network activities and remit, had an overview of VET within their country and knew where to access more detailed information on various aspects. The thematic overviews were used as a prime source for country reports written especially to support the main report and national ReferNet Coordinators gave additional detail when required. These country reports fulfilled two roles: firstly, as a way of triangulating the information from the DGVTs and experiences of the Maastricht report writers; secondly, as a rich source of case studies and examples that where used throughout the report in order to provide another evidence base for conclusions and to relate European trends to the experience of individual countries.

In covering 31 countries on such an extensive topic the report and annexes are, by necessity, long. However it is possible to highlight nine conclusions:

 Cooperation based on wellgrounded values: European VET as a whole has distinctive characteristics. Levels of co-operation between member states are growing. Yet countries and sectors will continue to develop reforms that are most appropriate to their own traditions, circumstances, challenges and aims. Member states will progress according to varying sets of



Tom May and Tom Leney, ReferNet UK branch

priorities. In some cases inadequate funding will prove to be a barrier to reform. The co-ordinating role of the **European Commission** provides leadership in a scenario where 'bottom-up' will remain the dominant method of cooperation. Many of the bottom-up levers will come through the public sector and supply side: collaboration on the demand side, e.g., through local employer organisations and employee representatives, may prove to be more difficult.

- 2. Strengthening the blend of actions: each of the identified priorities of strengthening the European dimension, improving transparency, recognition of competences and qualifications, promoting quality assurance and the associated concrete actions has an important role in furthering the contribution of VET to achieving the Lisbon goal. However, innovation in teaching and learning for VET is not given sufficient priority or visibility. This has the potential to enhance collaboration between the policy, research and practitioner communities at all levels.
- 3. Quality Initial Vocational Education and Training (IVET) means developing new linkages: the challenge is to improve quality, to make provision attractive to stakeholder and client

groups, and to provide better linkages between pathways, and with general and higher education. Where VET participation rates are already high in member states, this is contributing to the priority objective of achieving high levels of completion in upper secondary education and low levels of early school drop out. Further progress has to do with quality, flexibility and attractiveness of initial VET. Successful initial VET provides an experiencebased route into working life, and hinges increasingly on the acquisition of key competences as complement to the traditional approach to the teaching and learning of technical skills. In particular, successful VET is also characterised by successful and appropriate insertion into the labour market and access to general and higher education. This relies on transparent VET frameworks and effective guidance.

4. Accelerating participation in Continuing Vocational Education and Training

(CVET): low levels of participation in CVET must be addressed as a matter of urgency in most countries and in most sectors if the priority of developing effective and inclusive lifelong learning strategies is to be achieved. Drivers include ageing populations, global economic competition, changes in work organisation and skills needs, rapid

technological change and the role of ICT - continuing workplace learning is an essential aspect of lifelong learning provision. The basic skills deficit in the adult population must be tackled. Patterns of participation in current adult learning tend to reinforce skill differences resulting from unequal participation in initial education - the 'Mattheweffect' (For unto everyone that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath - those with training get more training, those without tend to get nothing). Validation of all prior learning (including non-formal/ informal) is a central component of an innovative lifelong and lifewide learning strategy.

- 5. Funding VET: despite the evidence from comparative international research showing that skills and competencies of the workforce are often an important element for companies' performance, companies often regard expenditure on training as an immediate cost, not as a longer-term investment. Increased levels of expenditure will be required if VET is to play its part in achieving the Lisbon goal.
- 6. Data coherence demands attention: the lack of adequate data on inputs as well as on outcomes of VET



Tom May and Tom Leney, ReferNet UK branch

at a comparative, European level is a severe problem that hampers strategic planning. The deficit has to be addressed urgently. In particular the indicators on expenditure on VET, basic skills and key competences, the role of VET in upper secondary education and indicators on lifelong learning through CVET are problematic.

7. Optimising coordination and communication through the Open Method of

> **Coordination (OMC):** it will be beneficial to make OMC reporting processes for education and training at the country and European level more coherent, and to improve the links with the reporting processes for employment and social inclusion associated with the Lisbon goal. A challenge for governance is to connect education and training, labour market, innovation and inclusion policies.

- 25-
 - 8. An ingredient for a European Labour Market: as Europe develops towards a more open and international labour market, VET can reduce barriers and ease frictions that currently inhibit mobility of workers and learners - but it is not the major driver for creating greater migration of people. The power of VET to support the development of a European labour market should be estimated carefully to avoid unrealistic

expectations. The initiatives that have begun to encourage 'bottom up' rather than 'blanket' recognition of skills and qualifications across boundaries and sectors are to be welcomed.

9. Extending the reach of the European message: member states and the social partners (employers, employees) should consider how they could encourage greater participation in European cooperation in VET, involving wider communities of policy makers, researchers and in particular practitioners.

The scope of the Maastricht study was large: it is the first time that such a comprehensive report has been conducted on European VET, yet it was completed on a very tight schedule in time for the ministerial and international conference it was commissioned for. Whilst it would have been possible to deliver such a piece of work without the existence of ReferNet, the resulting report certainly would not have been as strong. This is because it would lack the validity given it by the country examples. These anchored European trends to situations at member state level and provided illustrations of relations between different factors. For example countries with ageing populations, such as Sweden, may have a greater emphasis on CVET within their VET system than countries whose labour force is, on average, younger - such as

Turkey. The country examples also showed policy innovation. This meant that the Maastricht study could also share these examples of policy innovation and highlight some of the positive outcomes of working towards such an ambitious objective as the Lisbon goal.

ReferNet has not yet reached its full potential. However, it is the only instrument of its type that has such extensive, comparable coverage of European countries for VET, yet has the capability to promote information between the regional and local developments and the European level. The recent country referendums on the European Constitution highlight the importance of mechanisms that link EU governance to more local level, bottom up innovation. For VET, ReferNet is already starting to provide a dynamic link between key stakeholders.



Kathryn Wilson, Research and Evaluation Branch, DEL

The article gives details of survey findings on employer and employee views about and experience of flexible working patterns. This research, carried out in 2003, aims to provide a baseline against which change can be assessed following the introduction of new rights for parents in 2003.

Background

In April 2003, the Department introduced a new right for parents of children under the age of six, and of disabled children under 18, to make a request of their employer to work flexibly. The new law placed employers under a duty to consider seriously such requests, which they could decline only for sound business reasons. The aim of the policy is to support working parents in balancing their work and family responsibilities, and is a key element of a wider programme of 'family-friendly' measures introduced at the same time, including improved paid maternity leave, and new paternity and adoption rights.

Purpose of the Research

The Department for Employment and Learning commissioned research during 2003 on the attitudes of both employers and employees towards flexible working practices, and on the extent to which these were in use. As NI lacks a survey instrument such as WERS¹, it was necessary to use other specific research. This report details the main findings of the Employee Survey included as part of the Northern Ireland Omnibus Survey, April and May 2003; and the Flexible Working Employers Survey 2003. This initial research is designed to act as a baseline survey as the fieldwork took place contemporaneously with the introduction of new

arrangements, against which the impact of the 2003 flexible working law could be measured by way of comparative research at a later date.

Methodology

The Employees survey was based on the NISRA Omnibus Survey². As part of the survey in April and May 2003, a sample of 2200 addresses was drawn from the Valuation and Lands Agency list of addresses. A list of all household members who were 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 the Employee Survey of 1043.

During June and August 2003 the Central Survey Unit (CSU) carried out a survey of employers. A sample of 1900 businesses was selected from the BT Business Database throughout NI and a computer assisted telephone interviewing questionnaire was conducted. In total, productive interviews were obtained from 1009 businesses.



Findings

Flexible Working Requests – Employees

During the two years prior to the survey, 12% of employees reported approaching their current employer to make a request to change how they

¹ Workplace Employment Relations Survey (2004). This survey provides a nationally representative account of the state of

employment relations and working life inside British workplaces. 2 Details of NISRA Omnibus Survey can be found at www.csu.nisra.gov.uk/surveys/survey.asp?id=6&details=0

Kathryn Wilson, Research and Evaluation Branch, DEL

Figure 1: Flexible working arrangements desired by all employees, parents and carers.



regularly worked for a sustained period. In particular, women (18%) were more likely to make a request than men (6%). The most common types of flexible working requests were to work reduced hours or part-time hours. Other common requests included flexi-time and job share, and three quarters of requests were met by employers. The main reasons for working flexibly were because "it was in the nature of my job/type of work" (21%) and "childcare needs" (20%). This was followed closely by "it makes my life easier, to get things done, be more efficient" (19%) and "to spend more time with my family" (17%).

Flexible Working Requests – Employees

- In the past two years 12% of employees had approached their current employer to make a request to change how they regularly work.
- 18% of females made a request in comparison to 6% of their male counterparts.
- Overall 75% of the requests were agreed to by the employer.
- The main reasons for working flexibly were because it was in the nature of the job/ type of work (21%) and childcare needs (20%).

Desired Flexible Working Arrangements – Employees

Employees who did not report being happy with current working arrangements were asked what other arrangements they would prefer: Figure 1 illustrates that more than one third of them (37%) had no preference for any particular option. Nearly one quarter (23%) would like to work flexi-time and 15% would like to work part-time. More females desire to work part time (24%) than their male counterparts (7%). A similar pattern can be seen amongst parents, with 36% desiring none of the arrangements and 23% desiring flexi-time arrangements.

Working flexi-time was the most desired flexible working arrangement amongst carers (30%), followed by working part-



Kathryn Wilson, Research and Evaluation Branch, DEL

time (17%) and job share (13%). However 15% stated they desired to work none of these options. In regards to carers the sample size was extremely small (46 carers), thus figures should be treated with a degree of caution.

The least favoured flexible working arrangement for all employees was working annualised hours, with only 1% of employees stating they would like to work in this manner. The second least favoured arrangement was job share (5%), which was much more popular amongst women (8%) than men (2%). Amongst those who are parents, the least favoured arrangements were working annualised hours (2%), followed by job share (6%) and working reduced hours for a limited period (6%). No carers desired to work annualised hours; this was followed by working a compressed week (2%) and working reduced hours for a limited period (7%).

The most popular reason as to why these arrangements were not favoured was that 45% of employees were "happy with current arrangements". This finding is somewhat confusing, as earlier in the survey this group had neglected the opportunity to indicate that they were happy with arrangements: it is possible that some respondents allowed other factors to influence their responses. Subsequently the most common reasons stated by

Desired Flexible Working Arrangements – Employees

- Flexi-time was the most desired (23%) flexible working arrangement, followed by working part-time (15%).
- Women have a greater desire to work part-time (24%) than men (7%).
- Nearly a quarter (23%) of parents desired flexi-time arrangements.
- The largest percentage of carers (30%) desired to work flexi-time, followed by working part-time (17%).
- Working annualised hours was the least favoured flexible working arrangement for all employees (1%), followed by job share (5%).

employees were "financial reasons" (29%) and "my employer wouldn't allow it" (24%). In both these cases males displayed higher percentages (31%, 26%), than their female counterparts (26%, 20%).

Availability of Flexible Working Arrangements - Employees

Working part-time was the most available flexible working arrangement reported by employees (51%). More than twice as many females (69%) stated it was available than males (33%). Availability of parttime working arrangements was greater in the public sector (60%) than in the private sector (44%). The second most popular type of working arrangement was flexi-time with 31% of employees stating this was available in their workplace. Working annualised hours and

working from home on a regular basis were the least available categories (6% each).

Working part-time was also the most common type of flexible working arrangement available for parents/legal guardians (51%), followed by flexi-time (32%) and working reduced hours for a limited period (29%). Parent's responses closely mirrored those of all employees.

In the case of carers, there was a greater level of availability for all the flexible working arrangements than for all employees and parents. Parttime working was the most available arrangement (76%) for carers. Following this, working reduced hours for a limited period (52%) and working flexitime (50%) were the most available flexible working arrangements for carers.



Kathryn Wilson, Research and Evaluation Branch, DEL

Availability of Flexible Working Arrangements – Employees

- The most available flexible working arrangement was working parttime (51%).
- Part-time arrangements are twice as available to females (69%) than males (33%).
- Flexi-time was the second most available type of working arrangement (31%).
- The most common type of flexible working arrangement available for parents/legal guardians was working part-time (51%), followed by flexi-time (32%).
- Over three quarters of carers stated that part-time working was the most available flexible working arrangement (76%).

Practiced Flexible Working Arrangements – Employees

Amongst all employees surveyed, the most commonly practised flexible working arrangement was working part-time, with nearly a quarter (22%) of respondents reporting this (**Figure 2**), and more women (35%) reporting it than men (8%). This figure is broadly in line with published figures for part-

time workers in NI from the Labour Force Survey (Chapter 2). This was followed by 18% of all employees practising flexi-time. However 18% of employees also stated they used none of the flexible working arrangements. A greater percentage of parents (26%) had worked part-time, in contrast to 22% of employees and 17% of those who were not parents. A similar pattern was evident in relation to working only during school term-time; there was a greater participation rate amongst parents (7%) compared with those who were not parents (1%). However 18% of parents still use none of the flexible working arrangements, a figure that corresponds with the percentage of all employees and is only 1% less than those who were not parents. Working parttime was also the most common flexible working arrangement amongst carers (41%) and was







206

Kathryn Wilson, Research and Evaluation Branch, DEL

more common than full-time employment (28%). Working flexi-time was the second most practised flexible working arrangement for carers (35%).

Just over half of all employees (52%) stated they were currently satisfied with their overall working arrangement, with 32% stating they were very satisfied.

Some factors were perceived as militating against flexible working arrangements. More than a third (36%) of employees thought that working reduced hours, for example, part-time hours or job sharing would have a negative affect on their career prospects. Males agreed more strongly with this (42%) than females (29%). Not working beyond your contracted hours was also thought to have negative impacts on career prospects (28%), alongside taking leave to look after

children or other dependants (23%).

Promotion of Flexible Working Practices - Employees

Two thirds of employees (66%) felt that their manager did enough to provide and promote flexible working practices. This percentage was greater with females (72%) than their male counterparts (60%), but identical for parents and those who were not parents (66%).

Even though the majority of employees felt their employers promoted flexible working practices, 47% of them were not aware that from the 6th April 2003 employers legally had to consider requests to adopt flexible working practices from parents with young children under the age of 6 or other children with disabilities.

Practiced Flexible Working Arrangements- Employees

- In the year prior to the survey, 22% of all employees practised the most popular flexible working arrangement by working part-time, followed by 18% who practised flexi-time.
- More women practised part-time working arrangements (35%) than men (8%), and more parents (26%) had worked part-time than those who were not parents (17%).
- Carers were the most likely group to practice part-time arrangements (41%).
- Almost one fifth (18%) of employees practised none of the flexible working arrangements.
- Working reduced hours was thought to have a negative affect on career prospects by 36% of employees.

Work life balance – Employees and Employers

Figure 3 illustrates that overall there were no major differences between the attitudes of employers and employees regarding flexible working practices. An equal percentage of employers and employees (87%) agreed that 'employers should make a special effort to accommodate the particular difficulties parents of young and disabled children face in balancing their work and family life'

There was a strong positive response to the statement 'people work best when they can balance their work and other aspects of their lives' with 92% of employers agreeing and 94% of employees agreeing.

Almost three quarters of employees (74%) and 70% of employers agreed that 'everyone should be able to balance their work and home lives in the way they want'.

These findings quoted suggest that there is a positive disposition towards flexible working patterns from the perspective of both employees and employers, with little difference in attitudes between both groups. However there is some indication that these strong positive feelings are tempered by an acknowledgement of some of the difficulties involved. This is exemplified by the finding that just more than one third of



Kathryn Wilson, Research and Evaluation Branch, DEL

employees (34%) agreed with the statement 'it's not the employer's responsibility to help people balance their work with other aspects of their life'. A similar percentage of employers (31%) agreed, however just less than half of employees and employers (48%) disagreed with it. In addition two thirds of employers (66%) and 63% of employees agreed that they 'must not expect to be able to change their working pattern if doing so would disrupt the business'.

These findings could suggest that turning flexible working arrangements into practice could

208

be difficult in some instances: a difficulty that is acknowledged by many employees as well as employers.

Provision of flexible working arrangements by Employers

Nearly nine out of ten employers (87%) had some type of flexible working arrangement available for their employees to use. Parttime working was the most common type of flexible working practice, with approximately three quarters of employers (76%) saying that an employee was currently using this arrangement or had done so in the last 12 months. A further 7%

of employers said that there was provision to work part-time but that no one had used it in the past 12 months. The next most common flexible working arrangement was flexi-time with 17% of employers saying that an employee was currently using it or had done so in the last 12 months and a further 9% saying it was available but no one had used it. The least common flexible working practices were working a compressed week and working from home, with fewer than one in ten businesses saying these options were available or currently used (7% and 7% respectively).

Figure 3: Attitudes of Employees and Employers regarding flexible working



Kathryn Wilson, Research and Evaluation Branch, DEL

The provision of flexible working arrangements differs across businesses. Smaller businesses with 5-9 employees were more likely (17%) than businesses with 50 or more employees (6%) to have no flexible working practices. The majority of businesses with 50 or more employees (92%) provided at least one flexible working practice that was currently used or had been used in the last 12 months. Businesses that were part of a larger organisation (87%) were also more likely to say that an employee in their business currently used or had in the last 12 months used flexible working practices, compared with single independent establishment (77%).

Part-time working was provided by 88% of businesses with more than 50 employees, in comparison to 81% of businesses with 25-49 employees, 77% of businesses with 10-24 employees and 68% of businesses with 5-9 employees.

Benefits of providing flexible working practices – Employers

Over two thirds of employers (68%) said that flexible working arrangements had a positive effect on employee relations.

Provision of flexible working arrangements by Employers

- Eighty-seven percent of employers said that they provided one or more flexible working practices to their employees.
- The largest percentage of employers provided part-time arrangements (83%), followed by flexi-time (26%).
- Working a compressed working week and working from home were the least common flexible working practices (both 7%).
- Smaller businesses with 5-9 employees (17%) were almost three times more likely than businesses with 50 or more employees (6%) to have no flexible working practices in the workplace.
- In relation to part-time arrangements, 88% of businesses with more than 50 employees provided it to their employees (or had done so in the last 12 months) in comparison to businesses with 25-49 employees (81%), 10-24 employees (77%) and 5-9 employees (68%).

Approximately half of employers said that flexible working practices had a positive effect on labour turnover (51%), absenteeism (50%), productivity (49%), and recruitment (45%).

Just under one fifth of employers with no flexible working practices thought that such practices would have a positive effect on absenteeism, (19%). This compares to over half of employers offering/using between one and three practices (51%) and over two thirds of employers offering/using four or more practices (68%). It would

therefore appear that businesses that do not offer flexible working practices do not feel that such a provision would have a positive impact on absenteeism, whereas those businesses who offer such practices are much more likely to feel they have a positive impact on it. This was also evident in regards to labour turnover, were 70% of employers with 4 or more flexible working practices thought that flexible working had a positive effect on labour turnover in comparison to only 17% of employers with no flexible working practices.





Kathryn Wilson, Research and Evaluation Branch, DEL

Benefits of providing flexible working practices - Employers

- Nearly seven in ten employers (68%) said that flexible working arrangements had a positive effect on employee relations.
- Flexible working practices also had a positive effect on labour turnover (51%), absenteeism (50%), productivity (49%) and recruitment (45%).
- Businesses that offer flexible working practices felt that the practices had a positive impact on absenteeism, labour turnover, productivity and recruitment, whereas those businesses who did not offer such practices were more likely to feel they would have no positive impact on it.

Employer and Employee perceptions

This section summarises the key findings for employers and employees. **Figure 4** shows the difference in their perceptions, comparing the flexible working practices that were currently provided or available to employees against the flexible working practices that employees believed were available to them. However these results should be approached with due care and attention as other factors are prevalent and could influence responses.

As the most common flexible working arrangement, 83% of employers stated that part-time working was currently being used or was available to employees in their workplace whereas only 51% of employees stated that part-time arrangements were available.

Flexi-time was the next most common flexible working arrangement, however the percentage of employers who provided it (26%) was less than the percentage of employees who stated it was available to them (31%).

Following this the third most common flexible working

Figure 4: Graph showing the available flexible working practices provided by employers and the flexible working arrangements that employees' stated are available to them.





Kathryn Wilson, Research and Evaluation Branch, DEL

arrangement provided by employers was job share (24%); this percentage was identical to the percentage of employees who stated that job share was available to them. However the third most common arrangement for employees was working reduced hours for a limited period (30%). As only 17% of employers' stated that this practice was currently being used or was available to employees, the negative contrast in the percentage was substantial. On the other hand 14% of employees had stated that working during school termtime was available to them whereas 21% of employers claim to provide it.

Even though part-time working arrangements were the most common flexible working practice provided by employers (83%), only 15% of employees desired to work in this way. The most desired flexible working practice by employees was flexitime (23%) however it was the second most common flexible practice provided by employers (26%).

Further Research

This article focuses upon the findings of the Employee Survey 2003 and the Flexible Working Employers Survey 2003 as a baseline to future research. The findings will therefore be revisited in the future to detail the degree of change since the introduction of new arrangements.

Employer and Employee perceptions

- Only 51% of employees stated that part-time arrangements were available to them whereas 83% of employers stated that part-time working is currently being used or is available to employees in their workplace.
- Almost a third of employees (31%) stated that flexi-time was available to them, however a smaller amount of employers provided it (26%).
- Only 15% of employees desired to work part-time even though it was the most common flexible practice provided by employers (83%).






Equality Monitoring in DEL

Claire Hood, Research and Evaluation Branch, DEL

Since 2001 the results of DEL's equality monitoring on gender, community background and disability have been published in the annual Labour Market **Bulletins. This article updates** the occupancy figures to 2005. Table 1 shows the

occupancy/enrolments on all of the Department's programmes and services and shows the estimates of 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 and disability was taken from the 2002 Annual Labour Force Survey (most recent annual data able to be provided). However the eligible population by religion was taken from the 2001 Annual Labour Force Survey (most recent annual data able to be provided). Not all eligible group figures are available as the data

Table 1: Occupancy and Eligible Group Figures¹

	% Female ²		% Catholic ^{3, 4}		% Disabled⁵	
Programme	Occupancy	Eligible	Occupancy	Eligible	Occupancy	Eligible
Job Brokerage ⁶	29%	50%	45%	[60%]	8%	32%
Employment Support	35%	50%	45%	[49%]	100%	100%
Rapid Advancement	24%	N/K	50%	N/K	0%	N/K
Programme						
IFI Wider Horizons	42%	41%	68%	N/K	N/K	N/K
Enterprise Ulster	43%	58%	34%	[58%]	6%	39%
Jobskills ⁷	28%	40-60%	69%	[58%]	N/K	N/K
Jobskills Modern	24%	53%	59%	[61%]	1%	N/K
Apprenticeship						
New Deal for Disabled	40%	53%	46%	[53%]	73%	86%
People						
New Deal 18-24	29%	N/K	60%	N/K	6%	N/K
New Deal 25+	16%	N/K	63%	N/K	3%	N/K
Premiere	57%	N/K	61%	N/K	2%	N/K
Worktrack	58%	63%	61%	[59%]	4%	45%
Training for Work	79%	63%	52%	[59%]	2%	45%
Bridge to Employment	35%	60%	47%	[53%]	0%	27%
Walsh Visa Programme	23%	51%	76%	[48%]	N/K	11%
Higher Education (HE) ⁸	61%	N/A	57%	N/A	5%	N/A
Further Education (FE)	58%	N/A	58%	N/A	4%	N/A

Notes

1 The occupancy figures are as @ 31March 2005 for all training and employment programmes and as @ 1 November 2003 for FE enrolments. HE

enrolments are taken over the full academic year 2003/04.

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 article, 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.

A Statistical Fact Sheet providing the religious breakdown of NI school leavers entering HE in NI and GB is available to download from www.delni.gov.uk/statistics

Equality Monitoring in DEL

Claire Hood, Research and Evaluation Branch, DEL

are taken from a sample survey and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error.

The figures for occupancy should broadly reflect those for the target population. If there is a large difference between the occupancy and eligible rates then further investigation might be appropriate.

For example, the level of female participation (24%) on Jobskills Modern Apprenticeship is low compared to the eligible group (53%) and similarly the female participation (23%) on Walsh Visa Programme is low compared to the eligible group (51%).



The percentage of Catholics on Enterprise Ulster programme has fallen by 14 percentage points since 2004 when 48% of participants were Catholic compared to 34% in 2005.The level of disabled participation on Worktrack (4%) and Training for Work (2%) remains low compared to an eligible group of 45% for both programmes. The occupancy of disabled people on DEL training and employment programmes is low except on New Deal for Disabled People. This may 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 a network of Jobs and Benefits Offices across 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 will continue to publish the results in the Labour Market Bulletin.

For further information contact: Claire Hood, Research and Evaluation Branch Telephone: 02890 257734 E-mail: claire.hood@delni.gov.uk



Peter Boyd, Deloitte MCS Ltd

In January 2004, the **Department for Employment** and Learning commissioned **Deloitte MCS Ltd. to complete** research into the employment and training needs and aspirations of Travellers. This research would take forward recommendations made in 2000 by the Promoting Social **Inclusion Working Group** Report on Travellers¹. In particular, the research focussed on the need to collect baseline information on the employment and training needs and aspirations of Travellers through a collaborative approach with members of the **Traveller Community.**

Methodology

Our methodology for this study comprised a literature review, consultation with DEL staff, and primary research with travellers. This primary research consisted of:

- consultations with 16 stakeholder organisations;
- face to face survey of 143 Travellers;
- four focus groups with Travellers (20 participants in total); and
- one focus group with DEL front-line staff (five participants)

Our literature review and initial contact with traveller groups highlighted the difficulty associated with accessing comprehensive and accurate data regarding the Traveller community, due largely to:

- the nomadic nature of the target group;
- suspicion on the part of the target group as to the motivation/intentions of researchers;
- fear of prejudice resulting from whatever research is completed;
- fears that greater social inclusion may lead to a loss of cultural identity; and
- practical barriers to data
 collection such as low literacy

levels and limited knowledge of relevant issues such as the availability of public services and occupational entry requirements.

Traveller representative groups indicated that it was unlikely that travellers would welcome members of the Deloitte team completing the survey on site, and it was therefore decided that the Traveller groups would broker the recruitment of individual Travellers in each area to carry out the survey. This obviously placed limitations upon where the survey could be successfully completed, and after further discussions it was decided to concentrate on the five major Traveller communities in NI, that is in Belfast, Derry, Craigavon, Omagh and Armagh. Although this would not cover all Traveller sites in NI, it was felt that this would give a generally representative sample. The survey was completed without problems in Belfast, Derry and Omagh over the summer of 2004, but problems were faced in Craigavon and Armagh. It was only possible to obtain four completed surveys in Craigavon, and it was not possible to recruit a surveyor at all in Armagh.

Therefore, of the overall sample of 143, 139 were completed in the Belfast, Derry and Omagh areas. However, due to the nomadic nature of the target group we did achieve at least some representation from all counties of NI except Fermanagh. Additionally, traveller groups indicated that Belfast, Derry and Omagh





Peter Boyd, Deloitte MCS Ltd

Traveller communities made up a clear majority of the NI total. Finally, they indicated that the Traveller population in NI was around 1,700, and our sample of 143 therefore represents around eight per cent coverage.

Barriers and Current Situation – Travellers Survey

The results of the consultations with Travellers showed that although NI Traveller attendance at both primary and secondary school is on the increase, there is still a very high drop out rate at the 13/14 year old stage, illustrated in **Figure 1** below.

Figure 1 shows that 49 per cent of children left school when they were 13 or 14, and over 20 per cent had left before that age. The results from the survey also show that although it is still the norm for NI Traveller children to leave school at the 13/14 point, attitudes within the Traveller community are changing slowly. More and more parents are beginning to see the value in education, particularly in light of increasing economic pressure within traditional Traveller occupations. However, given the continued propensity for Traveller children to leave school early, it is likely to be some time before secondary-school participation rates will be comparable to that of the settled community.

The consultation with Travellers highlighted the fact that very few NI Travellers are gaining significant qualifications at school. Of the 136 respondents who had left school, only 18 per cent indicated that they held any qualification at all. All of these respondents had passed their 11+, and two per cent of the 136 had gone on to complete GCSEs or NVQs (these were the only post-primary qualifications held by the entire sample). Some 60 per cent of respondents indicated that they obtained no qualifications at school, with the remainder of respondents either not knowing or declining to answer the question.

Very few older NI Travellers have work experience outside of traditional Traveller occupations. Therefore younger Travellers often find it difficult to link the subject matter of academic education to their perceived job prospects. Younger Travellers are also less likely to view the wider labour market as accessible, given that there are relatively few examples of this transition being made by their elders and role models.

Figure 1: At What Age Did You Stop Attending School²





Peter Boyd, Deloitte MCS Ltd

Consultations showed that there are still significant barriers to Travellers integrating fully into the mainstream education and training system. Perceptions of prejudice within the settled community are still commonplace, as are fears of marginalisation. However, our research provided some evidence that these barriers are decreasing, albeit relatively slowly. In particular some of the practical barriers to Traveller participation in education and training, for example the issues presented by nomadism (i.e. lack of fixed address and need for frequent re-registration etc.) appear to be a amelioration: Just under two-thirds of our sample were living in houses at the time of survey, and less than a fifth of our sample had changed location within the last year.

The secondary school curriculum is still not seen as ideal by the Traveller community, and greater participation might be achieved if greater emphasis was placed on vocational subjects. Overall, the variety of needs and desires identified through our fieldwork strongly support findings in the literature review that flexibility is essential in order to achieve higher participation rates. In essence the NI Traveller community requires the full range of different teaching approaches and subjects that the settled community require (in terms of FE), but at the secondary level they need additional flexibility to combat the cultural barriers that have developed over generations.

Essential skills training is also still needed on a widespread basis if the NI Traveller community is to fully access the training services open to the settled community. However, basic skill needs are an issue that many Travellers find embarrassing, and therefore solutions need to be both discreet and innovative if they are delivered as a component of wider training - particularly where classes involve both Travellers and trainees from the settled community. The consultations also showed that opinion on whether training solutions are best provided on a Traveller-only basis are still very much mixed, although younger Travellers are more likely to favour a 'mixed' approach. Again this would suggest that overall flexibility in approach is essential.

Feedback from other Consultees

Our consultation with traveller representative groups and DEL identified a range of interventions that might be made in order to encourage participation in training by the NI Traveller community and engagement with the full breadth of the labour market. These can be summarised as follows:

 DEL consultees indicated that mainstream
 Departmental training for front-line staff relating to cultural diversity would both be welcomed and add service value for staff and customers;

- it should be noted that there was wide spread support of the various Traveller organisations and the work that they were carrying out. Although there is an obvious concern that the Traveller groups brokered the majority of consultations, even in that context the level of support was extremely high. Additionally, DEL consultees who had first hand experience of the groups were very positive about their work. However, some consultees raised slight concerns regarding the administrative capacity of some of the Traveller support groups to manage and deliver larger scale projects;
- all of the Traveller support groups that were consulted stressed that it was extremely difficult to generate long-term impacts in terms of education and training in the **absence of mainstream funding.** The piecemeal project-based approach that has necessarily adopted makes medium and long-term planning impossible;
- one of the key messages
 emanating from our research
 is that flexible approaches to
 education and training are
 essential if the wider
 Traveller community are to be
 sustainably engaged.



Peter Boyd, Deloitte MCS Ltd

Additionally, short-term interventions must deliver localised solutions, and in this regard DEL's strategic shift towards the development of **Targeted Initiatives aligns well with need**;

- work still needs to be completed to convince more of the Traveller community of the direct value of education and training. This should involve explanation of the exact components of available training with direct linkages to improved income/quality of life highlighted; and
- action is also required to address the issue of even qualified Travellers being turned down for jobs due to prejudice. For example several focus group participants highlighted instances where peers had presented for job interviews and had been turned away once it became apparent that they were Travellers (before the interview had been completed). Although we have no way of validating the exact context of these examples, as a minimum it highlights some of the perceptions within the Traveller community. Although overall this is a wider fair employment issue, our research would suggest that there is a need to try and counter these perceptions, perhaps through transitional employment programmes, where

participants are effectively guaranteed at least a trial period in a job.

Recommendations

Overall we would suggest that the training and education needs of the NI Traveller community have to be addressed on three timescales – short, medium and long term.

1. Short-Term

Our research would suggest that at present there is a significant cadre of Travellers who would like to access suitable training right now. In order to harness that enthusiasm as a positive example for others, we feel that it is important that a range of localised programmes/projects are established. These might conceivably take the form of a range of targeted initiatives, building a partnership between the Traveller community, DEL, local training providers and the ELBs to ensure that maximum complementarity with existing interventions was delivered.

Given the difficulties in engaging the target group it may be most effective for these shorter-term initiatives to be brokered by existing Traveller support groups. However, consultees from Traveller support groups all indicated that it would be very difficult for them to manage such a process in the absence of mainstream funding from DEL.

In order to manage the establishment of this range of initiatives and to establish a clear linkage between the Department and the Traveller community, it may be appropriate for DEL to recruit a 'Traveller liaison officer'. This individual would be responsible for working with Traveller support groups to develop suitable projects, while simultaneously ensuring that these were delivered in the most effective and efficient manner possible. This individual could also be responsible for ensuring that front-line DEL staff are given appropriate training relating to the needs of Travellers.

2. Medium-Term

Although a range of localised and flexible training solutions will be required to meet needs, we feel that a more strategic oversight role is incumbent upon DEL in order to ensure equity and quality of training provided. We feel that one key element of this strategic approach could be to fund and manage a programme that trained/skilled members of the Traveller community to engage and possibly deliver training to their peers. This could build upon the skills base already in place within Traveller support groups. This approach would ensure that



Peter Boyd, Deloitte MCS Ltd

DEL had the foundation in place to ensure that high quality training and value for money was being delivered through subsequent localised approaches. These 'champions' could also work within Traveller communities to highlight the value of education and training in practical terms.

Although this 'training for trainers' would have to be delivered across NI, central co-ordination would ensure equity and consistency. How the new trainers subsequently go about meeting need on the ground should remain flexible to suit local need (i.e. reflecting the local economy and the needs of local Travellers). As highlighted in our research, a one-size fits all regional approach is unlikely to adequately meet the range of needs within the community. It is therefore important that the process is developed in close co-operation with the Traveller community, to maximise the efficiency and effectiveness of the process. Given the difficulties faced in accessing the target group this may be most effectively be brokered (at least initially) through Traveller support groups.

3. Long-Term

For the NI Traveller community to fully participate in mainstream education and training, significant barriers in terms of perceived value and prejudice must be overcome. The perceived value of education and training is an issue that we would suggest is best addressed from the bottomup – i.e. Travellers being exposed to success stories within their own community, where education and training has made a significant impact on individual's quality of life.

The issues of prejudice and preconceptions on the part of both settled and Traveller communities is one that goes beyond education and training. This is therefore an issue that must be addressed on cross-Departmental and multisectoral bases. DEL's continuing participation within the government's wider equality and social inclusion agenda is therefore essential.

For further details please contact Peter Boyd Deloitte MCS Limited 19 Bedford Street Belfast BT2 7EJ Telephone: 028 90322861







Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting

Early in 2004 the Office of the **First Minister and Deputy First Minister commissioned DTZ Pieda Consulting to undertake** research on labour market dynamics in NI. The research sought to provide an examination of gender, religion and disability in relation to employment, unemployment and non-employment, trends over time and the main factors driving change. The research was extended in February 2005 to include an assessment about equality of opportunity of **Catholics and Protestants in** the NI labour market.

Approach to the Study

The labour market dynamics research was undertaken over four distinct but linked phases. The first phase provided a detailed description of the key trends in the NI labour market over time with particular attention paid to gender, religion and disability. The second phase involved econometric modelling of labour market outcomes for the key groups identified.

Phase three was developed as an appendix to phase two and outlined medium and long term future employment trends by gender, religion and disability. The extended research was undertaken in a fourth phase which aimed to enhance understanding of what labour market statistics and research say about equality of opportunity for Protestants and Catholics in the NI Labour Market.

This article provides an overview of all the phases of our work. The phases build upon each other and ultimately inform our assessment of equality of opportunity in the NI labour market. All data are sourced from the Labour Force Survey (LFS) Spring quarters unless otherwise stated with detailed results presented. The full report can be obtained from the websites for the Office of the First Minister and Deputy First Minister¹ or DTZ Pieda Consulting².

Phase one

The key trends presented in phase one of the research should be seen within the context of significant improvement in labour market outcomes for all parts of the NI labour market during the 1990s and early part of this decade. The overall unemployment rate in NI now is among the lowest in Europe and the relative position of NI within the UK context has improved.

This is not to say that there are no relatively disadvantaged groups within NI but rather it might suggest that the focus of attention is required to shift somewhat. In our research we considered a range of labour market outcomes by gender, disability and health, religion, age, educational attainment, number of dependent children, labour turnover, housing and households. A selection of our findings are presented here.

Gender

Overall, labour market outcomes for women in NI have been improving. The wage gap between men and women has closed significantly over the last decade with female hourly pay now less than 20% below the male wage rate, down from almost 30% a decade ago.



Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting

The rate of employment rose during the 1970s through to the early 1990s but is now levelling off with around half of all women economically inactive. The potential workforce is falling slightly and there is a notable decline in the proportion that is inactive but would like to work. There are a higher proportion of women than men who would like to work but are not looking for a job, often with caring commitments being the main reason for not looking for work.

Overall, it looks unlikely that there is significant scope to increase female labour market participation further. This has implications for a host of policies including commitment to more lone parents into work.

Source: Labour Force Survey, Spring Quarters

Religion

Historically, the investigation of labour market outcomes in NI has focused on unemployment and in particular the differential in the unemployment rate between the Catholic and Protestant communities. While there is still a differential the overall fall in unemployment has reduced the numbers affected and the number of unemployed people is now smaller than, for example, the number of people who are economically inactive but want to work.

As unemployment data are based on a survey, the low levels of unemployment also mean that statistically it is harder to determine the actual differential and the estimates show that in some recent years statistically the confidence intervals of the two unemployment rates overlap. This suggests that the unemployment rate is now a less reliable indicator of labour market performance and other indicators are becoming more informative, for example economic inactivity.

Economic inactivity is especially important given the number of people in NI moving from inactivity into employment is three to four times the number of people moving from unemployment to employment.

The proportion of people living in workless households, after correcting for those in retirement, has remained broadly stable for Catholics (from 20% in 1997 to 19% by 2004) while the rate for Protestants has increased slightly (from 14% in 1997 rising to 16% by 2004) but is still below the Catholic rate (**Figure 1**). This might be partly explained by the proportion of Catholics that are inactive but would like to work, which is higher than that for



Figure 1: Proportion of people living in households with at least one person of working age by religion

222

Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting



Figure 2: Proportion of young people in workless and other households with no qualifications

Source: Labour Force Survey, Spring Quarters

Protestants. It also suggests an increasing polarisation of jobs in the NI labour market between two job households and workless households within communities.

Recent growth in prosperity has bypassed a significant minority within each community particularly those living in workless households. An investigation of labour market outcomes needs to focus, in part, on differences between households within communities as well as differences between communities.

Disability and health

In general, labour market outcomes for people with worklimiting disabilities are significantly worse than for other people but this does not tend to be the case for those with nonwork-limiting disabilities. Some labour market outcomes for nonwork-limiting disabled people may be slightly better than for the rest of the population. Nearly half of all work-limiting disabled people are in workless households.

Other factors influencing labour market outcomes

In general, more highly qualified workers have better labour market outcomes. During the mid to late nineties tertiary education gave significant earning premiums (50% higher than the average worker), which has now fallen back to around 30%. In part, this might be related to the recent expansion in Higher Education participation.

Over the past decade those with no qualifications have constantly earned around 70% of the average wage rate, but the wage rate premium for 'first rung' qualifications have gradually declined, potentially related to the introduction of the minimum wage. However, those with some qualifications are still more likely to get a job than those with no qualifications.

Young people (16-19 years old) from disadvantaged backgrounds are less likely to hold formal qualifications (Figure 2). While there has been an improvement in absolute terms for both cohorts of young people the gap between young people from disadvantaged backgrounds and the rest of society may be growing, most notable in intermediate qualifications. There is also an emerging gap between young people from disadvantaged backgrounds and the rest of society, if measured by those living in workless households.



Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting

As educational attainment is influenced by parental socioeconomic background and socioeconomic background is influenced by labour market outcomes, it is likely that current disadvantages may reflect disadvantage of their parents' generation and may imply disadvantage for their children. More polarisation between two job and workless households could thus have serious longterm consequences, particularly within communities.

A number of other factors aside from educational attainment were found to have a significant impact on labour market outcomes. For example, those with four or more dependent children are less likely to be employed and when in a job they are more likely to work part-time.

Messages from key trends

A large number of factors can potentially influence labour market outcomes and that it is crucial to determine how these factors are interrelated. It is worth emphasising that determining the causal relationship between variables and the examination of labour market disadvantage is not the same as evaluating the effectiveness of policies aimed at addressing disadvantage.

It is already apparent that disadvantages in labour market outcomes are not causally linked to a single variable in isolation. Labour market outcomes also need to be seen in a broader framework, including for example economic inactivity. Using a single measure in isolation such as the unemployment differential between different groups is unlikely to capture the overall nature, scope and causes of labour market disadvantage.

This is especially true since the overall numbers affected by this particular outcome have reduced significantly over the last few years and statistically it is becoming increasingly difficult to determine the scale of unemployment differential between the different religious groups as now in many cases the unemployment rate confidence intervals overlap statistically.

This is not to say that the policy focus should entirely shift away from using unemployment as a measure of disadvantage. For those affected by unemployment, it is a very real disadvantage which policy needs to address. However, to assess and address overall disadvantage a broader approach encompassing various measures of disadvantage and taking into account the variety of factors which affect labour market outcomes appears to be the way forward.

Phase two

This research has taken place in a period of unprecedented falling unemployment rates across NI for all communities. The ILO unemployment rate for Catholic males aged 20 to 59 dropped from 23.2% in 1990 to 6.8% in 2003. The rate for all other males fell from 11.2% to 4.9% over the same period. Unemployment and inactivity differential ratios between Catholic and all other males aged 20 to 59 dropped from 2.1 in 1990 to 1.4 in 2003 and from 1.7 in 1990 to 1.3 in 2003 respectively. The unemployment differential ratio rose to 2.1 in 2004.

Modelled outcomes presented in phase two using the 2001 Census of Population, suggest there has been a significant change in the extent to which differences in labour market outcomes between communities can be explained solely in terms of religion. The proportion of the differential gap between Catholic and all other males that can be explained in terms of religion was slightly more than one fifth for unemployment and slightly more than one quarter for inactivity. The remainder of the gap in unemployment and inactivity was explained by differences in other socio-economic characteristics.

The modelling approach employed in this study is based on the model developed by Murphy and Armstrong using 1991 census data. In the Murphy and Armstrong model around half of the unemployment and inactivity gap between Catholic and all other males was explained by religion. This suggests that the proportion of the gap that is explained by



224

Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting



Figure 3: Significance of variables explaining male unemployment, 1994 and 2005

Source: Murphy and Armstrong (1994) and DTZ Pieda Consulting (2005)

religion alone more than halved for unemployment and inactivity over the decade 1991 to 2001. The model for male unemployment produced by DTZ Pieda Consulting performed well correctly predicting the status 93.2% of males.

Figure 3 shows the significance (t-statistics) of the different variables explaining the unemployment differential both for the original Murphy and Armstrong model and for the reproduced model. It shows the t-statistics for variables such as housing tenure, religion, employment status of others in the household, health, qualifications, age, dependent children and local labour market conditions, demonstrating clearly the reduction in significance of the explanatory power of the religion variable³.

The rate of female

unemployment is currently markedly lower than the rate of male unemployment, suggesting that greater emphasis should be placed on 'in-work' indicators such as wage rates or career progression. Catholic women appear almost as likely as all other women to be unemployed, but more likely to be inactive. The number of dependent children is significant in explaining labour market outcomes. Women with dependent children are more likely to be unemployed and inactive.

The results of our modelling also show that almost a quarter of

the economic inactivity and unemployment differential gap between males with activity limiting health problems and other males can be explained purely in terms of their relative health. For females, almost four fifths of the inactivity gap between women with activity limiting health problems and other women was explained by health.

To complete the modelling exercise a model was developed in order to investigate labour market outcomes for both men and women. However, economic activity differentials need to be interpreted with caution as they can reflect 'life choices' whether or not to enter the labour market, rather than labour market disadvantage, and are



people employed in the household; DEGREE(HQUAL4-5): Has degree or level 4/5 qualification; HEALTH: Health; MARRIED: (MARCOH): Married or cohabiting 2005; ALEV (HQUAL3): Has A-Levels or Level 3 qualifications; OTHERQUAL(HQUAL1): Has CSE or GCSE Grades D-G or level 1 qualifications; OLEV (HQUAL2) Has O-Level (GCSE Grades A-C) or Level 2 qualifications; CHILD: Number of dependant children; AGE: Age: AGESQ: Age Squared.



³ Variable names in the Figure are explained in detail in the main Report. Briefly the variables are as follows. BELFDC(BELRES): Whether resident in Belfast; LOGTWA (LOGPC): Location variable; HOUSETEN: Housing Tenure; CATHOLIC: Religion (Catholic or other); OTHERE: Other

Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting

likely to be influenced by factors other than those included in our modelling exercise. Unsurprisingly, four fifths of the difference in economic inactivity rates between males and females (14.8% and 34.2%, respectively) was explained by gender alone rather than other observed differences between men and women such as education.

The various analyses and results of this study lead to important conclusions when taking into account the manner and extent to which the position of Catholic and all other males has changed over the last 20 years in the NI labour market. This paper has also investigated the health disability and gender dimensions, based on the belief that religious disadvantage is not the only form of disadvantage in NI. The major conclusions are reported below.

Religion



The degree of Catholic disadvantage in the NI labour market, expressed primarily in terms of unemployment and economic inactivity, has been declining over time. The unemployment differential ratios between Catholic and all other men aged 20 to 59 dropped from around 2 in 1990 to 1.4 by 2003. The economic inactivity ratios decline from 1.7-1.8 in the early nineties to 1.3-1.4 from 2002 onwards.

The unemployment differential gaps and ratios between Catholics and all others are not

the only outcomes that have shown a decreasing trend: the results of the econometric regressions computed in the course of the study and detailed in the main Report show that the probability of being unemployed or inactive for Catholic men has also significantly decreased. Moreover, the unemployment and inactivity differential gaps between Catholics and all others that can be explained in terms of religion dropped to slightly more than one-fifth and slightly more than a quarter, respectively, compared to around 50% in Murphy and Armstrong's model.

The position of females in the NI labour market was also investigated. The results of the regressions need to be interpreted with care because the female model may be missspecified due to the omission of important variables. The variable reflecting the number of dependent children is significant, implying that women with dependent children are more likely to be unemployed and inactive. Catholic women appear as likely as all other women to be unemployed, but more likely to be inactive.

Health

The model showed that almost a quarter of economic inactivity and unemployment differential gaps between males with health problems that limit their economic activity and others can be explained purely in terms of their relative health. Beyond that, almost four-fifths of the economic inactivity differential between women with a health disability that limits their economic inactivity and others appears to be due to health disability.

Gender

The model in which both males and females have been included seems to suggest that four-fifths of the significant difference in economic inactivity rates between males and females (14.8% and 34.2%, respectively) was explained by gender. This could primarily reflect 'life choices' whether or not to enter the labour market, rather than labour market disadvantage and is likely to be influenced by factors other than those included in our modelling exercise.

The model in which both males and females were selected did not perform well in explaining unemployment outcomes, as the rate of female unemployment is currently markedly lower than the rate of male unemployment. The results for unemployment and inactivity suggest that greater emphasis should be placed on 'in-work' indicators such as wage rates or career progression.

Phase three

The third phase of labour market dynamics was produced as an appendix to phase two. It developed a Social Accounting Matrix (SAM) approach, which links sectoral employment



Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting

forecasts with labour market data, to examine potential future labour market scenarios and the implications such scenarios would have on groups within the labour market. A key result of this research is that under the plausible scenarios investigated, the NI economy is likely to continue adding a significant number of jobs over the medium (five years) and long term (ten years).

Despite changes in the structure of the NI economy, growth is projected in the number of working Catholics, females and disabled persons over the medium and long term. Overall employment is projected to expand from 777,000 in 2005 by 40,000 jobs to 2010 with a further 10,000 jobs added from 2010 to 2015.

By 2015 females are likely to account for more than half the workforce and sectors that have traditionally had strong female representation are projected to expand. Catholics are projected to account for nearly 47% of the workforce. In ten years time, assuming progress reflects the current trend, the proportion of disabled workers in the workforce, around 8%, is unlikely to rise significantly.

The results point to a continuation of current trends, in conjunction with a strong labour market performance. Even within a future scenario where sectors employing a high proportion of Catholic employees suffer a decline, the overall numbers of working Catholics continue to rise, driven by the trends noted above. This indicates clearly that the current improvements in labour market outcomes for Catholics are unlikely to be driven by the positive labour market developments alone.

Phase four

Phase four analysed existing statistical and research information (including the results of the prior phases of the project and data collected by employers under the FETO to comment on how equality of opportunity has developed over the last decade) to assess the degree of equality of opportunity⁴ in the labour market, focusing specifically on Catholics and Protestants. The importance of objective analysis on this issue was reinforced through research findings⁵ that have demonstrated differing social attitudes and perceptions towards equality of opportunity for the two main communities in NI.

A significant finding is that equality in labour market outcomes has improved. The gap in employment rates between Catholics and Protestants has dropped slightly, and the gap in unemployment rates has dropped significantly. Data on the monitored workforce also reflect these improvements. In addition, they also provide some evidence of improvement in the equality of flows into employment as monitored movements into the workforce are a closer reflection of the

working age population. Moreover, as demonstrated in phase two in respect to unemployment and inactivity among males, the degree to which gaps in performance can be attributed to religion alone more than halved in the period of 1991 to 2001.

There remains nevertheless evidence of continuing inequality in the two communities' labour market outcomes. Catholics have continued to experience persistently higher rates of unemployment compared to Protestants, to experience higher rates of economic inactivity, particularly those inactive but wanting work and there is some evidence of marginal inequality in 'in-work' indicators such as wages.

The persistence of this inequality, along with the general difficulty of establishing a causal relationship between labour market performance and equality of opportunity, points to a need for continued statistical monitoring. There is also a need to adjust statistical monitoring in acknowledgement of changes that have affected the NI labour market more generally, such as a significant drop in unemployment overall, and of the positive employment trends across communities.

The strong focus on one measure, such as the unemployment differential, restricted by its nature to one specific outcome, must thus be supplemented by other measures to ensure the width



5 See Northern Ireland Social Attitudes Survey and Northern Ireland Life and Times Survey.

⁴ We have taken the definition of equality of opportunity in the Fair Employment and Treatment (NI) Order 1998 (FETO) as our point of reference.

Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting

and depth of potential disadvantage is captured. Related to this, it will be important to consider differences in the labour market performance of sub-groups of communities, such as between people with disabilities and people without, people of different household type, men and women, and between Protestant denominations.

Conclusions

The research has shown there are significantly positive developments in the dynamics of the NI labour market over the last decade, with a significant reduction in disadvantage for the Catholic community. While certain inequalities persist, there appears to be a case to supplement current measures of disadvantage with other measures to ensure the width and depth of potential disadvantage is captured and to extend consideration explicitly to differences in the labour market performance of sub-groups such as people with disabilities and people without, men and women, and other groups, such as the people living in workless households, which might be in danger of being left behind.

Acknowledgements

Our thanks to rest of the study team Jonathan Bryson, Eric Hanvey (Peer Consulting), Iain McNicoll (Strathclyde University), Irene Mosca and Sara Quigley; and to OFMDFM who facilitated responses across a wide range of stakeholders and provided valuable feedback, access to relevant data and literature throughout this study. The research expresses the views of the authors and is not a reflection of OFMDFM policy. The responsibility for any errors or omissions lies with the authors alone.

Sources and detailed calculations

The main data sources used for the study were the LFS and the 2001 Census, as well as FETO employment monitoring data for phase four. We would like to thank the ONS for providing us access to the detailed Census data.

This summary article is based on a much more extensive set of calculations and research which is detailed in the phase one to four reports. Readers are asked to use the detailed reports for any specific queries. The authors are happy to be contacted with any queries or comments.

Contact

Dr. Fabian Zuleeg, Associate Director fabian.zuleeg@dtz.com Richard Marsh, Senior Consultant richard.marsh@dtz.com DTZ Pieda Consulting One Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9QG 0131 222 4500

References

- Armstrong, D. and Murphy, A. (1994) A Picture of the Catholic and Protestant Male Unemployed, Department of Finance and Personnel, Belfast
- Dignan, T. (2003) Measuring Community Differentials and New TSN Report, Office of the First Minister and Deputy First Minister. Available on the Internet at

www.research.ofmdfmni.gov. uk/communitydifferentials/ index.htm, [7 June 2005]

- ECNI (2004) Monitoring Report No. 14 A Profile of the Northern Ireland Workforce: Summary of Monitoring Results 2003. Belfast: Equality Commission for Northern Ireland.
- Fair Employment and Treatment (NI) Order 1998
- The Fair Employment and Treatment Order (Amendment) Regulations (Northern Ireland) 2003
- Northern Ireland Social Attitudes Survey/Northern Ireland Life and Times Survey



Richard Marsh and Fabian Zuleeg, DTZ Pieda Consulting

- OFMDFM (2004) A Single Equality Bill for Northern Ireland: A Discussion Paper on options for a Bill to harmonise, update and extend, where appropriate, anti-discrimination and equality legislation in Northern Ireland. Office of the First Minister and Deputy First Minister, Belfast.
- Osborne, B. and Shuttleworth, I. (eds) (2004) fair employment in Northern Ireland: a generation on, Blackstaff Press Limited, Belfast
- Secretary of State for Northern Ireland (1998) Partnership for Equality: The Government's proposals for future legislation and policies on Employment Equality in Northern Ireland, HMSO.
- UK Government (1998) Northern Ireland Act 1998, HMSO, London







Leading Labour Market Research Organisations

Warwick IER

Background

The Warwick Institute for **Employment Research (IER) is** one of Europe's leading centres for research in the labour market field. IER was established by the University of Warwick in 1981. Its work includes comparative European research on employment and training as well as that focusing on the UK at national, regional and local level. IER is concerned principally with the development of scientific knowledge about the socioeconomic system rather than with the evolution and application of one particular discipline. It places particular emphasis on using social science in the effective development of policy and practice, and in collaborating with the policy and practitioner communities to bring this about.

IER: Labour market projections...and much more

The history of IER began with labour market forecasting. The projections remain an important part of the IER's portfolio of work. In 2005 members of staff at the Institute have been working on *Working Futures II*, providing detailed projections of employment by gender, sector, occupation and qualification for the regions and nations of the UK.

While projections remain a key element of IER's work, the Institute's research now covers a broad range of issues concerning employment, socioeconomic change and social policy analysis – recent projects range from evaluation of New Deal policy to effective careers guidance, and local taxation to mental maps of young people in Belfast (the latter in conjunction with researchers from the Queen's University of Belfast).

The distinctiveness of the Institute's work probably lies most of all in its interdisciplinarity, and the way it generates and tackles substantive research questions by bringing together different types of scientific and methodological approaches. The strategy has been to broaden gradually the methodological basis of the Institute's work in order to deal more effectively with research problems which cross the boundaries of conventional disciplines and the methods of analysis associated with them.

In addition:

- IER has one of the largest repositories of socioeconomic data in the UK.
- IER has pursued innovative approaches to the application of information technology to the research process, especially in areas such as data collection methodology, socioeconomic classification, survey analysis and forecasting.
- The Institute has played an important part in the development and revision of the Standard Occupational Classification at UK and EU levels and has created and continues to develop the CASOC software for computer-assisted occupational coding.
- Collaboration with Cambridge Econometrics has led to the development of the Local Economy Forecasting Model, a software package for forecasting and scenario building at the local and subregional levels.
- The Institute also has an advanced study programme which includes post-graduate research for higher degrees and training in labour market analysis for practitioners.



Leading Labour Market Research Organisations

Warwick IER

Research themes and projects

The following projects reflect key research themes being pursued by the Institute.

Labour market issues

- Moving On Graduate Careers 3 Years after Graduation
- Evaluation of the Dance and Drama Award Scheme
- Modelling Trends and Risks of Workplace Injury

Skills

- Regional Skills Partnership
 Target Development
- Geography of Poor Skills and Access to Work

European research

- Social Dialogue, Employment and Territories: Towards a European Politics of Capabilities
- Ageing and Employment: Identification of Good Practice to Increase Job Opportunities and Maintain Older Workers in Employment (EU funded)

Careers and learning

- Enhancing the Capability of Guidance to Add Value to Post-compulsory Learning
- Supporting Development of Policy and Practices for Labour Market Infomration for Effective Career Guidance

Social policy and evaluation

- A Systematic Evidence Review of Literature on Workless Couples: Exploring the Circumstances and Characteristics of Worklessness
- Evaluation of the DWP Skills Coaching pilot project

Dissemination

Most of the work of the Institute is published in research reports, book chapters and journal articles. Details of publications are available from the IER website at

www.warwick.ac.uk/ier

IER publishes a quarterly Bulletin focusing on key findings from a particular project or programme area. The Bulletin is now available free of charge from the IER website. Recent examples include:

- Women in science, engineering and technology
- Skill shortages, vacancies
 and local unemployment
- Citizenship, responsibility and community
- A Balancing Act: artists' labour markets and the tax and benefit systems

An e-mail alert service for IER publications is also available – for details see the website.

Staff

The Director of IER is Professor Robert Lindley. The Deputy Director is Rob Wilson. Institute staff represent most of the key social science disciplines which can shed light on the labour market and its relationships with the wider economy and the education and training systems. Apart from its own staff of about 30, there are a similar number of researchers collaborating with the Institute at any one time, many of whom are at foreign institutions.

For further information contact

Margaret Birch IER Administrator

tel: +44(0)2476 523514 fax: +44(0)2476 524241

e-mail: m.e.birch@warwick.ac.uk

or visit: www.warwick.ac.uk/ier



Book Reviews

Catching up with the Swedes Probing the Canada-Sweden literacy gap

C Kapsalis

Why should this be of interest? Literacy levels were measured in the International Adult Survey at 5 levels, one being the lowest. A glance at the Graph below shows why . NI (like GB and RoI) scored poorly – but Canada **and especially Sweden** scored well.

- but why did Sweden do so well? What can **we** learn? The research points up a variety of reasons including:-

- better results from primary schools in Sweden – a lower range of inequality;
- Canadian youth participated less in volunteer activities and used libraries less;
- Canadian adults also used libraries less and did less lifelong learning;
- Sweden is a heavily unionised society (90%).
 Swedish unions strongly promote literacy among their members;

 In Sweden, foreign films and television programmes that are not dubbed have subtitles – which obviously require reading skills.

Basically fewer Swedish people emerge from school with low literacy levels and literacy levels are better maintained through life.

2001 ISBN 0-662-29761-X Available free on-line from www.nald.ca/nls.htm



Chart 1: Literacy Skills Below Level 3 in All Three Domains Population Age 16 to 65 - Excluding Foreign-Born

Book Reviews

International Adult Literacy Survey; Literacy Scores, Human Capital And Growth Across Fourteen OECD Countries

Coulombe, Tremblay And Marchand

An important publication from the eminent research and statistics organisation "Statistics Canada".

The International Adult Literacy Survey (IALS) covered 22 countries between 1994 and 1998. (NI was included – for details see LMB 12, Ch 11, and LMB 14, Ch 10).

This Study notes that past research studies have been inconclusive in proving a positive relationship between economic growth and human capital. The authors conclude that this is because the measures of human capital have been "of poor quality" involving such criteria as years of schooling, government expenditures etc with a lack of **direct** measures of international skill levels. IALS was the first such direct measure available. The authors – based on 14 of the more advanced (ie OECD) countries in IALS – unambiguously find that

- higher literacy levels do influence productivity growth;
- the **average** level is more important than having more at the highest levels.

June 2004 ISBN 0-660-19325-6 Available Free On-line from www.statcan.ca under Products and Services



Issue No 14 November 2000

Labour Market at a Glance: Labour Market Statistics; Measures of Underemployment in NI; How has the National Minimum Wage Impacted on NI? The Fastest Improving Regional Economy in the UK; The 2000 NI Social Omnibus Survey; The NI Skills Task Force - An Update; The IT Skills Forecasting Study; Measuring Skills - SOC 2000; The International Adult Literacy Survey - 'The Third Wave'; PISA -A Project to Compare the Performance of Pupils Across the World; The Large Scale Labour Recruitment Study; Call Centre Capacity in Northern Ireland; What happened to the ex-Mackie Workers? A Survey of Farming Families - Work in Progress; Education and Earnings in NI; How Fared the Class of '91? The Experience of Graduates in the Workplace; Who Studied Where? - Student Flows Between NI, Rol and GB; "Status O" Four Years On -Young People and Social Exclusion; Migration Flows Between NI and GB; Impact of Tax Rates North and South on the Mobility of Labour: Jobskills an Evaluation; Joint T&EA/SSA Office 'Working Together' - An Evaluation: Equality and New TSN Monitoring in DHFETE; New **Deal Evaluations --Interim** Findings.

Issue No 15 November 2001

Labour Market 'At a Glance'; Labour Market Statistics; The Labour Force Survey Annual Local Area Database; Employment Changes by District Council Area 1995-1999; Still the Fastest Improving Regional

Economy in the UK?; The 2001 NI Social Omnibus Survey; Task Force on Employability & Long-Term Unemployment - An Update: What can the Large-Scale Recruitment Study tell us about 'Employability'?; The Unemployed - where do they go when they leave the Register?; The Work of the NI Skills Task Force & Skills Unit – An Update: Where are we now? - Results of the NI Skills Monitoring Survey 2000; Where are we going? -Projections of Occupations and Qualifications to 2010; The Supply of, and Demand for, Labour in the NI Electronics Engineering Industry; Employment in the IT Sector: How does NI Compare with Other UK Regions and Republic of Ireland?; What Happened to the Former Harland & Wolff Workers?: Work Permit Applications - A Guide to Skills Shortages; Graduates in Employment in NI; Does Taking a Part-time Job affect Student Performance? "Status" 0: Young People and Social Exclusion in NI - Report on a Conference held in December 2000; New Deal Basic Skills Curriculum Project Summary Report; JobClubs - A Review; The Premiere Evaluation; Evaluation of DEL Funded Management **Development Programmes;** Equality Monitoring in DEL; New **Deal Evaluations – A Progress** Report; Work-life Balance Baseline Study: Study of **Obstacles to Cross-Border** Mobility between the North and South of Ireland; Information on NI Businesses from the Inter Departmental Business Register.

Issue No 16 November 2002

Labour Market "At a Glance"; Labour Market Statistics; The Labour Force Survey Annual Local Area Database: Graduate Employment in NI; Progress in the NI Economy – a UK Regional Comparison; Why is our Employment Rate the lowest in the UK? Does it matter?; The 2002 NI Social Omnibus Survey; The Work of the NI Skills Task Force - An Update; The PA/NI Skills Task Force Executive Skills Recruitment Watch: The Supply of, and Demand for, Labour in the NI Mechanical Engineering Industry: Labour Recruitment Issues in the NI Tourism & Hospitality Industry; Skill Shortages - The Effect of Subject Choice at Secondary School?; How did XEROX (Dundalk) Recruitment Impact on the NI Labour Market?; Commuting – NI and UK Experiences Compared; "How far will IT Employees Commute to Work"? - Some Case Studies; The Halifax Call Centre: **Employer Recruitment Practices** and Employability; "What Happened to the Former Harland and Wolff Workers"? - A Further Follow Up; Employability Taskforce – An Update; Farmers - How can Training help them take up Off-Farm Opportunities?; Adult Literacy Strategy -Essential Skills; New Deal Evaluations; Evaluation of Worktrack - Some Findings and Conclusions; "Does Fear of Violence Influence Where People are Prepared to Work in Belfast"?; Programme for International Students Assessment – NI & International Results Compared; The

Index of Previous Articles – 14 to 18

Economics of Education: Some Recent Research; At Which Universities do NI Students Study?; Secondary Impacts on Unemployment of Government Assistance to NI Companies; Equality Monitoring Update in DEL; The Demand for, and Supply of Childcare in NI; Characteristics of the Disabled in the NI Labour Market; Some Popular Labour Market Fallacies.

Issue No 17 November 2003

The NI Labour Market 'At a Glance': Labour Market Statistics; Women in the NI Labour Market: Where do Claimants go when they leave the register and do they return?; Employment Change by District Council Area: 1995-2001; Changed Times and Changing Attitudes at Work: Recent NI Experience; Progress in the NI Economy – A UK Regional Comparison; Scenario Forecasting the NI Economy; The Work of the NI Skills Task Force - An Update; Where are we now? - Results of the NI Skills Monitoring Survey 2002; Where are we going? - Regional **Occupation Forecasts 2002-**2012; The PA/NI Skills Task Force Executive Skills Recruitment Watch: IT Skills in NI: A Re-Examination of Conditions Three Years On: Potential Skills Shortages - and Inequalities in Educational Uptake; European Labour Costs Survey 2000; Our Non-**Employment in Comparative** Perspective; Area Perceptions of Young People in Belfast: Implications for Job Search and Exclusion; Taskforce on Employability and Long-Term

Unemployment - Final Report; Days Hotel Belfast - A Case Study in Successful Employability; Researching Pathways to Post-16 Pursuits: From University to Employment the Experience of the 1991 NI Cohort; Does it Matter at which University you Study?; The **Regional Mission of Higher** Education in NI: Alternative Education Provision for **Disaffected Young People -**Research Work in Progress; New Deal Evaluations - An Update; Equality Monitoring in DEL; Attitudes towards Lifelong Learning; ReferNet - The European Network for Vocational Education; Evaluation of the Rapid Advancement Programme; Essential Skills for Living Strategy - Achievements So Far; NI Compendium of Higher Education Statistics; Call Centre Employment – An Update; The NI Labour Market - Results from the 2001 Census: Information on NI Businesses from the Inter Departmental Business Register.

Issue No 18 November 2004

The NI Labour Market 'At a Glance'; Labour Market Statistics + New Analyses, Jobs Density, Ward Unemployment; Progress in the NI Economy - A UK Regional Comparison; Who are the Self-Employed in NI?; Migrant Workers in NI; Hidden Labour Reserves; Hours Worked - What can they tell us about the NI Labour Market?; Economic Inactivity; Skills Progress; Towards a Harmonised Skills Monitoring Survey for the 'Home' Countries; The PA/NI Skills Task Force Executive Skills Recruitment Watch; Construction

Industry Forecasts; Essential Skills: Distribution of IT Employment; Area Perceptions of Young People in Belfast – How to Expand Them!; The Impact of the Gasworks Employment Matching Service (GEMS); Further Education Strategy Review – Underlying Evidence; A Review of Recent Research in the Field of Further and Higher Education; Do the Qualified Earn More in Scotland or NI?; Graduates Moving On; Are Students who Study in GB Different from those that Study in NI?; Alternative Education Provision for Disaffected Young People – An Update; How did the Experience of Young People at School Affect them Post-16?; Equality Update; Women in the Northern Ireland Labour Market; The DEL Research Agenda; Derry or Delhi, Bangor or Bangalore? Call Centre Employment - An Update; Call Centre Recruitment Difficulties - An Investigation; The New Family Resources Survey; Evaluation of Bridge to Employment; Technical Help for Social Researchers from ESRC and ONS!; More Popular Labour Market Fallacies: Leading Labour Market Research Organisations - SKOPE;

NOTE: FOR DETAILS OF ISSUES NOS 1-13 SEE PREVIOUS 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**



Notes

Notes



people:skills:jobs:





THE DEPARTMENT:

Our aim is to promote learning and skills, to prepare people for work and to support the economy.

This document is available in other formats upon request.

Further information:

telephone: 028 9025 7609 fax: 028 9025 7696 email: reb@delni.gov.uk web: www.delni.gov.uk