

Labour Market Bulletin

DEPARTMENT for
EMPLOYMENT
and LEARNING



November 2001

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Foreword

Dr Seán Farren, Minister for Employment and Learning

Once again I am delighted to be given the opportunity to write the foreword to the Labour Market Bulletin.

The Department's overarching aim continues to be the quest to promote a culture of lifelong learning and equipping people for work in a modern economy. The Labour Market Bulletin plays a vital and informative role within this aim.

The Bulletin contains a variety of articles which continue to raise awareness of the latest research findings on education, training and labour market issues. For example this year's Bulletin explores issues such as skills, employability, social exclusion and work-life balance as well as

evaluating the impact and effectiveness of DEL programmes. Several years' work on Skills Monitoring and Forecasting and recruitment and redundancy studies is now beginning to bear fruit as several of the articles demonstrate.

In the current uncertain economic climate it is essential that we remain focused on our long-term strategic aims. The Labour Market Bulletin is a valuable resource which helps inform those of us who are directly involved in framing the policies and taking the decisions which will shape the future of the Northern Ireland workforce.



A handwritten signature in black ink that reads "Seán Farren". The signature is written in a cursive, flowing style.

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Editorial

Ah Brave New World!

Much of the Labour Market Bulletin is concerned – and rightly so – with micro-analysis. Most of us, most of the time, are involved in such matters.

But sometimes it is instructive to look at the big picture, to go macro and examine strong underlying trends – which show up not in say monthly unemployment counts, or annual earnings data, but over decades or generations.

An understanding here will inform strategic policy making in government and for individuals, career and other life choices.

Some of these trends in the labour markets of advanced economies such as the UK's are as follows:-

- Once people joined organisations for life and progress was dependent in large part on seniority. Now with new ever-faster changing technologies – it's as if the older generation is using Spanish when Portuguese is what is now required. Young people grow up using computers - the home computer is used more by the kids than the parents. The internet, mobile phones, and various interactive devices are replacing TV

watching which is declining among the young. In employment terms, despite recent reverses, the fastest growing sector is the ICT sector which is youth dominated. Indeed youth has become a separate marketplace with more spending power (and no compulsory military service) and in some markets youth markets dominate – most CDs are bought by pre-teens – the days are long since gone when this author used to recognise the bands on 'Top of the Pops'. Even some of the very rich are now very young! Remember 20-year-old dot.com millionaires! For the first time in the history of mankind youth know more (in certain respects) than their elders.

- On the supply side a huge increase in the proportion of young people going on to higher education ~ when the author went to University in the 60s it was just 4% - now its over 40%.
- On the demand side – ever greater demands for higher skills – driven by technological change, globalisation, management delayering and rising customer expectations.

- And despite the rising supply of skills an ever greater demand for skills is increasing wage inequalities.
- Fewer children, born later. Once it was four children per family now its 1.9 in NI, yet it is still the highest of 77 EU regions. The replacement rate – that level required for a stable population is 2.1. More children are now born in NI to the 30-34 age group than the 25-29 group and these changes are recent (1991; 6172 : 9179) (1999; 6953 : 6866). Births to mothers 35 years and over are up from 2780 in 1991 to 3473 in 1999 – against a background of a sharply falling birth rate.
- But another trend is the ageing of the workforce with for the first time ever the majority of employees over 40. And the huge increase in the over 65s with implications for a higher ratio of dependants to those earning and paying taxes towards their services (health etc) and incomes (eg pensions).
- Formal marriage is 'going out of fashion' and there is a huge increase in one parent households (most children in the UK are conceived outside marriage and the UK also

Editorial

Ah Brave New World!

has the highest rate of teenage pregnancy in the EU and the lowest % of single mothers in work).

- The rise in work-rich households (both partners working) and work-poor households (no-one working) – these trends have huge implications for “the cycle of deprivation”.
- The ‘feminisation’ of the work force – once muscle/physical strength was a key attribute, now it’s knowledge, dexterity and good customer care/verbal fluency. One result - most additional jobs have been taken by females.
- The desire by many employers and employees for greater flexibility in working time; for employers, to match for example ever longer opening hours; for employees, a better work-life balance.

All of this is just to point out that, whilst the number of people living alone has sharply increased, the majority of people live in households and make decisions at a household rather than an individual level; that changes in family formation greatly affect the labour market both in the supply of labour (increasing female participation rates:

a division into work rich, work poor households) and on the demand side (labour saving devices at home, increased need for paid childcare). In spatial terms labour mobility can increase eg more access to cars, or reduce, eg one partner offered transfer by employer refuses - because other partner likes present job. And increasing home ownership raises the transaction costs of moving home and reduces mobility.

So what of the future? Most readers will remember the line that computers would lead to a vast increase in leisure time, make work easier, lead to the paperless office; that video recorders would mean the demise of the cinema. ICT is supposed to lead to the death of distance but ironically few industries spatially cluster more than this sector as Chapter 14 in this Bulletin illustrates.

Perhaps as Ogden Nash stated ... **“Progress may have been all right once – but it’s gone on far too long”**

But the future is already here – it’s just unevenly distributed.

T MORAHAN
Editor Labour Market
Bulletin
Head Research and
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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 4,600 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 EU allowing cross-country comparisons to be made.

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

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

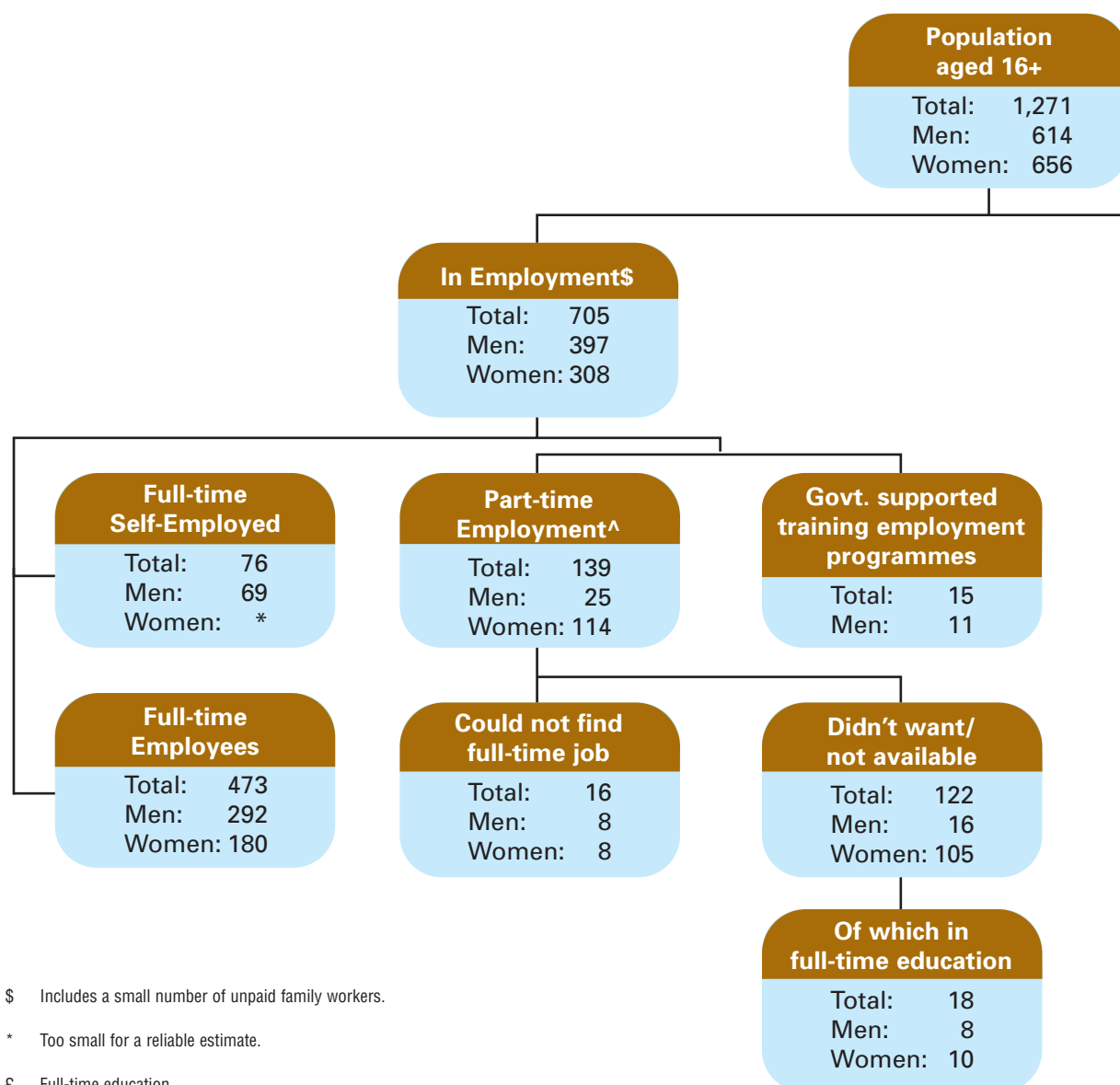
The chart shows how each of these three major categories may be further sub-divided to produce LFS estimates for an entire spectrum of non-overlapping labour market groups ranging from full-time employee to economically inactive people who do not want a job. The results are for Spring 2001.



Labour Market 'At a Glance'

Statistics Research Branch, Department of Enterprise, Trade and Investment

Labour Market position of people aged 16 and over (000's), Spring 2001



\$ Includes a small number of unpaid family workers.

* Too small for a reliable estimate.

£ Full-time education.

This includes a small number of persons who are waiting to take up a job already obtained and are, therefore, not included in the subsequent breakdown of type of work being looked for. Figures are in thousands and may, therefore, not sum due to rounding.

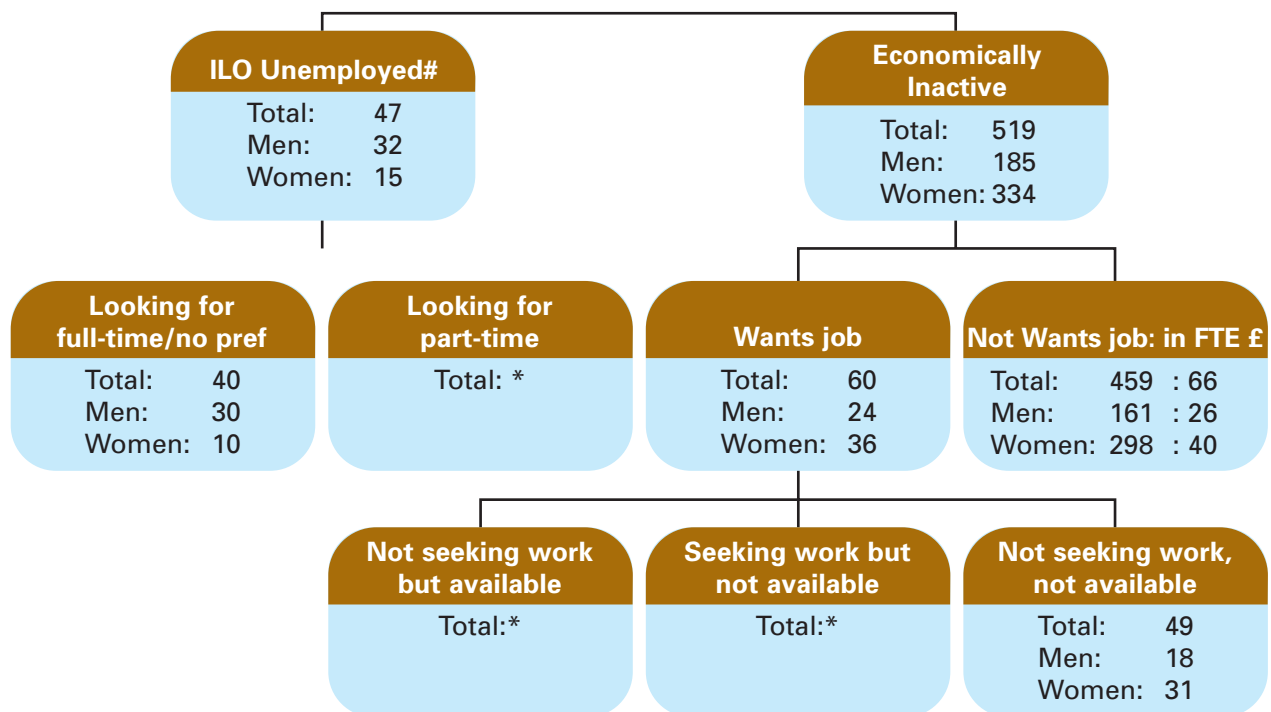
^ Comprises part-time employees and part-time self-employed.

1 The International Labour Office (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.

Estimates of less than 8,000 are considered too unreliable to be published. This explains why a gender split for some categories is omitted.

Labour Market 'At a Glance'

Statistics Research Branch, Department of Enterprise, Trade and Investment



Each person aged 16 and over in the LFS sample is classified, using the standard ILO¹ guidelines, into one of the following categories: employed, unemployed or economically inactive. The chart above shows how these three major categories may be further sub-divided

to produce LFS estimates for an entire spectrum of labour market groups ranging from full-time employees to economically inactive people who do not want a job. Further details of each of the main categories identified are contained in the relevant sections of this statistics notice.

Labour Market Statistics

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). A major strength of the LFS is that it is a self-contained integrated source of information on employment, unemployment, economic activity and many other labour market topics. It is the largest regular household survey carried out in NI and it uses concepts and definitions which are consistent with International Labour Organisation (ILO) guidelines. For consistency with previously published articles, LFS estimates for spring 2001 have been used – that is, the 3 month period March to May 2001.

Table 1 provides a seasonally adjusted summary of the NI labour market position at March-May 2001 and an indication of change over the previous quarter. The figures show that there has been an increase in seasonally adjusted employment of 14,000 and an increase in seasonally adjusted ILO unemployment of 1,000, while the numbers of seasonally adjusted economically inactive decreased by 14,000.

EMPLOYMENT

The total number of persons in employment at March-May 2001 was 705,000. Of these 473,000 (67%) were full-time employees, 129,000 (18%) were part-time employees, 86,000 (12%)

were self-employed and 15,000 (2%) were on government employment and training programmes. (The numbers involved in unpaid family work are too small for reliable estimates to be quoted.)

Figure 1 shows how the relative size of these categories differs for men and women. While self-employment accounts for 18% of the total number of male jobs, it makes up just 4% of female employment. Another feature of the NI labour market is the significant contribution which part-time jobs make to female employment. 35% of all females in employment are part-time employees compared with just 5% of males.

Table 1 Summary of Labour Market Statistics March to May 2001 (seasonally adjusted)

	Level	Sampling Variability of level +/-#	Change over Quarter	Sampling Variability of change +/-#
ILO* employment	713,000	23,000	14,000	29,000
ILO* unemployment	47,000	8,000	1,000	10,000
Economically active	761,000	22,000	16,000	28,000
Economically inactive	510,000	22,000	-14,000	28,000
ILO* unemployment rate	6.2%	1.0%	0.1pp ¹	1.3%
Economic activity rate working age	72.4%	1.7%	1.5pp ¹	1.4%
Economic inactivity rate working age	27.6%	1.8%	-1.5pp ¹	1.4%

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

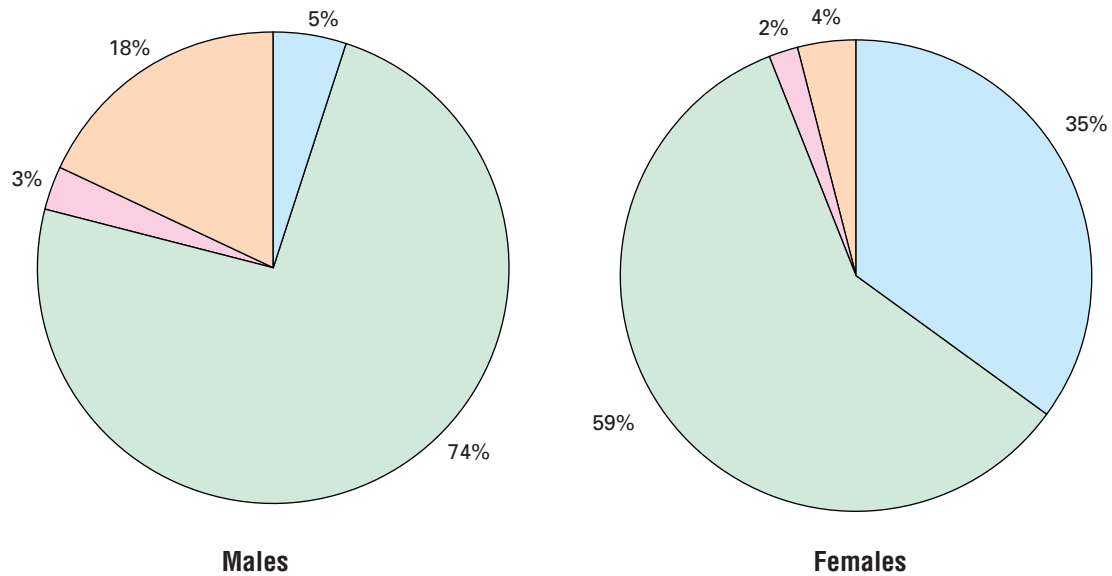
95% confidence interval

¹pp percentage points

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Figure 1 Categories of Employment



REASONS FOR PART-TIME WORK

Figure 2 shows that the reasons for part-time working also differ for men and women. While the majority of males (72%) worked part-time because they were students or were unable to find full-time work, the main reason given by females was that they did not want a full-time job (82%).

- P/T Employee
- F/T Employee
- Others
- Self-Employ

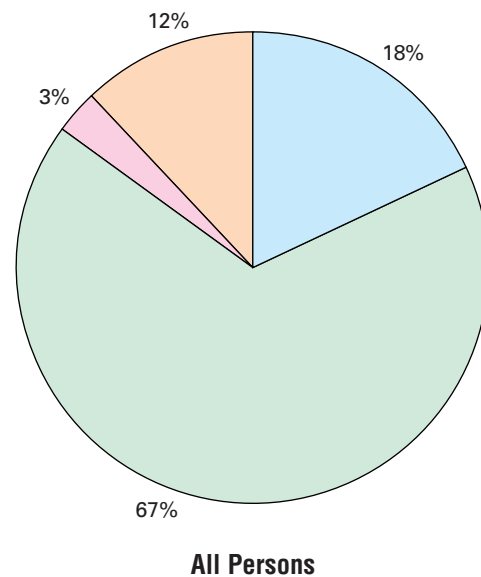
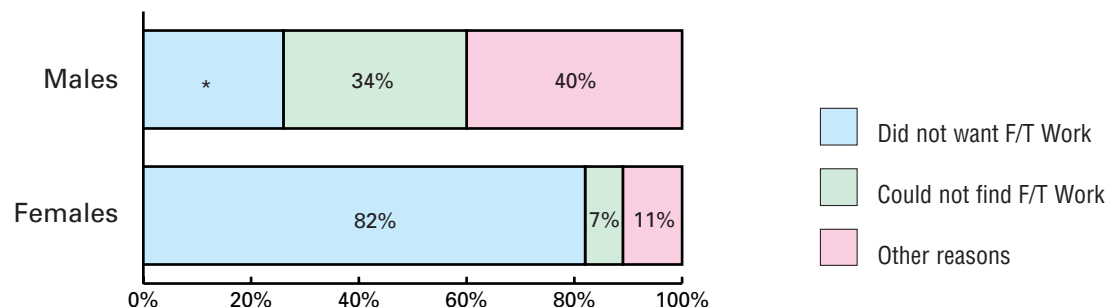


Figure 2 Reasons for Employees Working Part-time



"Others" comprise those on government training and employment schemes and unpaid family workers.

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

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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 2001. Substantially more male employees are working full-time (263,340) compared to part-time (55,460), whereas the female split in employee jobs is more evenly spread

(168,490 working full-time compared to 157,900 working part-time). In June 2001 the total number of Female Employees Jobs accounted for over half of the NI total.

Table 2 Employee Jobs, - Full-time/Part-time split, June 2001

	Male		Female		Total	% change in total	
	Full Time	Part Time	Full Time	Part Time		since last quarter	since last year
Manufacturing	71,550	2,010	22,970	4,790	101,330	-1.3%	-2.1%
Construction	29,850	1,190	2,270	1,190	34,500	-0.7%	1.3%
Services	154,210	41,880	142,380	150,180	488,650	0.5%	2.0%
Other ¹	7,730	10,370	880	1,740	20,720	0.2%	-2.0%
Total	263,340	55,460	168,490	157,900	645,200	0.1%	1.2%

¹ Covers Industry Sections A,B,C and E
Figures are rounded and may not sum

Figure 3 Annual and Quarterly Changes in Employee Jobs

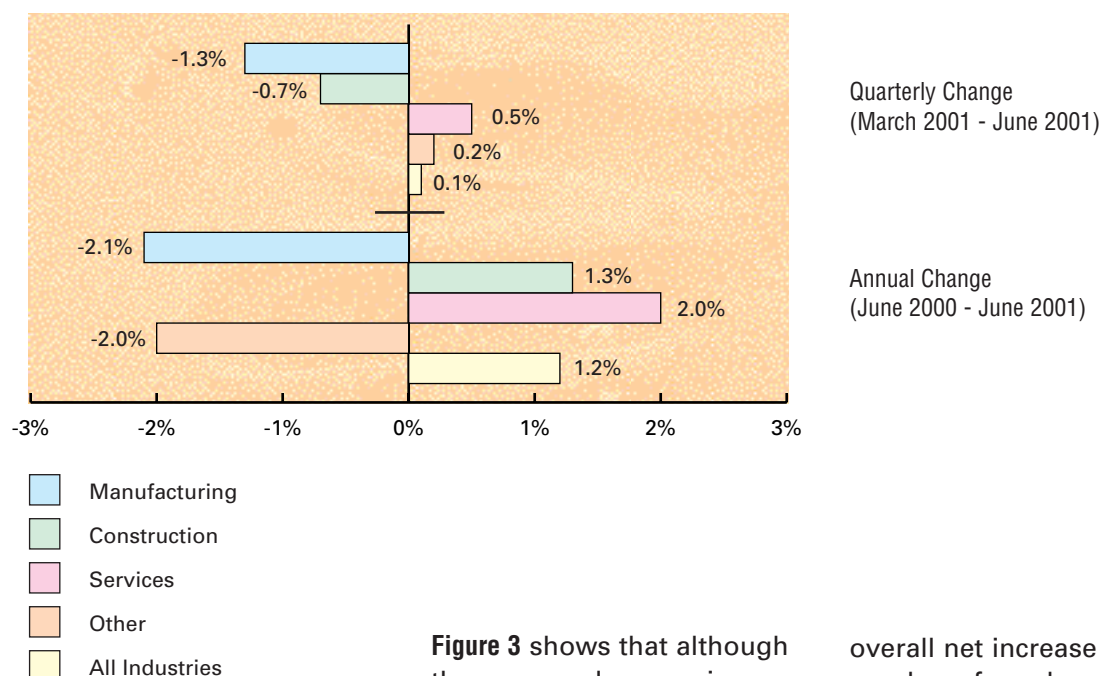


Figure 3 shows that although there was a decrease in Manufacturing over the quarter and past year respectively, the increase in Services has resulted in an

overall net increase in the number of employee jobs. There were overall increases of 0.1% over the quarter and 1.2% over the year.

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Figure 4 NI Employee Jobs by Broad Industry Sector

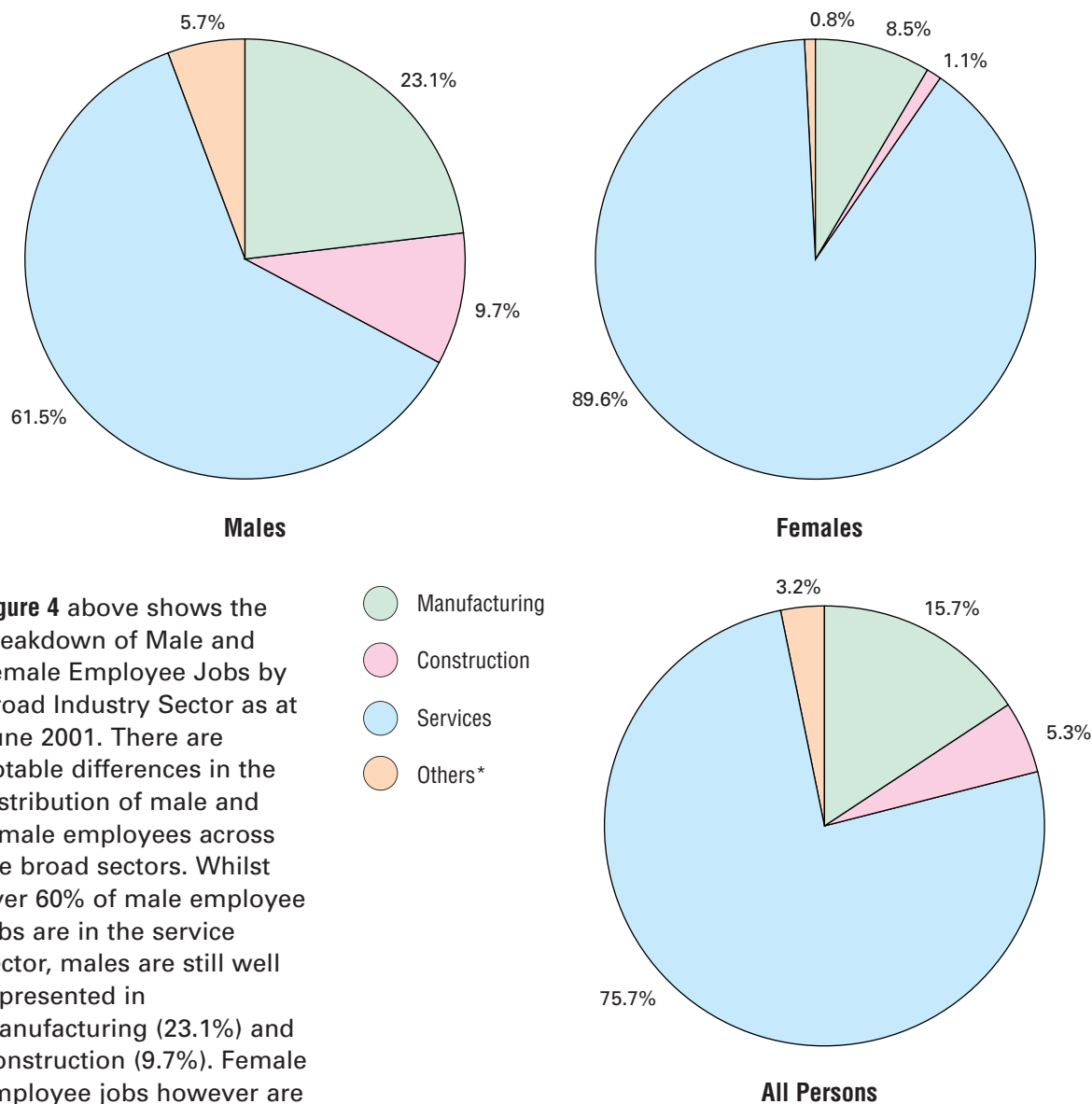


Figure 4 above shows the breakdown of Male and Female Employee Jobs by Broad Industry Sector as at June 2001. There are notable differences in the distribution of male and female employees across the broad sectors. Whilst over 60% of male employee jobs are in the service sector, males are still well represented in Manufacturing (23.1%) and Construction (9.7%). Female employee jobs however are more concentrated in the Service Sector (89.6%), with only 8.5% involved in Manufacturing and 1.1% in Construction.

- Manufacturing
- Construction
- Services
- Others*

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

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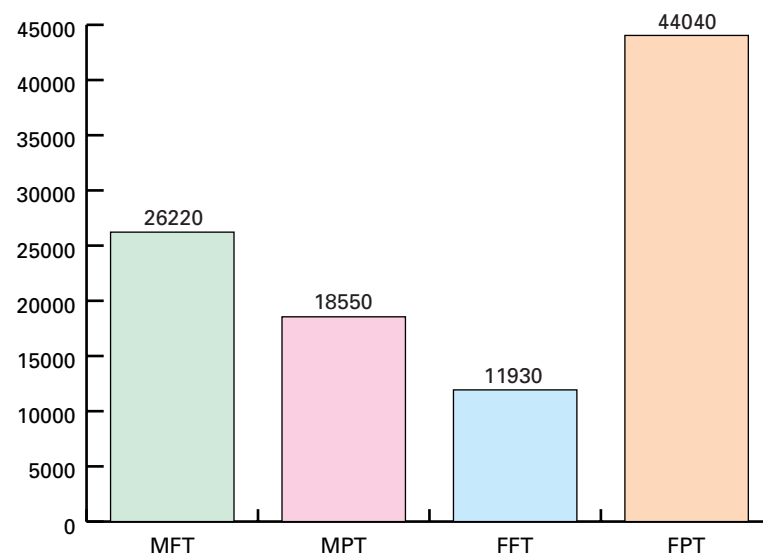


Figure 5 shows the rise in employee jobs between June 1993 and June 2001 for Males/Females, Full-time and Part-time. By far the largest increase occurred in Female Part-time jobs, with an increase of +44,040. The second largest rise occurred in Male Full-time jobs (+26,220).

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 2001 there were 47,000 persons unemployed in NI, 6.2% of the total workforce. **Figure 6** shows that the ILO unemployment rates have been on a downward trend for a

Figure 5 Change in NI Employee Jobs, June 1993 – June 2001



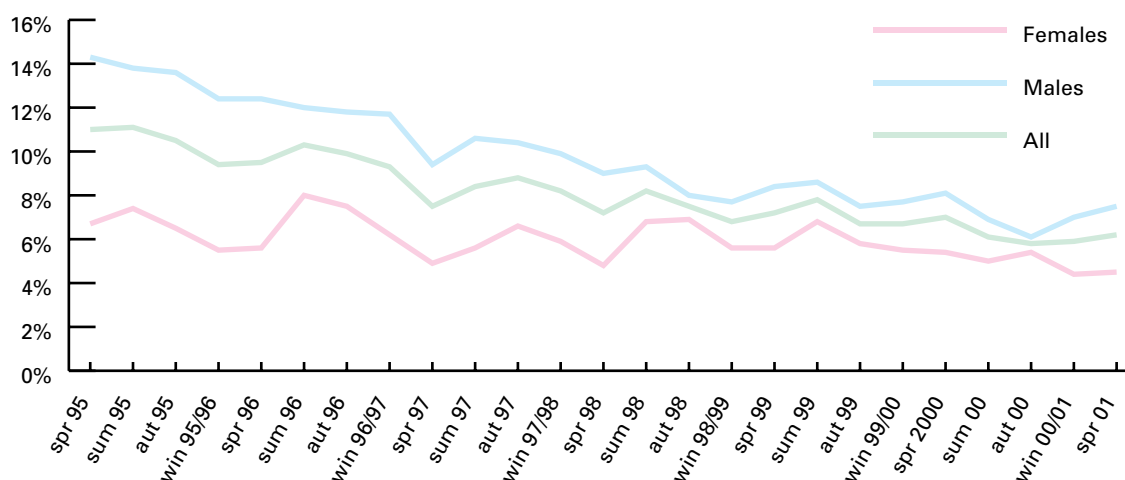
number of years. The unemployment rate for males is considerably higher than that for females and this differential has remained relatively constant over time.

DURATION OF UNEMPLOYMENT (ILO)

In the period March-May 2001, 20,000 (43%) of the

ILO unemployed had been out of work and seeking employment for one year or more. Over half (54%) of unemployed males had been unemployed for one year or more. In contrast, the majority (79%) of unemployed females have been unemployed for less than 1 year, with relatively few unemployed for one year or more.

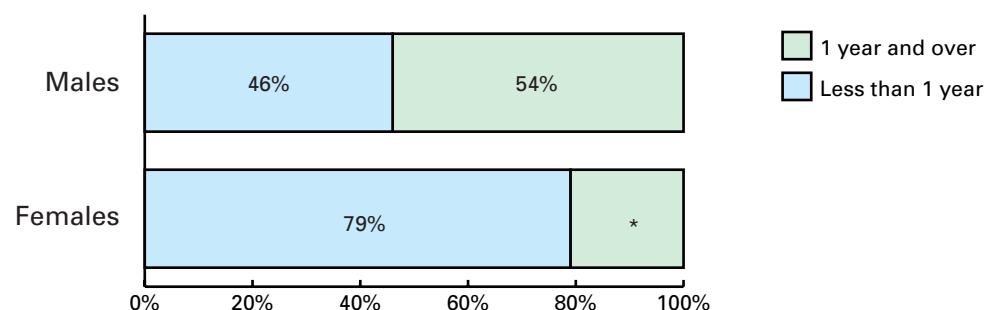
Figure 6 ILO Unemployment Rates



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Figure 7 Duration of Unemployment (ILO)



* Too small for a reliable estimate.

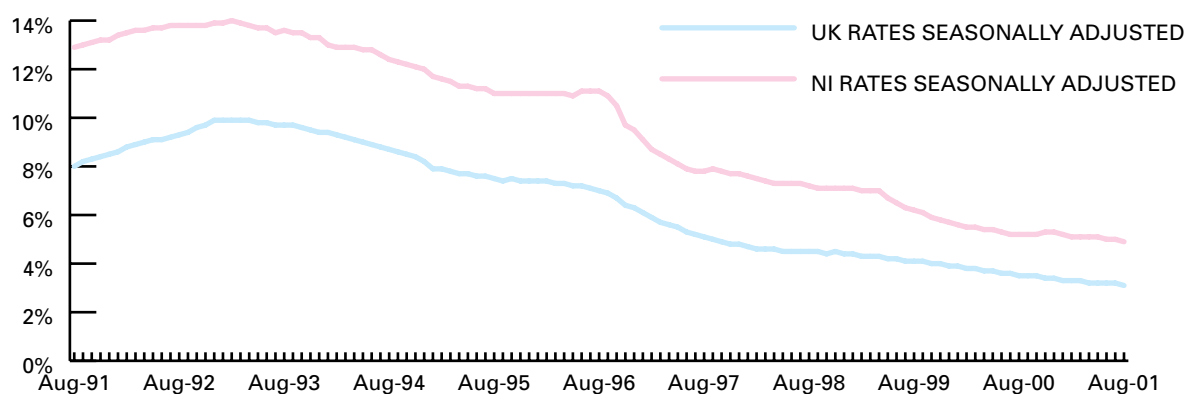
CLAIMANT UNEMPLOYMENT

The Seasonally adjusted claimant count unemployment rate for NI in August 2001, 4.9%, was the lowest seen since March 1975. 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. The greatest differential between NI and the UK in this period was seen in August 1991 when the difference was 4.9

percentage points. The lowest differential was seen in July 2000 when the difference was 1.6 percentage points. The claimant count rate of 3.1% for the UK in August 2001 is also the lowest seen throughout the past ten years (**Figure 8**).

Figure 8: Seasonally adjusted claimant count rates for NI and the UK, August 1991 to August 2001.



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SUBREGIONAL ANALYSIS

An analysis at Travel-to-work area (TTWA) level shows

that claimant count rates were generally highest in the west of the region and lower in the east. The

highest rate was 10.2% in Strabane, and the lowest in Ballymena at 3.9% (**Figure 9**)

Figure 9: NI claimant count Travel-To-Work area rates - August 2001.



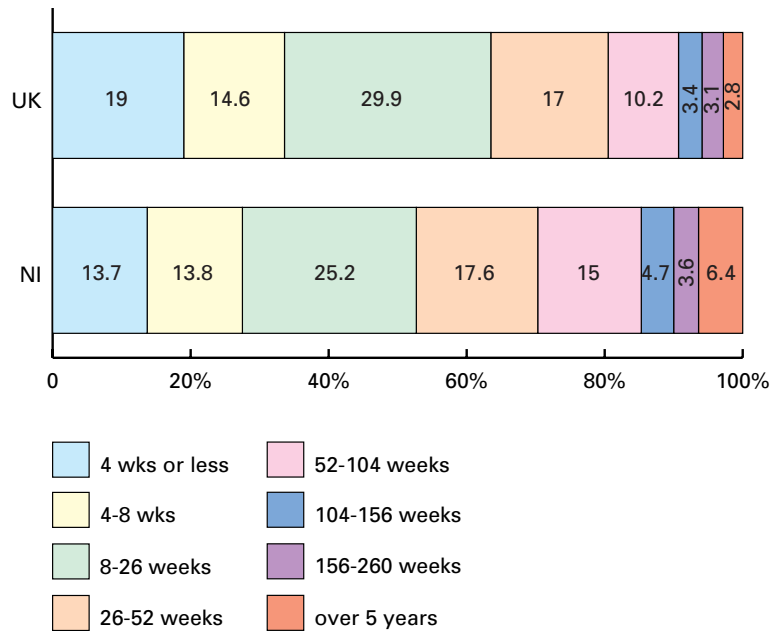
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ANALYSIS BY DURATION

In August 2001, the structure of long-term claimants in NI was slightly different from that of the UK. There were two marked differences. In NI 70.3% of claimants were short-term unemployed (claiming unemployment-related benefits for less than one year) compared to 80.5% of short-term unemployed claimants in the UK. NI had a much greater proportion of claimants who had been claiming for over five years (3.6 percentage points higher than the UK) (Figure 10).

Figure 10: Proportion of claimants by duration; August 2001



In general, districts in the west of NI showed the highest concentrations of long-term claimants (those individuals who had been claiming unemployment-related benefits for over a year), with those in the east of the region tending to be lower. The exception to this is Belfast where approximately a third of all claimants have been claiming unemployment related benefit for over a year at August 2001. Several districts had proportions of more than 36% long-term unemployed, Derry with 36.3%, Omagh with 36.3%, Fermanagh with 38.6% and Strabane with 41.0%. The two districts with the lowest proportions were Banbridge with 17.4% and Carrickfergus with 17.6% (Figure 11)

Figure 11: Concentration of long-term claimants by District Council Area; August 2001



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ECONOMIC ACTIVITY

The economically active (ILO employed + ILO 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-

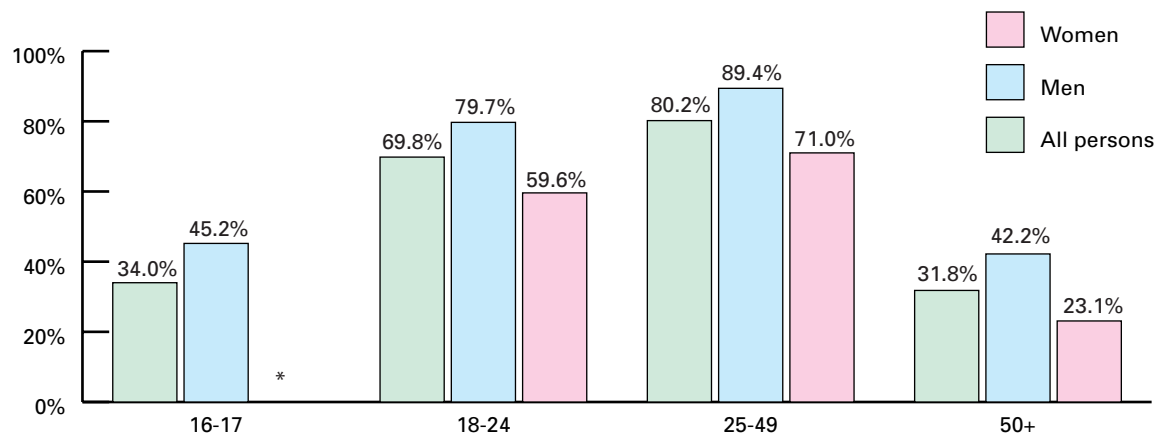
May 2001, there were 752,000 economically active people in NI – an overall activity rate of 59.2%.

ACTIVITY RATES

Figure 12 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 muted, largely because many females of working age have domestic commitments which make it difficult for them to actively participate in the labour market.

Figure 12 Economic Activity Rates by Age

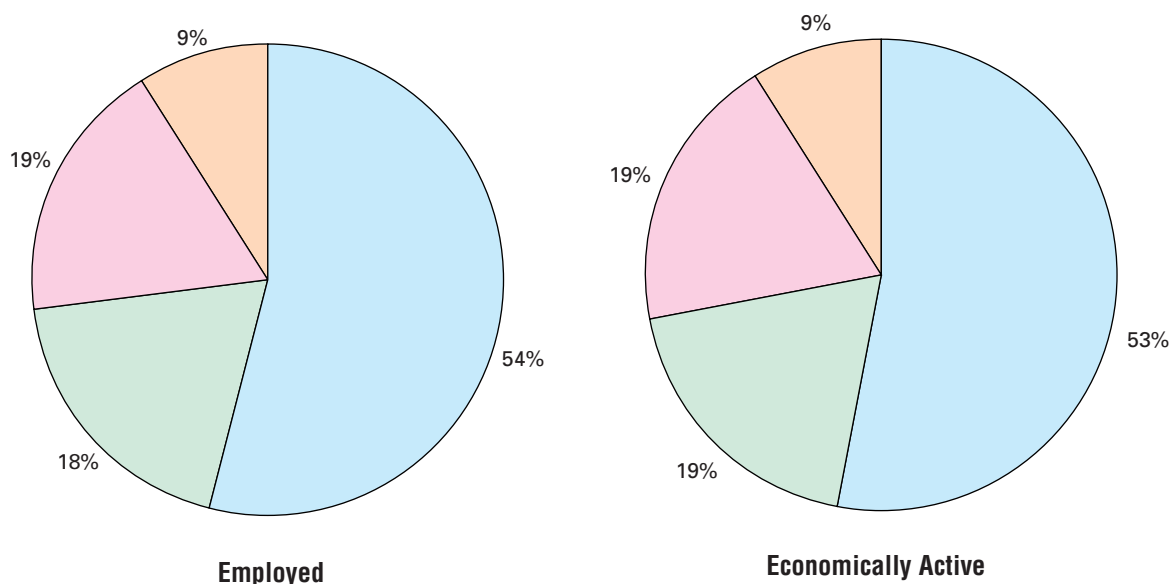


* Estimated numbers too small for a reliable estimate of activity rates

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Figure 13 Qualification Levels of the Economically Active

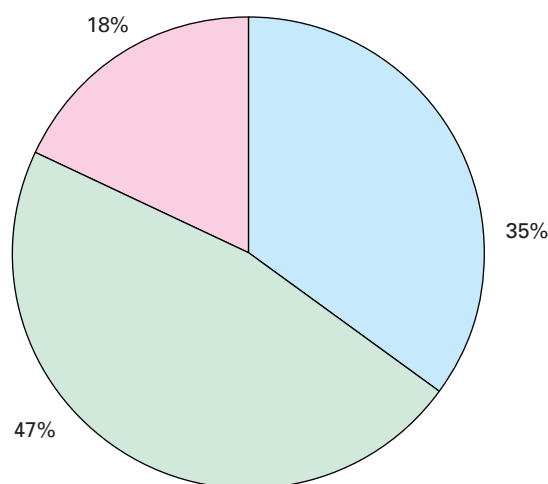


QUALIFICATION LEVELS

Figure 13 shows the qualification levels of the workforce at March-May 2001, with separate estimates for the employed and the unemployed. Overall 53% of the economically active were qualified to GCE'A' level or above, while 19% had no formal qualifications. Comparing the position of the employed and unemployed - 35% of the unemployed have no qualifications compared with 18% of those in employment.

- A level & above
- None
- O level or equiv
- Other

- A level & above
- O level or equiv
- Other & None



Unemployed

ECONOMIC INACTIVITY

People aged 16 and over who are not in employment and are not unemployed according to the ILO definition are classified as economically inactive. In the

period March-May 2001 there were 519,000 economically inactive persons in NI – a fall of 14,000 from one year earlier.

The economically inactive can be divided into two main groups; those who do not want a job (89%) and those who do want a job but

fail to satisfy the ILO unemployment requirement for active job-search (11%). A breakdown of the former category is shown at **Figure 14**. Overall, the main reason for not wanting work was retirement; 51% of men and 47% of women who did not want a job were retired. The other reasons for not

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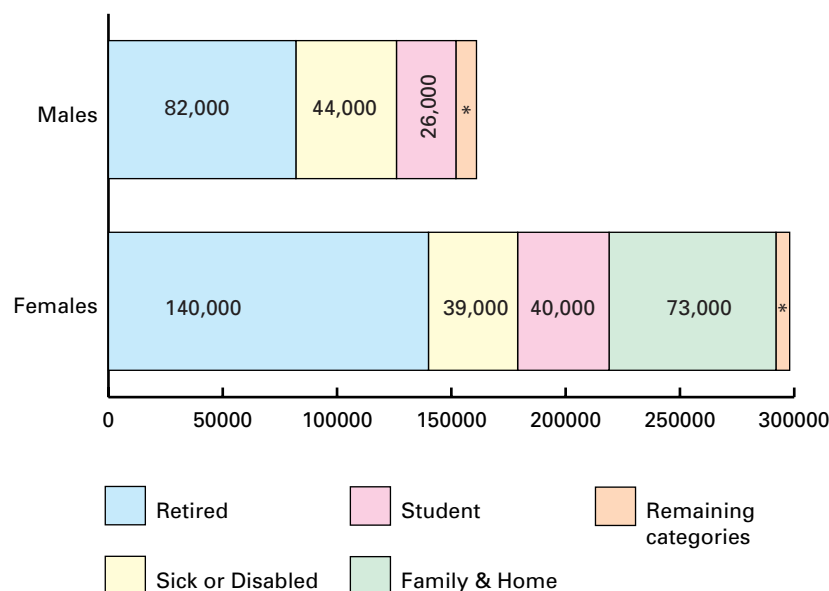
wanting work varied according to the gender of the respondent, with men more likely to cite sickness/disability (27%) as their reason and women domestic commitments. Indeed, 24% of women gave 'looking after family home' as their reason.

At March-May 2001 there were 60,000 economically inactive who did want a job, but for a variety of reasons were not actively seeking work. The majority (60%) of this group are women and the main reason given for their inactivity was family commitments (52%). A further 27% of women were inactive due to sickness or disability. In contrast, for males the main reason for economic inactivity was sickness or disability (65%).

HOUSEHOLDS

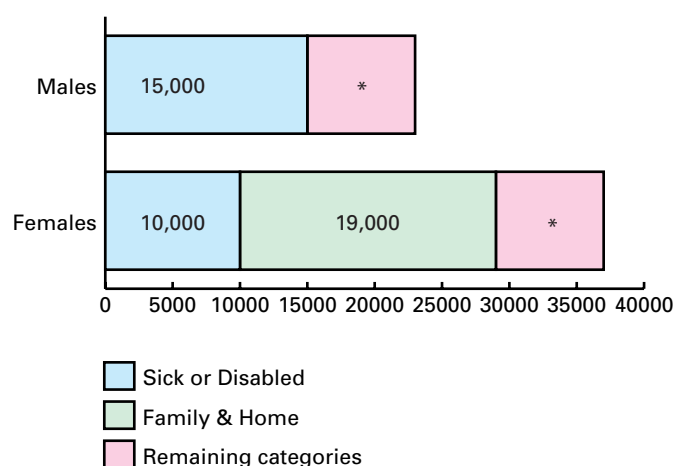
At spring 2001 there were 647,000 private households in NI. There were 1,676,000 persons living in these households, giving an average of 2.59 persons per household. This compared with a UK average of 2.38 as a whole. Indeed, NI was the region with the highest number of persons per household.

Figure 14 Reason for not Wanting Work



* Remaining categories too small for a reliable estimate.

Figure 15 Wanting a Job, reason for not looking for work



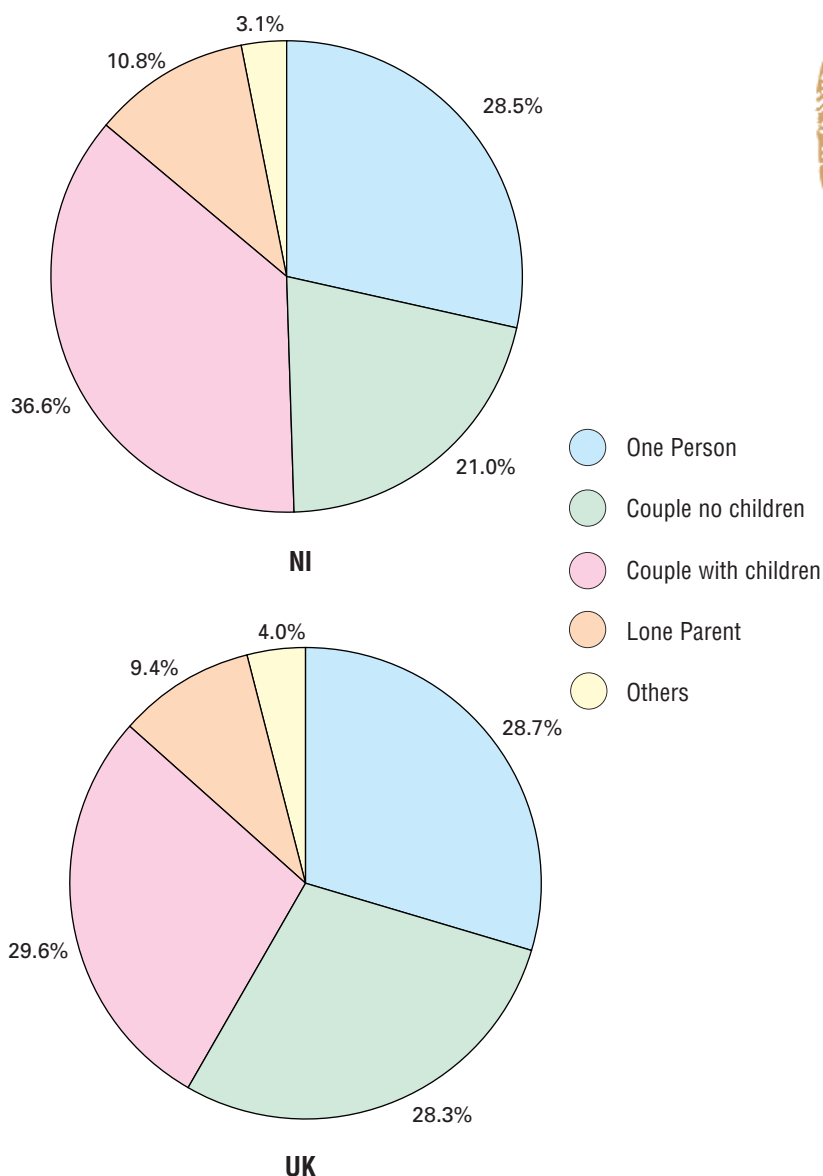
* Remaining categories too small for a reliable estimate.

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Figure 16 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 36.6% of all households. The other two main household types were one person households (28.5%), followed by couples with no children (21.0%). Lone parents with children amounted to 10.8% (70,000) 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 (36.6% compared with 29.6%). This is balanced by a lower proportion of households composed of couples with no children in NI (21.0% compared with 28.3%). There were proportionally more lone parent households in NI than in the UK (10.8% compared with 9.4%).

Figure 16 Household Types, NI and UK, Spring 2001



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

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Table 3 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 45% 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%).

A **workless household** is defined as a household where no one is in employment and comprises types 3, 4 and 5 from **Table 3**. In Spring 2001, there were 106,000 workless working age households, or 20.9% of all working age households, in NI. This compared with 15.6% in the UK as a whole and was the third highest proportion among the UK regions, lower than the North East (22.1%) and Wales (22.2%).

Table 3 Working age Households by Combined Economic Activity, Spring 2001

Type of Economic Activity	NI	UK
1) All Employed	45%	55%
2) Employed and Economically Inactive	29%	21%
3) All Economically Inactive	17%	13%
4) Unemployed and Economically Inactive	2%	1%
5) All Unemployed	2%	2%
6) Employed and Unemployed	2%	2%
7) Employed, Unemployed and Econ. Inactive	2%	1%
Not known	1%	5%
All households (100%)	507,000	18,801,000

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.

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Statistics Research Branch, Department of Enterprise, Trade and Investment

REGIONAL AND INTERNATIONAL COMPARISONS

One of the strengths of the Labour Force Survey is the availability of comparable socio-economic data for other UK regions and EC member states. **Table 4** provides a Labour market profile of each region of the UK at March-May 2001.

This shows that the NI economic activity rate for those of working age (72.4%) is lower than in all other UK regions. The ILO unemployment rate in NI (6.2%) is second highest of the UK regions, but well below that of the North East (7.4%). 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.

Figure 17 shows how the unemployment rate in NI compares to others in the European Union and beyond. The NI rate (6.2%) is 1.4 percentage points lower than the European Union 15 average (7.6%). It is 2.4 percentage points above the current rate in the Republic of Ireland (3.8%).



Table 4 Regional Summary (seasonally adjusted)

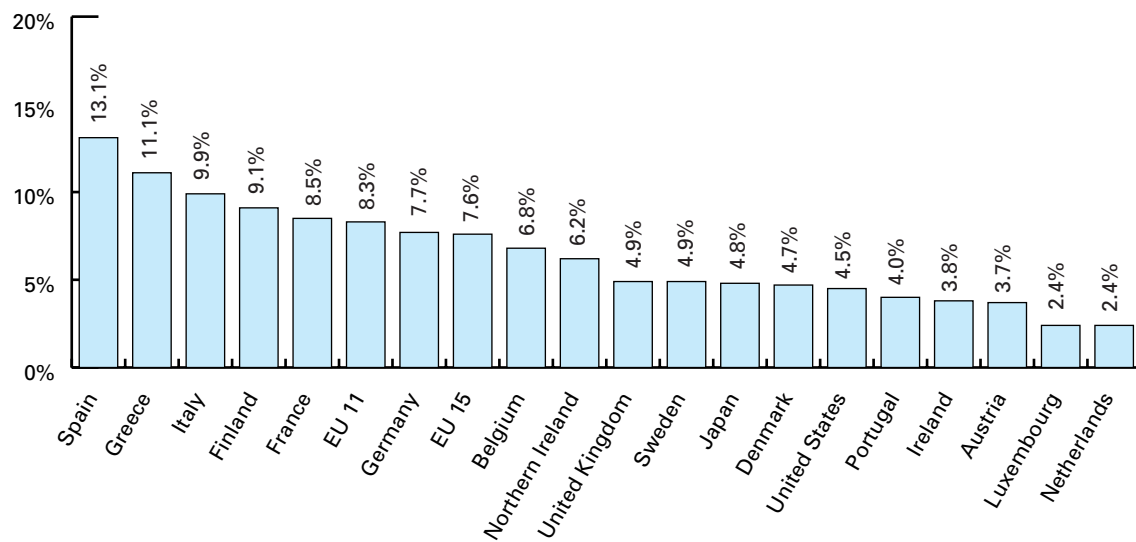
	Total aged 16 and over (000's)	Activity rate (%) 16-59/64	ILO Unemployed (000's)	ILO Unemployment rate (%)	LTU as % of total unemployed*
North East	2,032	74.6%	88	7.4%	34.2%
North West & Merseyside	5,366	77.3%	178	5.4%	27.5%
Yorkshire & Humber	3,967	77.8%	125	5.1%	29.7%
East Midlands	3,327	79.8%	103	4.9%	28.6%
West Midlands	4,179	78.5%	134	5.1%	31.6%
Eastern	4,298	83.1%	105	3.7%	22.6%
London	5,720	76.0%	224	6.1%	29.7%
South East	6,382	83.1%	133	3.1%	16.7%
South West	3,932	82.2%	90	3.6%	18.1%
Wales	2,315	73.1%	82	6.1%	26.2%
Scotland	4,042	78.6%	144	5.7%	27.6%
Northern Ireland	1,271	72.4%	47	6.2%	43.5%
United Kingdom	46,832	78.8%	1,453	4.9%	27.5%

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

Labour Market Statistics

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 17 International Unemployment (seasonally adjusted)



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.detini.gov.uk/stats/index.htm

E-mailing
owen.johnston@detini.gov.uk

The Labour Force Survey Annual Local Area Database

Statistics Research Branch, Department of Enterprise, Trade and Investment

The Labour Force Survey (LFS) is the largest regular household survey carried out in NI, with responses obtained from approximately 2,000 households and 5,700 individuals each quarter. While these quarterly datasets permit quite detailed analysis of the labour market at NI level, sub-NI analysis is often hindered by the relatively small sample numbers.

In order to enhance the utility of the survey data collected, a series of LFS annual databases have been developed which contain 60% more records than are found in each quarterly database. These permit more extensive sub-regional analysis and results from the 1999 dataset are presented in this article.

The local areas currently available are district councils, which can in turn be aggregated to form NUTS III regions (see **Figure 1**). NUTS is the European Commission's classification of sub-national areas for statistical purposes, which facilitate socio-economic analyses of regions (Nomenclature of Units for Territorial Statistics).



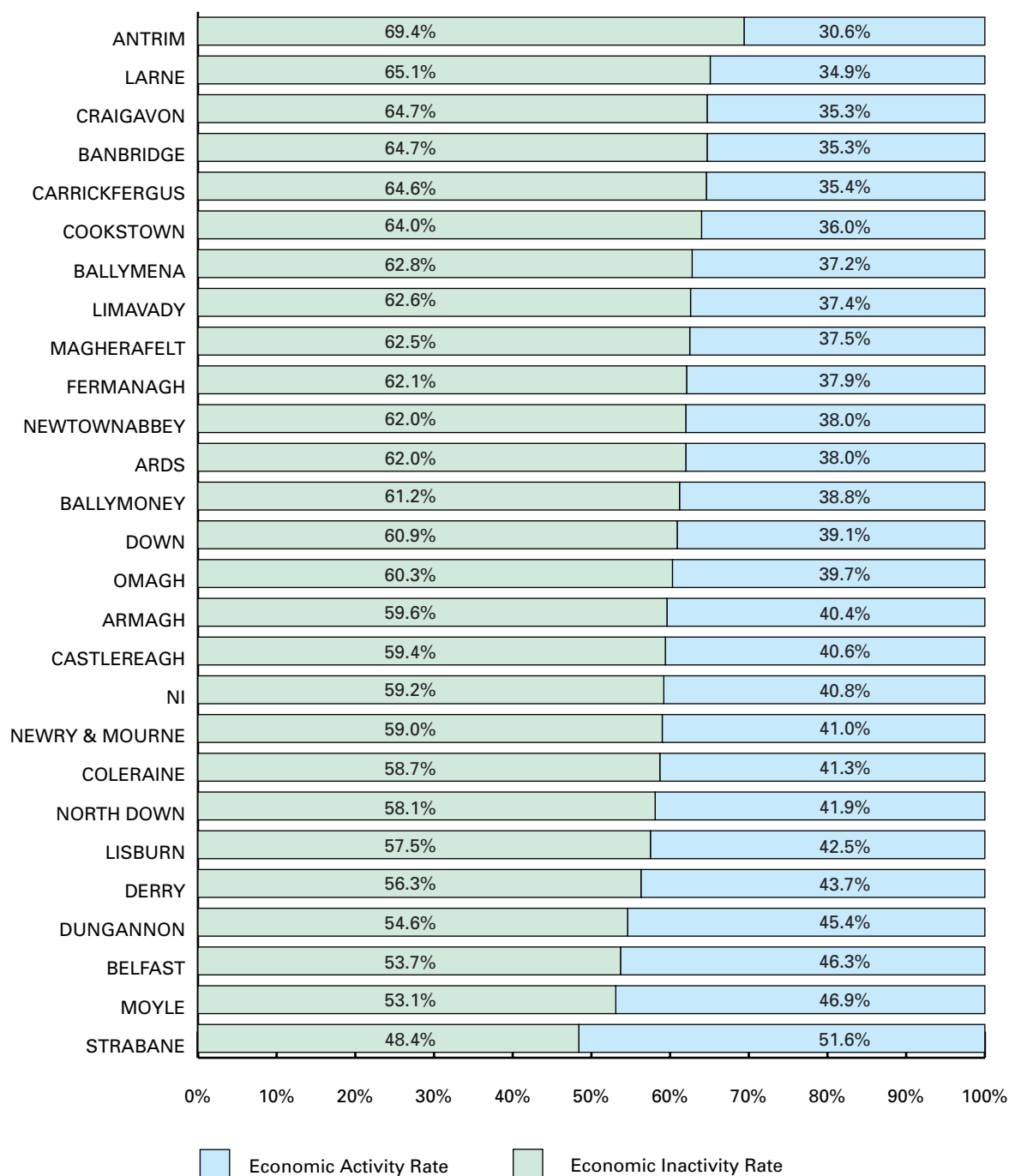
Figure 1 NUTS III Regions and Their Constituent District Councils

	NUTS III REGION	CONSTITUENT DISTRICT COUNCILS
	BELFAST	Belfast
	OUTER BELFAST	Carrickfergus Castlereagh Lisburn Newtownabbey North Down
	EAST OF NI	Antrim Ards Ballymena Banbridge Craigavon Down Larne
	NORTH OF NI	Ballymoney Coleraine Derry Limavady Moyle Strabane
	WEST & SOUTH OF NI	Armagh Cookstown Dungannon Fermanagh Magherafelt Newry & Mourne Omagh

The Labour Force Survey Annual Local Area Database

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 2 Economic Activity and Inactivity Rates by District Council 1999 All 16+



The 16+ economic activity rates range from 69.4% in Antrim District Council to 48.4% in Strabane, with the NI Average being 59.2% (see **Figure 2**). This pattern is

repeated in the employment rates of all 16+ which is as would be expected as the economically active consists of those in ILO employment (employees, self-employed,

those on government schemes and unpaid family workers) and the ILO unemployed.

The Labour Force Survey Annual Local Area Database

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 3 Educational Status by NUTS III Region 1999 All 16+

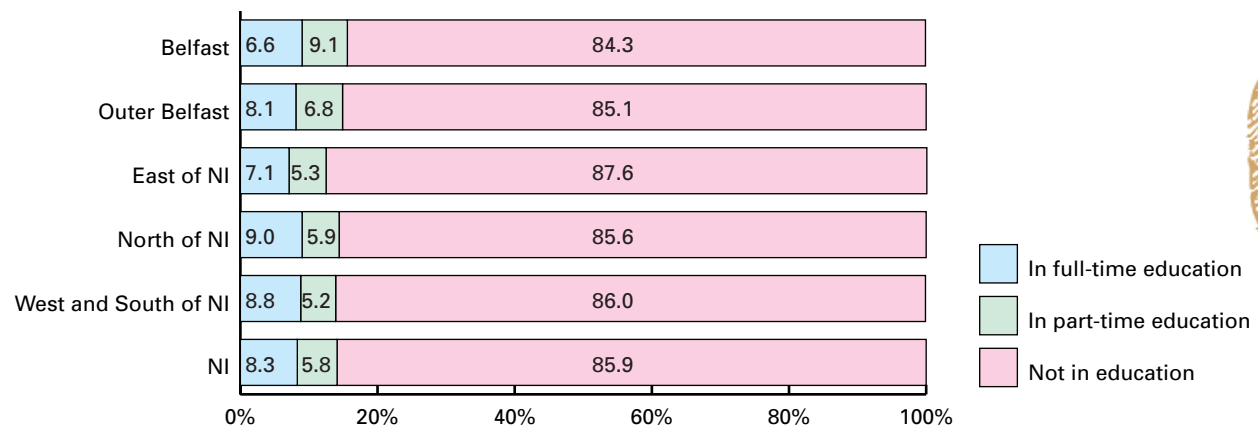
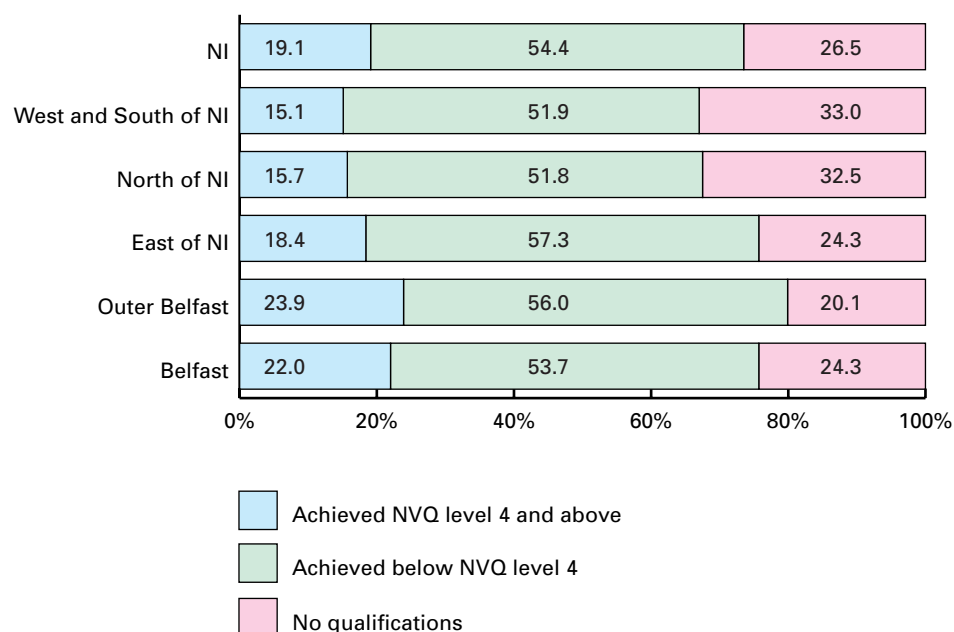


Figure 3 indicates that the East of NI has the lowest percentage of people in full-time education (7.1%) while Belfast has the highest percentage (9.0%) in full-

time education. The percentage in part-time education ranges from 5.1% in the West and South of NI to 6.8% in Outer Belfast. Overall East of NI has the

greatest proportion not in education (87.6%) and Belfast has the lowest (84.3%).

Figure 4 Qualification by NUTS III Region 1999 All 16+



The Labour Force Survey Annual Local Area Database

Statistics Research Branch, Department of Enterprise, Trade and Investment



23.9% of those living in the Outer Belfast area have achieved NVQ level 4 and above which includes degree level and above as compared to only 15.1 % in the West and South of NI (see **Figure 4**). While in the

Outer Belfast area 20.2% have no qualifications rising to 33.0% in the West and South of NI. The NI average figures are 19.1% achieving NVQ level 4 and above with 26.5% with no qualifications.

Job related training follows the same pattern as qualification levels with the lowest proportion of people receiving job related training within the past 4 weeks being in the West and South of NI (7.9%) while the greatest is in Belfast (12.4%)

Figure 5 Occupation in Main Job by NUTS III Region 1999 All 16+

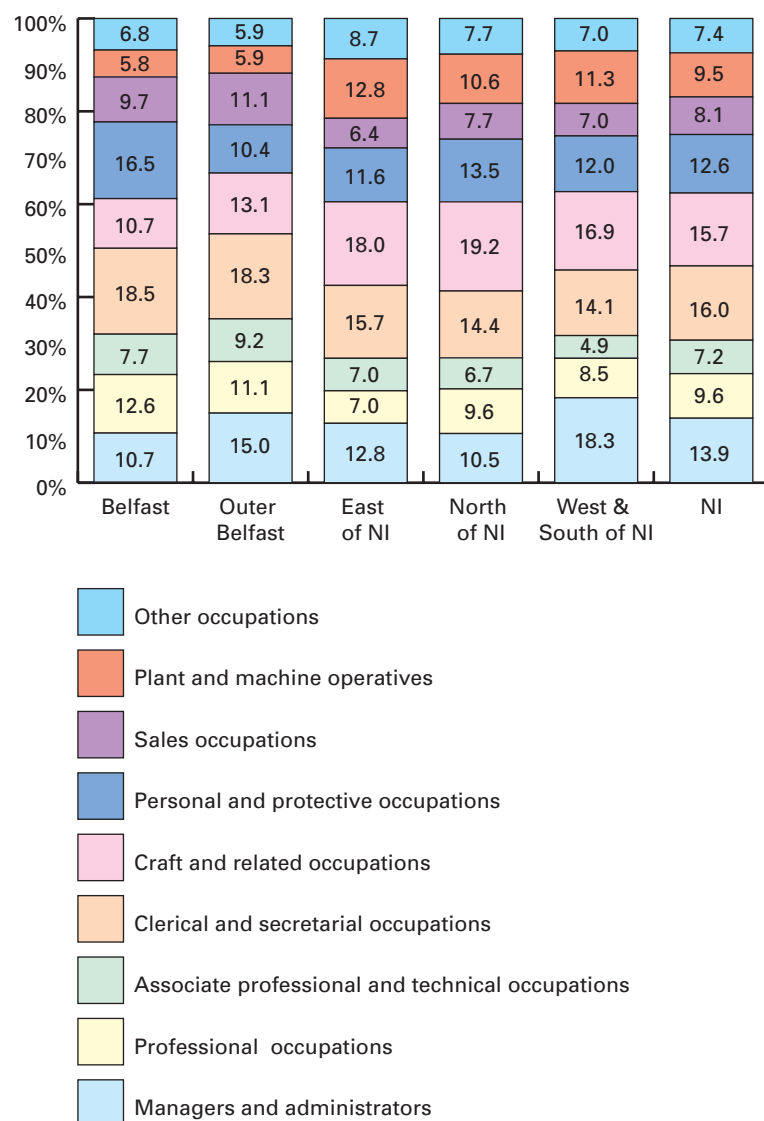


Figure 5 gives an indication of the distribution of different occupations across NI. For example the West and South of NI has the greatest proportion of Managers and Administrators as this category includes farmers whilst the greatest proportion of clerical and secretarial occupations are found in Belfast and Outer Belfast.

The Labour Force Survey Annual Local Area Database

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 6 ILO Unemployment Rate by NUTS III Region 1999 All 16+

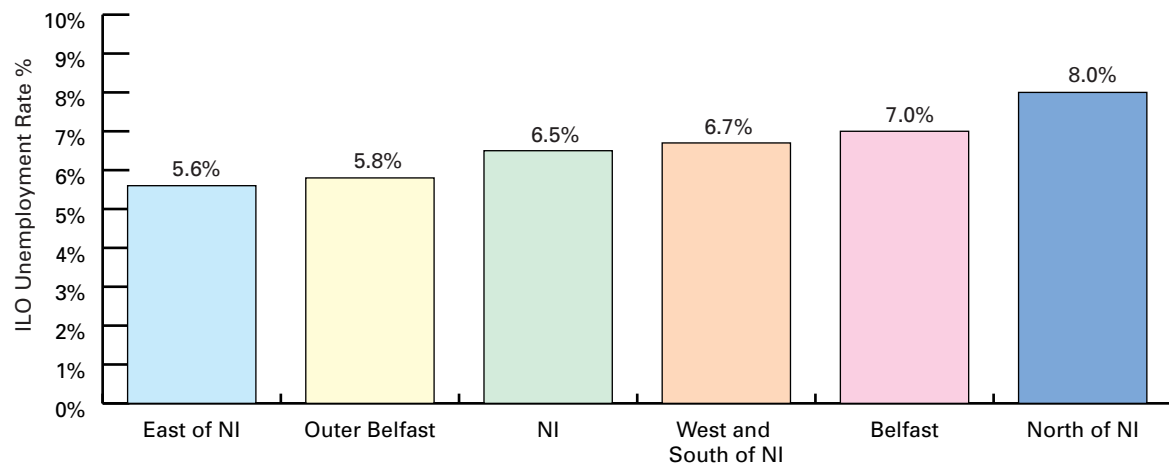


Figure 6 shows that the ILO unemployment rate for NUTS III areas varies from 5.6% in the East of NI to 8.0% in the North of NI. The overall ILO unemployment rate for NI at 1999 is 6.5% of the total workforce.

As can be seen from the previous information the LFS Local Area Dataset is a useful source of sub NI data. LFS annual local area databases containing NI data are available for the years 1996 to 1999.

Employment Changes by District Council Area 1995-1999

Statistics Research Branch, Department of Enterprise, Trade and Investment



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

The CoE counts the number of jobs rather than the number of persons with a job (i.e. a person holding two part-time jobs will be counted twice) and the sub NI analysis is based on the actual location of the jobs, not on the home address of the employees. For example, the number of employee jobs in Antrim District Council Area (DCA) refers to the number of jobs that are actually located in Antrim DCA, not the number of employees living in Antrim. The re-location or change of reporting procedures by large employers can therefore affect the CoE sub NI analysis when making inter-censal comparisons. The latest available Census data relates to September 1999. Collection of data for the 2001 Census commenced in September and results will be available in December 2002.

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

The Table highlights that the largest number of employee jobs are located in Belfast DCA – i.e. 175,594 jobs (or 28.5% of total employee jobs). Belfast DCA also has the highest concentration of jobs within the Service Sector (87%), consequently

the proportion of jobs in Manufacturing (9%) and Construction (3%) are well below the NI average. In contrast Moyle DCA has the fewest number of employee jobs with just 2,993 being located there. Moyle DCA has the lowest proportion of jobs in Manufacturing (7%) and a relatively high proportion of jobs in the Service Sector (82%).

The industry breakdown of employee jobs varies significantly between District Councils. The Manufacturing Sector in Craigavon and Strabane is comparatively large and accounts for one third of all employee jobs, whereas in Moyle manufacturing only represents 7% of the total. Magherafelt has the largest proportion of jobs in the Construction industry (13%), while Belfast and Larne have the smallest proportion of jobs in this Sector (3%). The Service Sector shows the largest variation between the two extremes. While only 57% of jobs in Magherafelt and Strabane are in Services, the figure for Belfast (87%) is 30 percentage points higher.

Employment Changes by District Council Area 1995-1999

Statistics Research Branch, Department of Enterprise, Trade and Investment

Table 1: Employee Jobs by District Council Area (DCA), September 1999

District Council	Number of Employee Jobs					% of Total for each DCA				
	Manuf.	Const.	Serv.	Other ¹	Total	Manuf.	Const.	Serv.	Other ¹	Total
Antrim	3,494	1,597	15,219	144	20,454	17%	8%	74%	1%	100%
Ards	3,669	1,032	12,156	125	16,982	22%	6%	72%	1%	100%
Armagh	1,897	995	12,637	143	15,672	12%	6%	81%	1%	100%
Ballymena	5,925	1,548	17,288	280	25,041	24%	6%	69%	1%	100%
Ballymoney	2,017	671	4,439	84	7,211	28%	9%	62%	1%	100%
Banbridge	1,741	864	5,969	146	8,720	20%	10%	68%	2%	100%
Belfast	16,276	5,004	153,190	1,124	175,594	9%	3%	87%	1%	100%
Carrickfergus	1,517	370	5,813	265	7,965	19%	5%	73%	3%	100%
Castlereagh	3,249	943	18,528	102	22,822	14%	4%	81%	0%	100%
Coleraine	3,520	896	15,436	243	20,095	18%	4%	77%	1%	100%
Cookstown	1,854	765	5,537	84	8,240	23%	9%	67%	1%	100%
Craigavon	11,011	1,720	20,815	225	33,771	33%	5%	62%	1%	100%
Derry	8,148	1,547	28,575	330	38,600	21%	4%	74%	1%	100%
Down	1,516	1,417	13,508	264	16,705	9%	8%	81%	2%	100%
Dungannon	4,711	770	10,712	253	16,446	29%	5%	65%	2%	100%
Fermanagh	3,814	1,010	12,856	391	18,071	21%	6%	71%	2%	100%
Larne	2,027	219	5,491	420	8,157	25%	3%	67%	5%	100%
Limavady	2,274	918	5,396	100	8,688	26%	11%	62%	1%	100%
Lisburn	6,238	2,326	25,235	241	34,040	18%	7%	74%	1%	100%
Magherafelt	3,214	1,530	6,656	297	11,697	27%	13%	57%	3%	100%
Moyle	220	278	2,461	34	2,993	7%	9%	82%	1%	100%
Newry & Mourne	4,426	2,000	19,006	234	25,666	17%	8%	74%	1%	100%
Newtownabbey	5,718	1,862	19,981	134	27,695	21%	7%	72%	0%	100%
North Down	2,442	815	16,358	147	19,762	12%	4%	83%	1%	100%
Omagh	1,889	1,170	11,978	304	15,341	12%	8%	78%	2%	100%
Strabane	3,003	833	5,177	79	9,092	33%	9%	57%	1%	100%
N.I.	105,810	33,100	470,417	6,193	615,520	17%	5%	76%	1%	100%

¹ Includes employee jobs in Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply
Percentages are rounded and may not sum



Employment Changes by District Council Area 1995-1999

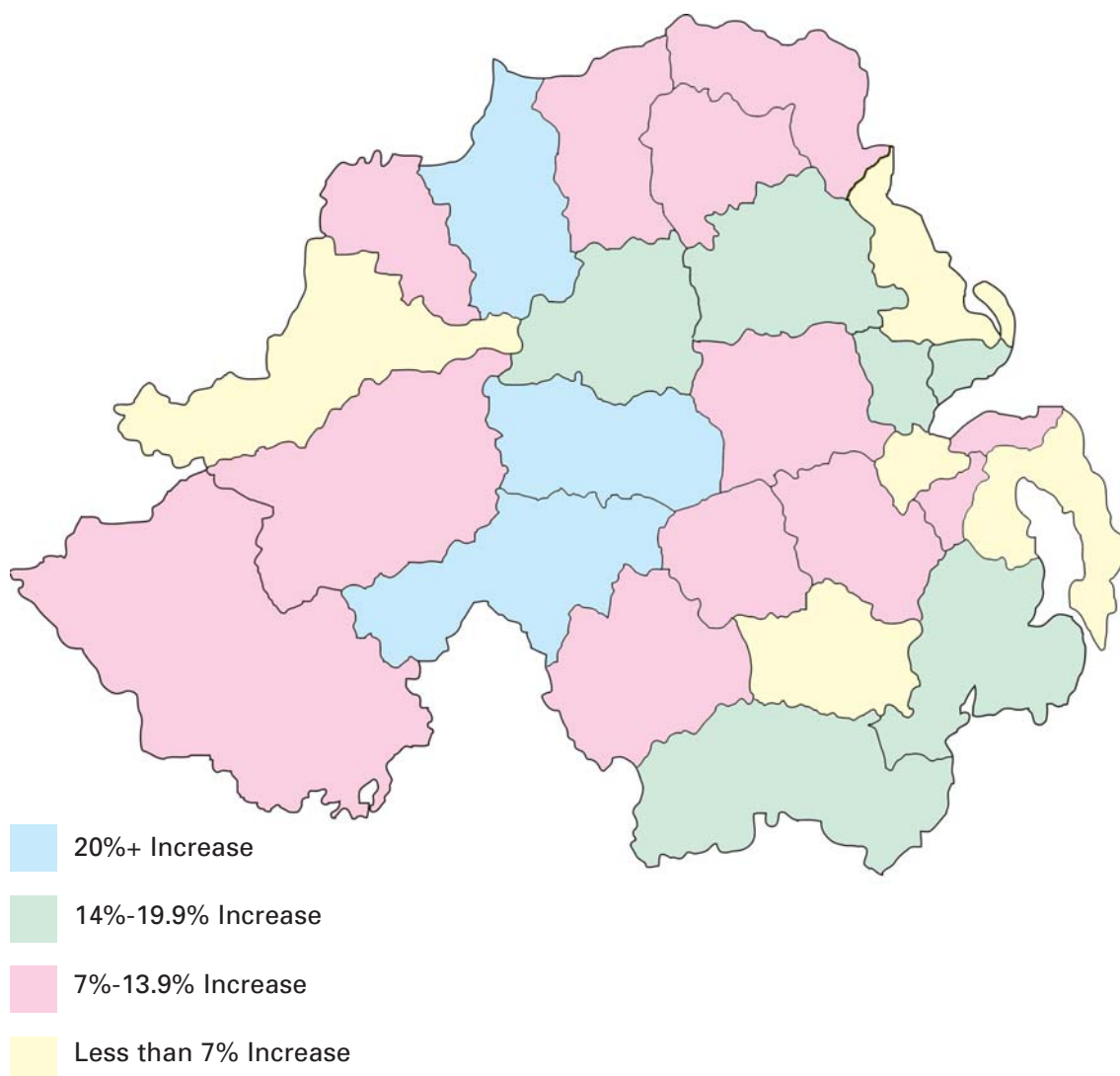
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CHANGES SINCE 1995 CENSUS OF EMPLOYMENT

Figure 1 shows the percentage change in employee jobs for each District Council Area between the 1995 and 1999 Censuses of Employment. Overall the number of employee jobs in NI increased by 58,523 (11%). However, the comparative growth in each DCA differed

significantly during the period. Ards, Larne, Strabane, Belfast and Banbridge District Councils all recorded a growth of less than 7%, well below the NI average. In contrast Limavady, Cookstown and Dungannon District Councils experienced growth in excess of 20%. **Table 2** shows the changes since the 1995 Census in more detail.

Figure 1: % Change in Employee Jobs, 1995 - 1999



Employment Changes by District Council Area 1995-1999

Statistics Research Branch, Department of Enterprise, Trade and Investment

Table 2 : Changes in Employee Jobs by District Council Area, 1995-1999

District Council	Number of Employee Jobs					% Increase for each DCA				
	Manuf.	Const.	Serv.	Other ¹	Total	Manuf.	Const.	Serv.	Other ¹	Total
Antrim	429	337	1,610	-21	2,355	14%	27%	12%	-13%	13%
Ards	-203	242	-18	-24	-3	-5%	31%	0%	-16%	0%
Armagh	-255	319	1,840	13	1,917	-12%	47%	17%	10%	14%
Ballymena	573	450	2,930	-83	3,870	11%	41%	20%	-23%	18%
Ballymoney	-72	323	266	-12	505	-3%	93%	6%	-13%	8%
Banbridge	-126	225	460	-37	522	-7%	35%	8%	-20%	6%
Belfast	-2,077	1,082	11,621	-545	10,081	-11%	28%	8%	-33%	6%
Carrickfergus	29	71	967	-83	984	2%	24%	20%	-24%	14%
Castlereagh	234	319	1,601	-33	2,121	8%	51%	9%	-24%	10%
Coleraine	21	169	1,800	15	2,005	1%	23%	13%	7%	11%
Cookstown	191	336	1,053	-36	1,544	11%	78%	23%	-30%	23%
Craigavon	-636	582	3,415	-51	3,310	-5%	51%	20%	-18%	11%
Derry	-801	222	3,697	-83	3,035	-9%	17%	15%	-20%	9%
Down	-61	499	1,796	-49	2,185	-4%	54%	15%	-16%	15%
Dungannon	914	264	1,677	33	2,888	24%	52%	19%	15%	21%
Fermanagh	653	345	1,288	-126	2,160	21%	52%	11%	-24%	14%
Larne	-70	79	348	-57	300	-3%	56%	7%	-12%	4%
Limavady	590	395	825	-20	1,790	35%	76%	18%	-17%	26%
Lisburn	1,000	430	2,137	-40	3,527	19%	23%	9%	-14%	12%
Magherafelt	307	393	951	-13	1,638	11%	35%	17%	-4%	16%
Moyle	-49	148	259	-17	341	-18%	114%	12%	-33%	13%
Newry & Mourne	454	473	2,528	-13	3,442	11%	31%	15%	-5%	15%
Newtownabbey	670	786	2,801	27	4,284	13%	73%	16%	25%	18%
North Down	-91	311	1,624	-59	1,785	-4%	62%	11%	-29%	10%
Omagh	205	348	994	-74	1,473	12%	42%	9%	-20%	11%
Strabane	13	209	262	-20	464	0%	33%	5%	-20%	5%
N.I.	1,842	9,357	48,732	-1,408	58,523	2%	39%	12%	-19%	11%

¹ Includes employee jobs in Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply
Percentages are rounded and may not sum

CHANGE IN MANUFACTURING JOBS

Between September 1995 and September 1999 the number of manufacturing jobs in NI increased by 1,842 (2%). The actual change in each District Council varies considerably, with Lisburn showing the largest increase

(+1,000) and Belfast the largest fall (-2,077).

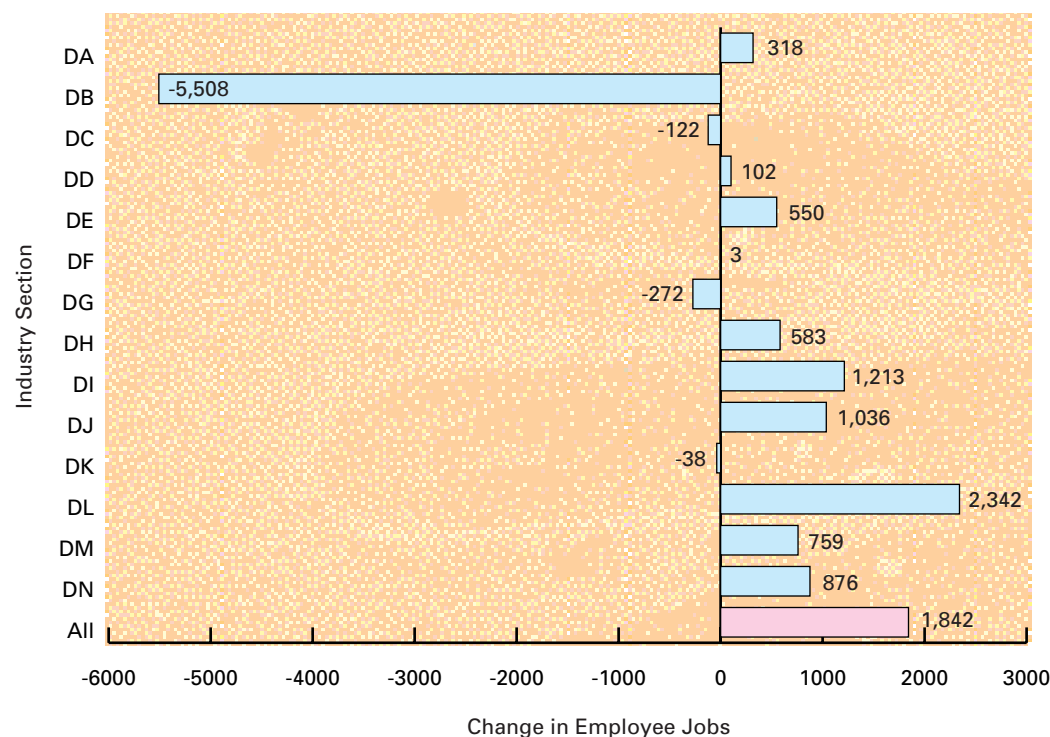
The overall rise in Manufacturing hides the structural changes that have taken place within the Sector. **Figure 2** shows the change in employee jobs between 1995 and 1999 for

each Manufacturing Subsection. It illustrates clearly that the rise in Manufacturing has been achieved despite a large decrease in the Manufacture of Textiles and Textile Products.

Employment Changes by District Council Area 1995-1999

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 2: Change in Employee Jobs, 1995 -1999



Manufacturing Subsection

DA	Food Products; Beverages & Tobacco
DB	Textiles & Textile Products
DC	Leather & Leather Products
DD	Wood & Wood Products
DE	Pulp & Paper; Publishing & Printing
DF	Coke, Petroleum Prods & Nuclear Fuel
DG	Chemical Products & Man-Made Fibres
DH	Rubber & Plastic Products
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

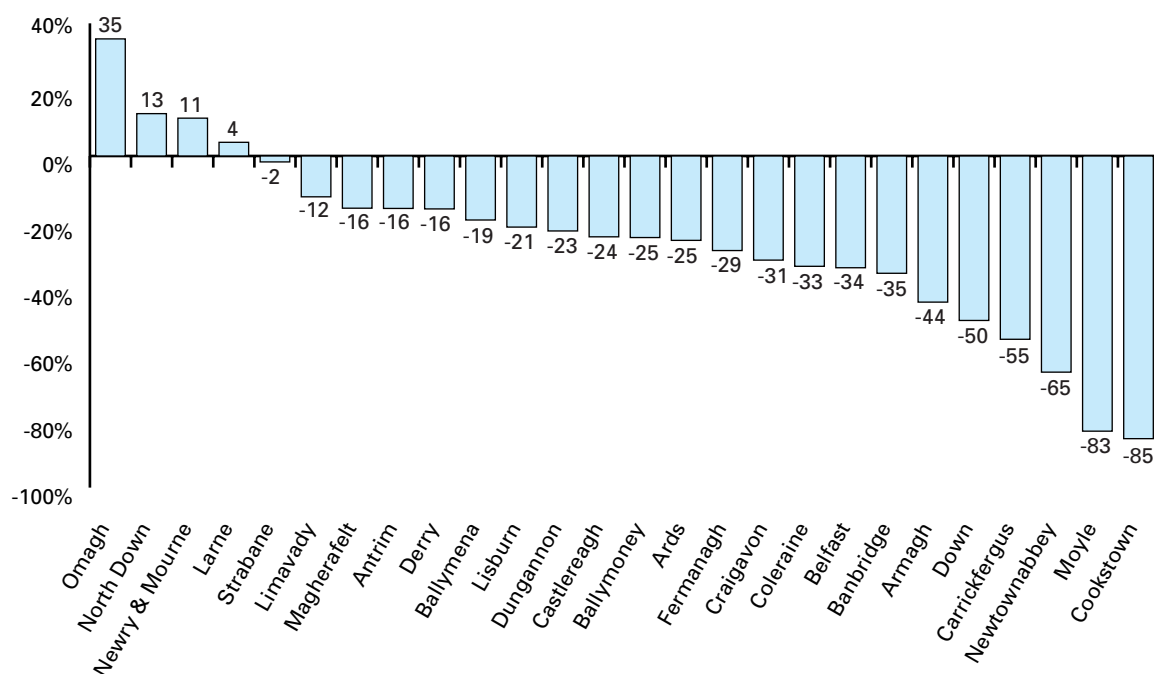
During the period 1995-1999 the number of employee jobs in Textiles & Textile Products (DB) fell by 5,508.

Figure 3 shows how this decline has affected each District Council, with all but four DCA's suffering a decrease. Cookstown, Moyle, Newtownabbey and Carrickfergus showed the largest proportional decrease, with the Textile jobs in these DCA's more than halved.

Employment Changes by District Council Area 1995-1999

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 3: Employee Jobs in Textiles & Textile Products, % Change 1995 - 1999



The overall NI figure for Manufacturing showed an increase due to rises in a number of Subsections (see **Figure 2**). The Subsections of Manufacturing that recorded the largest increases were the Manufacture of Electrical and Optical Equipment, the Manufacture of Other Non-Metallic Mineral Products and the Manufacture of Basic Metals and Fabricated Metal Products.

The number of employee jobs involved in the Manufacture of Electrical and Optical Equipment increased by 2,342, with the majority of the rise

occurring in Limavady (+895) and Newtownabbey (+879) District Councils. Employee jobs in the Manufacture of Other Non-Metallic Mineral Products increased by 1,213, with Fermanagh (+670) and Dungannon (+274) DC's accounting for the majority of the rise. The Manufacture of Basic Metals and Fabricated Metal Products increased by 1,036, with the increases being spread throughout a number of District Councils. Lisburn, Magherafelt, Newtownabbey, Cookstown and Dungannon all recorded increases in excess of 100 jobs.

CHANGE IN CONSTRUCTION JOBS

Between September 1995 and September 1999 the number of construction jobs in NI increased by 9,357 (39%). An increase in Construction was recorded in all District Councils, however, the magnitude of the increase varied considerably. Moyle (+114%) had the largest proportional increase, whereas Derry (+17%) recorded the smallest.

It should be noted that the large increase in Construction employee jobs throughout NI has partly been due to modifications to

Employment Changes by District Council Area 1995-1999

Statistics Research Branch, Department of Enterprise, Trade and Investment



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 is estimated that the classification change has resulted in an increase of approximately 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 1999, the number of Service Sector employee jobs in NI increased by 48,732 (12%). The rise in Services accounts for 83% of the total rise in employee jobs during the period. **Figure 4** shows the percentage change in Service Sector employee jobs for each District Council Area. Cookstown, Ballymena, Carrickfergus, Craigavon, Dungannon and Limavady all recorded a rise in Services of over 18%, well above the NI average. Conversely Strabane (5%) had the smallest growth and Ards showed a small decline

Figure 4: % Change in Service Sector Employee Jobs, 1995-1999

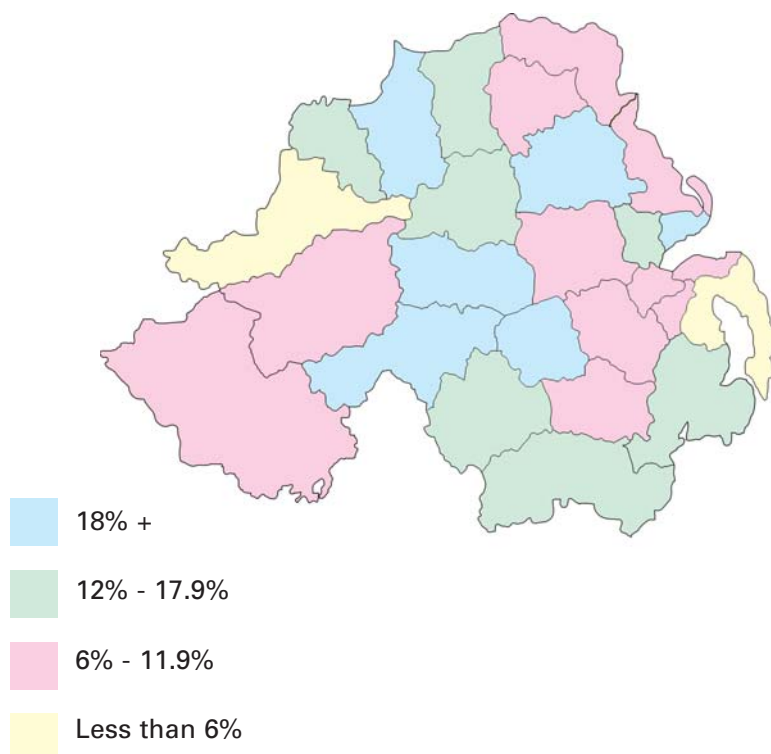
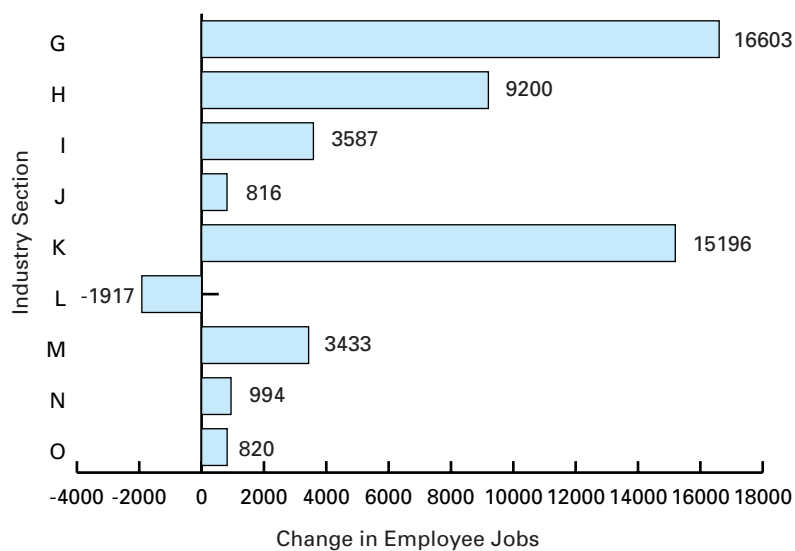


Figure 5: Change in Service Sector Employee Jobs, 1995-1999



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

Employment Changes by District Council Area 1995-1999

Statistics Research Branch, Department of Enterprise, Trade and Investment

in Service Sector jobs during the period. The decline in Ards largely resulted from a decrease of 469 in Health and Social Work. This decrease counteracted increases in some of the other Service sector industries.

Figure 5 shows the increase in Services in more detail. It indicates that the largest increases have occurred in Wholesale & Retail Trade; Repairs (+16,603), Real Estate, Renting & Business Activities (+15,196) and Hotels & Restaurants (+9,200). The rise in these three industry sections accounts for 84% of the increase in Services during the period.

Section G: Wholesale & Retail Trade; Repairs –
During the four-year period the number of employee

jobs in NI in this section increased by 16,603 (19%). Increases were recorded in all of the District Councils, with the largest proportional increases occurring in Carrickfergus (+63%) and Castlereagh (+49%). Lisburn (+7%) and Belfast (+7%) had the smallest percentage increase.

Section K: Real Estate, Renting & Business Activities – NI employee jobs in this section increased by 15,196 (48%) and all but two District Councils (Ballymoney and Newry & Mourne) recorded an increase. The extent of the change varied from a 175% increase in Magherafelt to a 25% fall in Ballymoney. Within this industry section there were large increases in Other Business Activities (+11,290) and in Computer and

Related Industries (+2,594). The increase in Other Business Activities consisted of noticeable rises in businesses involved in Labour Recruitment and Provision of Personnel (+5,053), in Legal, Accounting and Consultancy services (+2,313) and in Industrial Cleaning (+1,901).

Section H: Hotels and Restaurants – The number of employee jobs in NI in this section increased by 9,200 (34%) during the period. Increases were recorded in all District Councils and varied from a 2% increase in Ballymoney to a 102% increase in Magherafelt. The rise in employee jobs in Section H included increases in Restaurants (+4,363), Bars (+4,027) and Hotels (+1,199).

4

Still the Fastest Improving Regional Economy in the UK?

Terry Morahan, Research & Evaluation Branch, DEL

Background

The original article (this is the sixth in the series), - was initiated in 1996 by the author because there was a lot of ill-informed comment being expressed about "the poor performance" of the NI economy. The fact is that, taking as a base year 1990, - we have had the fastest improving economy of the twelve UK regions.

Now with a full decade's worth of data available it is clear that in the 1990s, NI was indeed the best performer. However, our higher than average growth was gained in the period 1990-95 and since then our growth has been lower than the UK average.

PERFORMANCE MEASURES

The usual measures of the performance of an economy are:

- Growth in gross domestic product (GDP); it is a reflection of the numbers of people employed and their productivity and is important because it broadly measures changes in the standard of living.
- Growth in employment.
- Changes in numbers and percentage of the unemployed. Obviously this tends to move in the opposite direction to employment but employment is not the only factor – it is also influenced strongly by growth in labour supply

and the economic activity rate (the proportion of the population of working age who are in the labour force).

GDP GROWTH

Table 1 shows our per capita growth in Gross Domestic Product 1990-1999 relative to the other UK regions. The data show that NI has had the largest increase. Note the growth rates are in nominal terms ie inflation is not taken into account.

Table 2 changes in NI GDP growth relative to the UK over the period 1990-1999 are shown. Forecasts by the Northern Ireland Economic Research Centre for 2000 and 2001 are also supplied. Note that the GDP data in **Tables 2** and **3** are now in real terms ie inflation effects are excluded.

Table 1: GPD per head Nominal Growth Rates 1990-1999

Region	1990 GDP per head	1999 GDP per head	1990-1999 Growth Rates
London	10,935	16,859	54.2%
South East	9,586	15,098	57.5%
South West	7,917	11,782	48.8%
East Anglia	9,711	15,094	55.4%
East Midlands	8,149	12,146	49.0%
West Midlands	7,875	11,900	51.1%
Yorkshire/Humber	7,630	11,404	49.5%
North West	7,757	11,273	45.3%
North East	7,033	10,024	42.5%
Scotland	8,321	12,512	50.4%
Wales	7,080	10,449	47.6%
Northern Ireland	6,300	10,050	59.5%
United Kingdom	8,535	12,972	52.0%

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Table 2: GDP % Annual Change in real terms 1990-2001

	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01
NI	-0.2%	3.0%	2.5%	4.2%	6.1%	4.9%	1.0%	4.0%	0.9%	0.9%	(3.4%)	(1.8%)
UK	1.0%	-1.0%	0.3%	2.2%	4.4%	2.6%	2.2%	3.7%	3.5%	1.7%	(3.0%)	(2.2%)

Table 3: NI and UK GDP Cumulative Change in real terms 1990-1999

	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99
NI	100	103.0	105.6	110.0	116.8	122.5	123.7	128.7	129.8	131.0
UK	100	99.0	99.3	101.5	106.0	108.7	110.0	115.2	119.2	121.2

*Source: Economic Trends May 2001. UK excludes Extra-region. Data for 1998 and 1999 are provisional.

As can be seen from the data, NI largely missed out on the recession of 1991 and expanded more rapidly than the rest of the UK until 1996.

Table 3 gives NI and UK GDP indexed to 100 in 1990 and shows the cumulative effect of these changes. It can be seen that NI grew 1% per annum faster than the UK over the period 1990-1999.

EMPLOYMENT GROWTH

Table 4 shows the change in the number of employee jobs in NI and the UK by broad industrial sector for the period March 1990 to March 2001. Clearly in relative terms NI had a much greater growth than the UK.

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 March 1996 to March 2001 – see **Table 5**.

NI did well, being only out-performed by London and the adjoining area of the South East, and much better than Scotland and Wales. But removing the period June 1990 to March 1996 (and noting the point about the early 1990s when NI excelled the UK) makes the NI performance look comparatively less impressive.

Table 4: Employee Jobs by Broad Industry Sector, March 1990 – March 2001

	Northern Ireland				United Kingdom			
	1990 (000's)	2001 (000's)	Absolute Change	% Change	1990 (000's)	2001 (000's)	Absolute Change	% Change
Manufacturing	104	103	-1	-0.7%	4,819	3,862	-957	-19.9%
Construction	29	35	6	22.5%	1,267	1,158	-109	-8.6%
Services	373	485	112	30.1%	17,298	19,824	2527	14.6%
Other ¹	27	21	-6	-22.8%	721	466	-256	-35.4%
TOTAL	532	644	112	21.0%	24,104	25,309	1205	5.0%

¹ Other industries include Agriculture, Forestry and Fishing, Mining and Quarrying, and Electricity, Gas and Water Supply.

Source: DETI and ONS.

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Table 5: Employee Jobs by UK Region, March 1996 – March 2001

Region	1996 (000's)	2001 (000's)	Absolute Change	1996-2001 % Change
London	3,446	3,986	540	15.7%
South East	3,114	3,574	461	14.8%
East	2,004	2,157	153	7.6%
South West	1,831	1,993	162	8.9%
West Midlands	2,165	2,276	111	5.1%
East Midlands	1,618	1,682	64	4.0%
Yorkshire/Humber	1,954	2,045	92	4.7%
North West	2,635	2,808	173	6.6%
North East	920	964	44	4.8%
Scotland	2,059	2,109	50	2.4%
Wales	993	1,071	78	7.8%
Northern Ireland	578	644	66	11.5%
United Kingdom	23,316	25,309	1993	8.5%

Source: DETI and ONS: Figures for changes are based on unrounded figures.

EMPLOYMENT RATE

Another way of looking at this is to take the percentage of those of working age (defined as 16-64 for males;

16-59 for females) who are in employment – this is known as the **employment rate*** and the results are shown in **Table 6**.

Here NI had a slightly above average growth in this rate in the period examined, above that for Scotland and Wales.

Table 6: Employment Rates: Spring 1992-Spring 2001

Region	1992	2001	Absolute Change
London	67.9	71.1	3.2
South East	76.0	80.3	4.3
East	75.8	79.7	3.9
South West	73.5	78.9	5.4
East Midlands	73.1	75.5	2.4
West Midlands	69.6	74.1	4.5
Yorkshire/Humber	70.6	73.2	2.6
North West	69.2	72.9	3.7
North East	65.9	68.4	2.5
Scotland	71.1	73.4	2.3
Wales	67.3	68.1	0.8
Northern Ireland	63.2	67.1	3.9
United Kingdom	71.1	74.6	3.5

Source: Labour Force Survey, DETI and ONS.

It may seem puzzling that a strong job creation performance does not lead to a stronger increase in the employment rate. The answer is NI has had a stronger growth in labour supply than the rest of the UK.

NI has the lowest employment rate in the UK and this indicates hidden labour market reserves (see LMB No 11 Chapter 7 and LMB No 14 Chapter 3). However whilst it is unlikely that NI will ever reach say the level of South East England – if only because of our much higher birth rate,

*Note the employment figure used in the numerator differs in several respects from the employee jobs figure used in the previous section. For example, the employment rate counts people with jobs – rather than jobs – and includes the self-employed.

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Table 7: Unemployed: Spring 1992-Spring 2001

Region	1992 (000's)	2001 (000's)	Absolute Change	Change %
London	418	213	-205	-49%
South East	313	126	-187	-60%
East	204	102	-102	-50%
South West	214	87	-127	-59%
East Midlands	180	103	-77	-43%
West Midlands	276	131	-145	-53%
Yorkshire/Humber	248	121	-127	-51%
North West	330	167	-163	-49%
North East	143	88	-55	-38%
Scotland	242	145	-97	-40%
Wales	116	75	-41	-35%
Northern Ireland	85	47	-38	-45%
United Kingdom	2769	1404	-1365	-49%

Source: Labour Force Survey, DETI and ONS.

lower **local** wages interacting with benefit levels paid at **national** rates, inferior public transport 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.

CHANGE IN UNEMPLOYMENT

Table 7 shows the numbers unemployed as measured by the Labour Force Survey (ILO basis) and the percentage change Spring 1992 to Spring 2001. The NI performance has been good with a large fall of 45%; less than the fall in the UK as a

whole but ahead of Scotland (-40%) and Wales (-35%).

MANUFACTURING OUTPUT

One final additional piece of evidence is the change in manufacturing output - less important than the GDP measure because manufacturing only represents about one-fifth of total GDP. **Table 8** shows the relative change in manufacturing output for NI and the UK over the past six years (base 1995=100) and our much better performance.

And since was accomplished with slightly fewer employees, there has been a dramatic improvement of some 36% in labour productivity.

VAT REGISTRATIONS

One would expect that those regions which are performing well, such as London and its neighbouring regions, and NI, would also show an increase in businesses registered for VAT, whereas under-performers, say the North East of England and

Table 8: Manufacturing Output 1995-2001 (Q1)

	1995	2001 (Q1)	Change
NI	100	135.7	+35.7%
UK	100	104.1	+4.1%

Source: DETI.



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Wales, would do less well by this measure.

As **Table 9** shows there is a good correlation between a good labour market performance and the change in the stock of VAT registered businesses. Only four of the twelve UK regions showed an increase, with NI the only area outside of London and its adjoining regions to register an increase.

EFFECT ON MIGRATION PATTERNS

Traditionally there has been substantial emigration from NI – to avoid “the troubles”, take up higher education places, seek better jobs. NI lost 120,000 people in the 1970’s, 60,000 in the 1980s but the last decade there has been net in-migration of some 14,000 see **Table 10**. But note all this improvement (+16,589) took place in the 90/91 to 95/96 period when NI was easily out performing the rest of the UK; since then there has been a small amount of net emigration (-2,354). The earlier data on GDP growth, employment and

Table 9: VAT Registrations 1994-2000 Net Change

Region	% Increase
London	+13.4%
South East	+ 5.0%
East	+2.4%
East Midlands	-0.7%
West Midlands	-1.2%
North West	-1.2%
South West	-2.0%
Yorkshire/Humber	-4.4%
North East	-5.0%
Scotland	-1.0%
Wales	-6.3%
Northern Ireland	+3.6%
United Kingdom	+1.8%

Source: DTI Small Business Service’s Research Unit.

unemployment help explain this change.

Further evidence for the role of a strong labour market in affecting migration can be shown in the change turnaround in migration patterns with ROI. Thus in 1990/91, 1,300 people left NI for the ROI but 2,300 came in, – a gain of 1,000; later the situation reversed as the ROI economy powered ahead; in 1999/00, 2,179 came in from ROI but 2,249 left – a loss of just 70. So

the changes are nowhere as dramatic as many think.

HOUSE PRICES

It is not at all surprising therefore that the strengthening economy and rising population are also reflected in NI having in recent years the second highest house price increase of any UK region as **Table 11** shows. (Note the index is based on 1993 at 100).

Table 10: Inward and Outward Migration: NI 1990/1991 – 1999/2000

	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00
In	17,640	19,611	18,423	16,302	16,937	23,970	18,287	18,455	18,915	19,701
Out	16,197	15,454	14,367	15,288	17,279	17,709	17,615	18,423	21,759	19,915
Net	1,443	4,157	4,056	1,014	-342	6,261	672	32	-2,844	-214

Source: NISRA.

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Table 11: House Prices: 1993=100; Q4 2000

Region	2000 (Q4)
London	225
South East	192
East	188
South West	182
West Midlands	152
East Midlands	146
North West	135
Yorkshire/Humber	129
North East	123
Scotland	130
Wales	138
Northern Ireland	222

Source: Economic Trends August 2001.

CONCLUSION

It is clear that in the last decade we have had the fastest improving regional economy in the UK.

But is also clear that - with the benefit of a full decade of data - that all the **relative** improvement took place in the first half of the decade. As Table 3 shows, in the period 1990 to 1995 our GDP growth was 22.5% v 8.7% in the UK; but in the period 1996 to 1999 our growth was just 7.3% v 11.2% in the UK. And the migration figures mirror these trends.

Accordingly the question mark on the Article's title is deserved!

OUTLOOK

Looking out to the new **decade** will our economy perform well? There are grounds for a canny optimism:

- (i) The world economy may quickly recover from the slow down of 2001.
- (ii) There is an export boost potential from the strong performance of ROI's economy although the strength of sterling relative to the Euro is presently reducing this opportunity and growth rates in ROI have halved.
- (iii) Agriculture and tourism recover from the foot and mouth effects and job losses in the clothing and textile sectors slow down;

- (iv) Inward investment continues its success in supplying a substantial number of high quality projects to replace lower productivity manufacturing sectors;
- (v) Past and present improvements in education and training pay off;
- (vi) Capital and labour inputs grow faster than the UK average;
- (vii) Political stability leads to improved economic decision- making.

But with threats to the international economic scene still around – from a slow international recovery to oil induced shocks to the unexpected!*

* Note -Article written before 11 September 2001

The 2001 NI Social Omnibus Survey

Gayle Kennedy, Research and Evaluation Branch, DEL



This is the seventh in a series of Bulletin articles presenting findings from the NI Social Omnibus Survey. Readers of previous Bulletins will be familiar with the regular feature of the Survey - examination of 'The Most Important Problem in NI'. A new area of interest to be included this year is Equality Monitoring, which reflects recent developments within the Department.

INTRODUCTION

The annual NI Social Omnibus Survey, conducted between April and May 2001 by Research and Evaluation Services (a locally based private sector research company), provides an opportunity for the Department for Employment and Learning (DEL) and other interested organisations to ask questions of a representative sample of adults (aged over 18¹) in NI.

The Survey automatically included questions defining the basic characteristics of the sample (age, gender, etc.) and also allowed other organisations to 'sponsor' questions covering their own area of interest.

This is the seventh year that we have sponsored questions in the Survey and is also the seventh year that an article based on the results of the Survey has appeared in this Bulletin. This article contains a brief summary of some of the key findings of the DEL sponsored questions.

FINDINGS OF GENERAL INTEREST

The Most Important Problem in NI.

In 1996 the Survey provided an opportunity to ask respondents what they felt were the major problems in

NI at that time. This question has been repeated on an annual basis to examine changing perceptions of the major problem in NI. Respondents were asked to state what they considered to be the Most Important Problem in NI at the time the interview was conducted.²

Figure 1 presents the findings for 2001 and 2000. The problems most frequently reported were: The Troubles/Political Instability (33%), Crime (18%), Drugs (17%), and Unemployment (17%).

The Most Important Problem 1996 – 2001

Data on the Most Important Problem are available for the years 1996 to 2001³ allowing for trends in perceptions to be examined.

'The Troubles/Political Instability' was considered to be the Most Important Problem in 1996 and this perception has continued to date. However, current results indicate a considerable reduction in the number of respondents who perceive this to be the Most Important Problem and is at its lowest level since the question was asked in 1996⁴.

Between 1998 and 2001 there has been an increase in the proportion of

1 The Survey was designed to yield a representative sample of men and women aged 18 and over living in NI. The 2000 Register of Electors was used as a sampling frame. The responses in this paper relate to the target age group in which the Department are most interested i.e. those aged 18-59. A total of 691 valid responses were received.

2 The question was prompted by the categories: 'Unemployment', 'Crime', 'The Troubles/Political Instability', 'Inflation', 'High Cost of Living', 'Bad Housing', 'Low Wages', 'Drugs', 'Community (Protestant/Catholic) Inequalities', 'Gender (Male/Female) Inequalities' and 'Other.'

3 These comparisons are illustrative only as there have been some changes in the Survey methodology and structure of the question over the period. For example, data for 1998 onwards cover those aged 18-59 while the 1996 and 1997 data cover those aged 16-59. Prior to 1998 the category 'The Trouble/Political Instability' was referred to as 'Community Conflict/The Troubles'.

The 2001 NI Social Omnibus Survey

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Figure 1: The Most Important Problem in NI

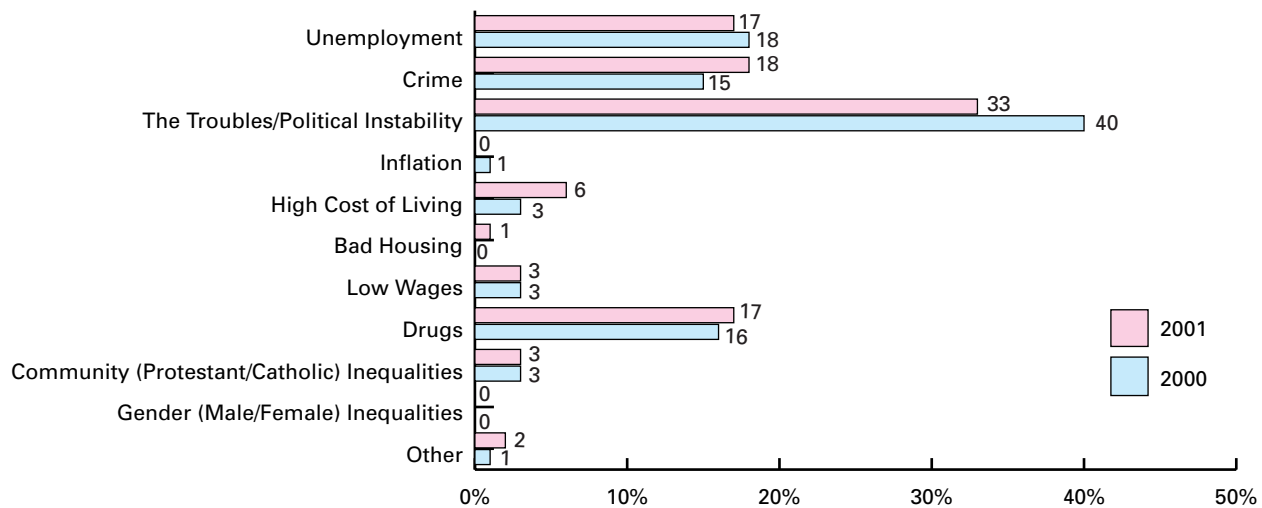
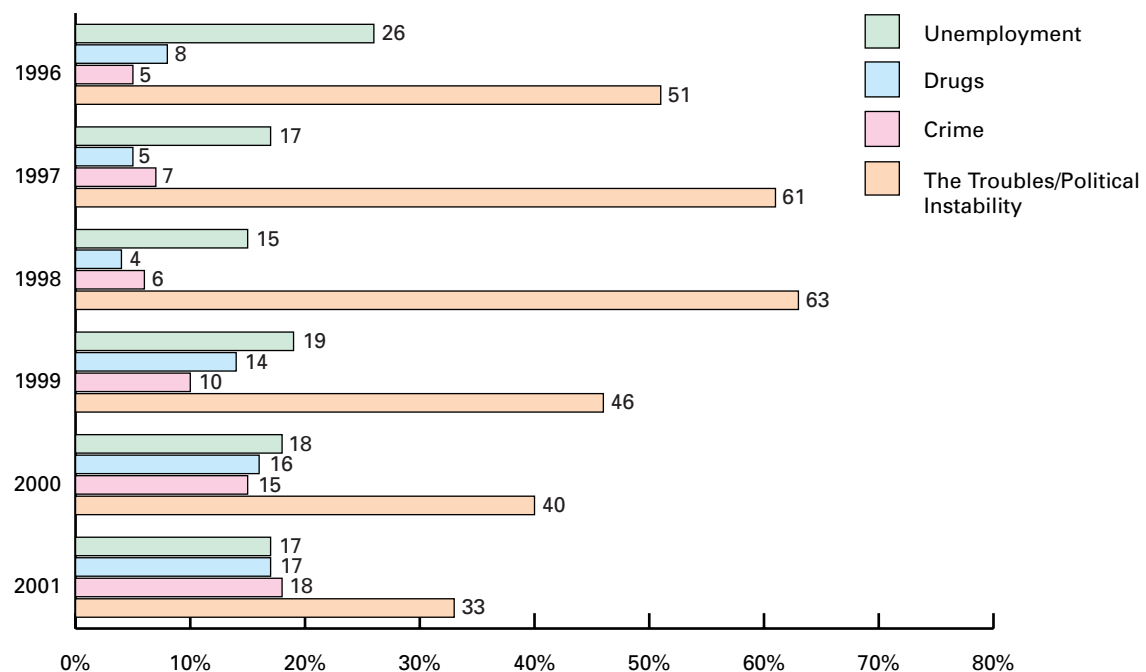


Figure 2: The Most Important Problem 1996-2001



4 Percentages quoted for all respondents aged 18-59 will be accurate to within plus or minus 3%.

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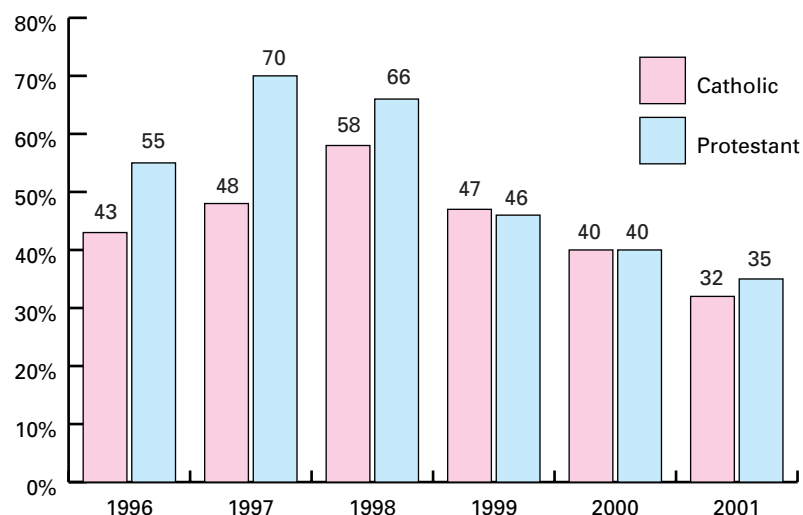
respondents classifying 'Crime' (from 6% to 18%) and 'Drugs' (4% in 1998 to 17% in 2001) as the Most Important Problem in NI.

Figure 3 illustrates the perceived view of the Troubles/Political Instability as the Most Important Problem in NI during the period 1996 – 2001 by community background. Consistent with data in **Figure 2**, there is a decreasing trend in the numbers of individuals reporting The Troubles/Political Instability as The Most Important Problem in NI. This decrease is evident in both the Catholic and Protestant Communities. For the past three years, there has been no significant difference between the two Communities in relation to their perception of the Troubles/Political Instability as the Most Important Problem.

Importance of Problems in NI

As in previous years, respondents in the current Survey were asked to consider each of the problem categories and to rank their importance as problems in NI today on a scale of 'Very Important', 'Quite Important', 'Unimportant' and 'Not Important at all'.

Figure 3: The Troubles/Political Instability - The Most Important Problem 1996-2001



This information provides an important distinction as, while 'The Troubles' may have been reported by the majority as the Most Important Problem, it was not known how serious the problem was perceived to be.

Although The Troubles/Political Instability is viewed as The Most Important Problem in NI, when ranked in order of importance, other areas were considered more important. A higher proportion of respondents noted Drugs (83%) and Crime (77%) as 'Very Important' problems in NI compared to The Troubles/Political Instability (67%).

Data on the Rank of Importance of the listed areas is available from 1999

onwards. **Figure 4** shows the percentage of the individuals who consider each problem area as 'Very Important.' In the majority of cases, since 1999 there has been an increase in the number of individuals who consider each area as 'Very Important.' The largest increases have been noted for High Cost of Living (from 40% to 54%); Inflation (26% to 38%); Gender (Male/Female) Inequalities (22% in 1999 to 33% in 2001) and Bad Housing (from 30% to 40%). Over the same period there was a decrease in the numbers of individuals who considered The Troubles/Political Instability as 'Very Important' (73% in 1999, 67% in 2001).

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Figure 4: Problems Ranked as 'Very Important'

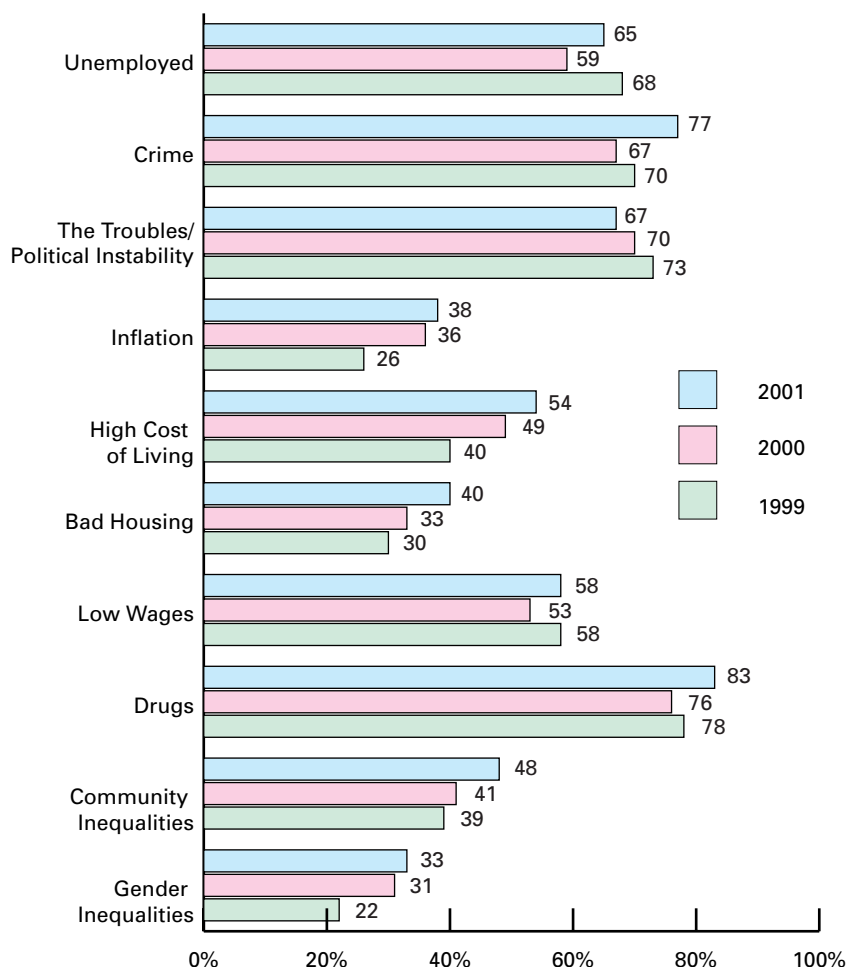
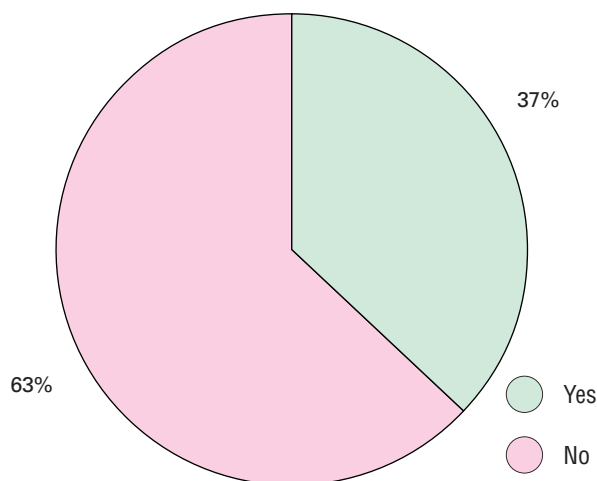


Figure 5: Have you received any training in the last 12 months arranged through your employer?



LABOUR MARKET ISSUES

Training

Because of DEL's involvement, both directly and indirectly, in training, a number of questions were included to assess respondent's participation in job-related training. At the time of the Survey, 362 respondents were in employment, of which 337 individuals (93% of working population) had been working for all of the previous 12 months (not including time spent on Government schemes). Of those respondents in employment for more than one year, 37% had received training in the last 12 months arranged through their employer (as shown in **Figure 5**).

National Minimum Wage

The National Minimum Wage (NMW) was introduced in April 1999. In 2000, two questions were introduced in the Social Omnibus Survey to examine attitudes towards the rates of NMW. At that time NMW was £3.60 per hour for employees aged 22 and over and more than £3.00 per hour for employees aged 18 to 21. Following an announcement earlier this year regarding an increase in the NMW, it was decided to ask 2001 respondents about the new rate of £4.10 an hour for employees aged 22 and over. At the time of the Survey, the increased

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NMW for employees aged 18 to 21 was not known.

Those aged 22 and over.

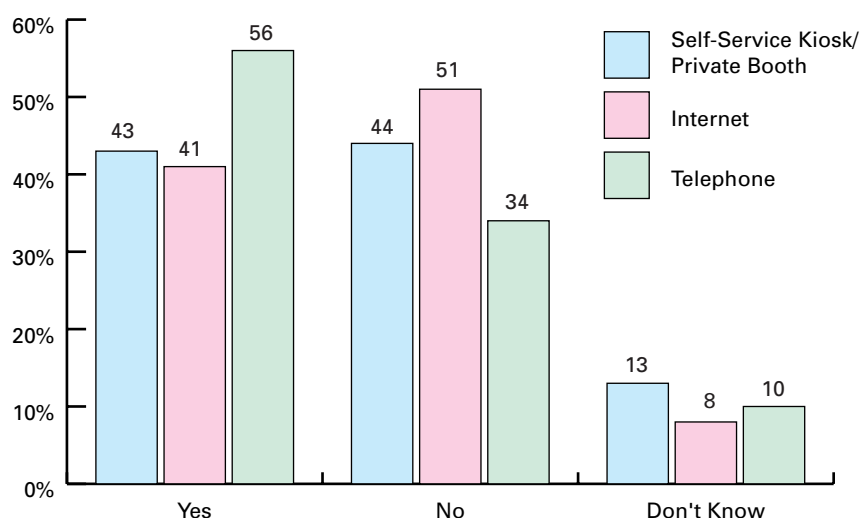
From the total population aged 18 – 59 years (N=691), 635 responses (92%) highlighting attitudes towards the NMW rate for those aged over 22 were recorded. The majority of respondents (59%) stated that the rate was too low and the remaining responses indicated that the rate was about right. By comparison, in last year's Survey 77% of respondents considered the NMW rate (£3.60 an hour) too low. Although the increase in NMW has resulted in a decrease in the number of individuals who consider the rate too low, the majority of respondents in the current Survey still consider this to be the case.

If the respondents considered the new rate to be too low or too high, they were asked to state what the rate should be. The responses ranged from £3.50 to £8, with an average of £5.40 per hour. Examining the data further showed the most frequently suggested rate to be £5 (N=197, 55%).

Those aged 18 to 21.

The same proportion of individuals (92%, N=634) expressed their opinion of the NMW rate for those aged 18 to 21. Again the majority of respondents (65%) considered the hourly

Figure 6: Information Dissemination



rate to be too low for this age group and the remaining respondents thought the rate was about right. The range of responses for suggested hourly rates was between £3.00 and £8.00 – the mean value being £4.50. The most frequently occurring values were £4 (N=147, 37%), £5 (N=99, 25%) and £4.50 (N=44, 11%).

Information Dissemination

As in the 2000 Survey, respondents were asked about accessing Employment Service information (for example, information on job vacancies or training opportunities) via the Internet, Self-Service Kiosk/Private Booth or by Telephone. As can be seen from **Figure 6**, more respondents would be

willing to look for Employment Services information via the telephone (56%). The same proportion of individuals would be willing to use the Internet (41%) as would use the Self-Service Kiosk/Private booths (43%).

Equality Monitoring

Government currently monitors many of its programmes and services in order to ensure equality of opportunity. For example, participants on government training programmes are asked to give information about their gender, age, disabilities, etc. for monitoring purposes. It is not compulsory for participants to provide this information. The current Social Omnibus Survey included two questions relating to Equality

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Monitoring. Half of the sample were asked the question "Please indicate whether you agree or disagree that government should monitor participation on programmes along the following lines –Religion, Political opinion, Racial group, Gender, Marital status, Age, Disability, Dependant Status and Sexual orientation."⁵ The other half of the sample were asked "If you were applying to join a government programme, how likely would you be to provide the following information about yourself for the purposes of monitoring equality of opportunity."⁶ Answers were recorded against each of the listed dimensions. Results from these questions are detailed in Chapter 24.

SUMMARY

Once again, the inclusion of questions in the NI Social Omnibus Survey has provided useful insights to issues relevant to DEL. In addition to the usual 'core' questions other topics of interest to the Department have easily been added, such as Information Dissemination and Equality Monitoring (these findings have already been used as a first step to gauge public opinion on the collection of monitoring information by the Department).



⁵ Possible responses are 'Agree', 'Disagree' and 'Don't Know.'

⁶ Possible responses are 'Would definitely provide', 'Would probably provide', 'Would probably not provide', 'Would definitely not provide' and 'Don't know.'

Task Force on Employability & Long-Term Unemployment – An Update

Deloitte & Touche

In April 2001, a Task Force on Employability and Long Term Unemployment was set up, chaired by Dr Seán Farren, Minister of Higher and Further Education, Training and Employment. To assist the Task Force with their work, Deloitte & Touche were commissioned to undertake a scoping study to identify the broad parameters that affect employability and to identify possible areas for action that Departments might take to increase the employability of individuals.

NI has traditionally suffered from high unemployment, both in absolute terms and relative to other regions in the UK. While there have been recent falls in the total number of unemployed, NI has:

- the lowest employment rate of any UK region, with only 67% of those of working age being in a job - 8% below the UK average; and
- the second highest Jobseeker's Allowance (JSA) claimant rate of any UK region - 5.0% of the working age population are claiming JSA compared to the national average of 3.2%.

If NI were able to match the UK averages, there would be approximately 63,000 more people in work and 14,000 fewer people unemployed.

The Northern Ireland Executive is already funding a number of actions to address unemployment. For example, the New Deals provide help for unemployed people, while the Executive's company assistance strategy targets those geographical areas of greatest social and economic disadvantage. However to fully address all barriers to employment, the Executive set up a cross-Departmental Task Force on Employability and Long

Term Unemployment with these Terms of Reference:

- 1 To analyse the factors which make individuals and groups employable and the obstacles faced by those who are economically inactive, especially the long-term unemployed, including the differential experience of unemployment on a community and geographic basis.
- 2 To engage with others who have a close interest in employability and long-term unemployment and seek their views on how obstacles to employment might be overcome.
- 3 To report and make recommendations on how current actions might be improved and what new initiatives might be taken by Government Departments in NI and others outside Government.
- 4 To prepare an Action Plan, which integrates actions across Government Departments and Agencies, by 31st March 2002.

Task Force on Employability & Long-Term Unemployment – An Update

Deloitte & Touche

WHAT IS EMPLOYABILITY?

The concept of 'employability' is a key element to the Executive's thinking in terms of addressing both unemployment and social exclusion. However, the term has been used in a variety of contexts with a range of meanings. On the basis of a literature review and wide consultation, a definition was agreed as shown in **Figure 1**.

The following points are worth noting:

- Employability is about capability - while an individual is not required to have a job to prove her or his employability (for example if an individual chooses not to work), where an individual wants to work but is unable to get a job, this indicates a difficulty arising from one or more of the above factors. In its simplest form, employability is therefore the capability to be employed.
- Employability is about moving self-sufficiently – to be employed, an individual needs to understand the labour market and their own abilities, and be able to self-manage change and transitions (for example getting a new job) without reliance on

Figure 1 Definition of Employability

Employability is the capability to move self-sufficiently into and within labour markets and to realise potential through sustainable and accessible employment. For the individual, employability depends on:

- The knowledge and skills they possess, and their attitudes;
- The way personal attributes are presented in the labour market;
- The environmental and social context within which work is sought;
- The economic context within which work is sought.

outside help. This does not mean there is no place for Government intervention, rather that this should be focused on where there are difficulties.

- Employability is about progression into and within labour markets - employability is about the ability to actively participate in changing labour markets. Employability also recognises that for an individual there is a range of labour markets, for example geographic and social labour markets.
- Employability is about realising potential - employability recognises that it is not sufficient to gain any employment. Employment has to be appropriate to an individual's employment expectations (which are related to a range of factors, including

education, skills and experience). Where an individual obtains employment below his or her expectations, this may lead to dissatisfaction, lack of motivation and eventually job change or economic inactivity.

- Employability is about sustainable employment - employability is not just about getting a job. It is about getting and keeping employment though not necessarily in the same job/role and with the same employer. Employability thus recognises progression within the labour market and involves the ability to maintain employment or obtain new employment.
- Employability is about accessible employment - a key element of employability in the NI context is the extent to which all groups within the working age



Task Force on Employability & Long-Term Unemployment – An Update

Deloitte & Touche

population have full access to employment opportunities.

Each individual's attributes and circumstances are key to the consideration of her or his employability. However, it is essential that employability is viewed within the wider economic, social, and cultural context. Factors that affect employability are constituted of two broad dimensions, namely:

- **Demand and Supply of Labour** - clearly the labour market has a key role to play in employability. In this context, individuals make skills available through the labour market, while the economic context provides the demand side of labour (through employers). This is influenced by the social and environmental context in which the individual seeks work;
- **Characteristics** - the inherent characteristics of the individual, and how these are externalised within the labour markets they seek employment.

Combining these two dimensions produces a Matrix of Employability as shown in **Figure 2**.

The scoping study identified that while an individual's assets and how they present

Figure 2 Matrix of Employability

	Individual	Labour Market
Supply	The knowledge & skills an individual possesses & their attitudes	The way personal attributes are presented to the labour market
Demand	The environmental & social context within which work is sought	The economic context within which work is sought

these contributes to their employability, personal circumstances and the context within which work is sought are also important. For an individual to obtain and stay in employment, each element within the above matrix has to be appropriately addressed. For example:

- No matter how motivated and qualified an individual is, without accessible and appropriate job vacancies they will not be able to fully realise their employability; similarly
- If an individual does not have the ability (for example appropriate vacancy information and job search skills) to match their skills with accessible and appropriate job vacancies, they will not be able to fully realise their employability.

To achieve this balance, a cross-Departmental approach to employability is required - for example the availability of affordable childcare, an appropriate transport infrastructure and the provision of healthcare can be as important as skills in someone obtaining and keeping a job.

Building upon the above matrix, **Figure 3** overleaf summarises the factors which were identified as relevant to an individual's employability in the NI context.

It is also important to recognise that employability changes over time in response to a range of factors, for example:

- The training and skills development undertaken by the individual;

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- Changing priorities and attitudes as a result of changing family commitments;
- Changing perceptions about the costs and benefits of taking a job;
- Changing requirements of employers;
- Changes to the benefit and tax system; and
- Changing work practices, for example the introduction of family friendly policies.

Change is therefore a key aspect of employability.

As part of this scoping exercise, Deloitte & Touche looked at methods for measuring the impact of Departmental action to improve employability. Given the factors that affect employability, one method for measuring employability could involve a range of data across those areas identified. This would need to include:

- Intermediate indicators - e.g. possession of basic, key and vocational skills as well as career management and job search skills.

- Outcome indicators - speed of transitions into employment, rate of outflow from unemployment etc.
- Perception indicators - employers' views on the skill supply, individuals' views on their ability to find suitable work.

While this type of measure has been suggested by others,¹ the logistical complexity of such a measurement process, the time required to undertake it and the likely cost rule it out as the primary mechanism for monitoring by the Employability Task Force.

Given the desire of the Task Force to focus on those who face or could face social exclusion, a more useful measure of employability could be to look at people's interaction with the benefit system and their take up of tax credits. The scoping study identified that there is significant potential to use this data in a more sophisticated way. This would involve:

- Bringing together data from a range of benefit and tax IT systems;
- Collating information at the individual and household level;
- Reviewing historical information;

- Analysing on the basis of total benefit provision, both for the individual and for the household; and
- Undertaking geographical analysis at the local level.

These data could provide substantial understanding of the target population that currently does not exist, for example:

- The location of pockets of inactivity (at household level);
- Common "routes" that individuals/households take within the benefit system; and
- Those households on benefit who would be no better off on Minimum Wage.

The scoping study made a number of recommendations for consideration by the Task Force.

To obtain a full version of the Deloitte & Touche scoping document, visit the DEL web site (www.nics.gov.uk/hfe.htm) or contact the Task Force Secretary, Jim Walker:

jim.walker@delni.gov.uk

Tel: 028 9025 7603

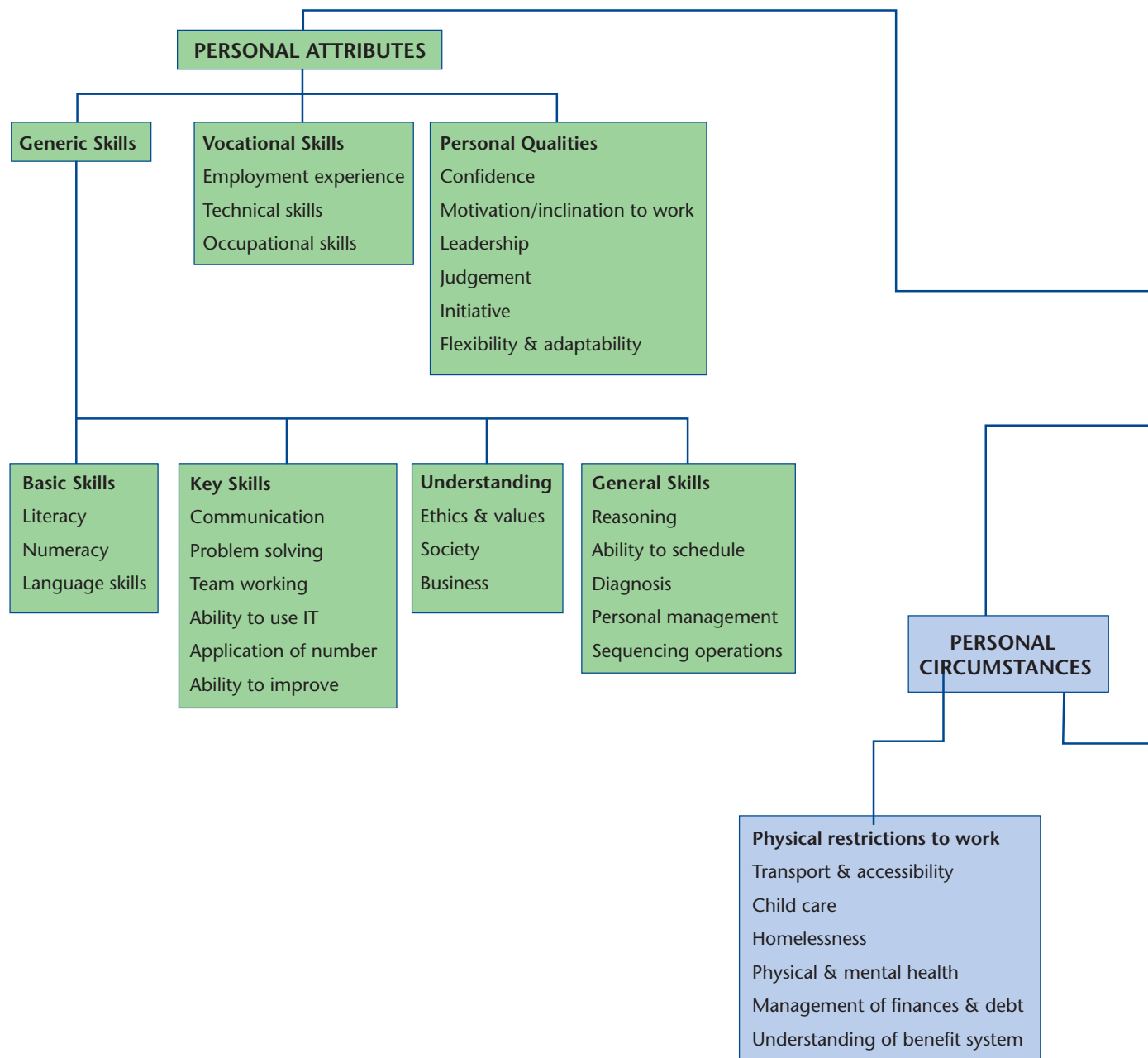


¹ CBI (1998), In Search of Employability, Confederation of British Industry, London

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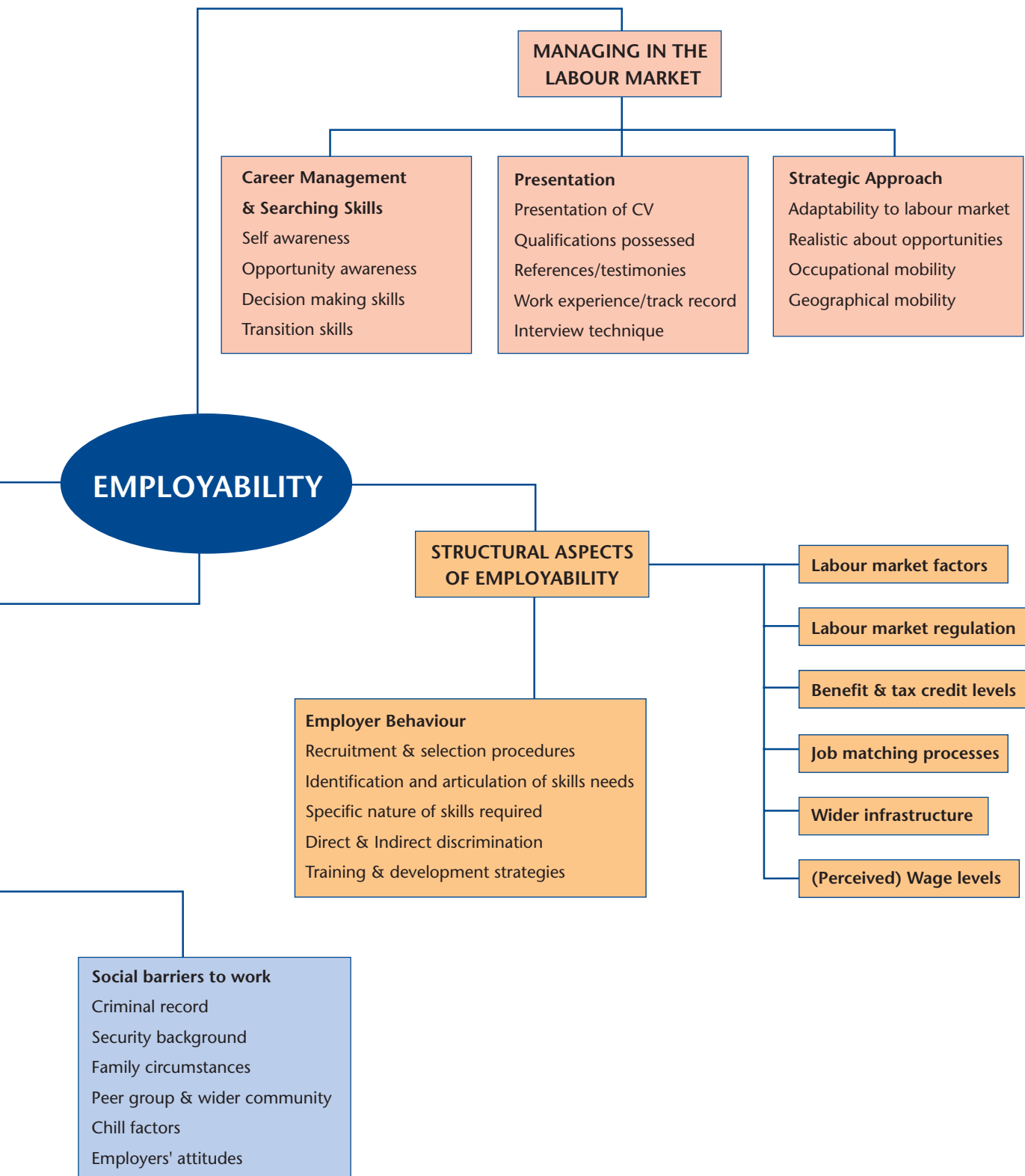
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Figure 3 Factors Which Affect Employability in the NI Context



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What can the Large-Scale Recruitment Study tell us about 'Employability'?

Ian Shuttleworth and Darren McKinstry - C-STAR, QUB

Case Studies from the Food Processing and Hospitality Sectors



Enhancing employability is an important element in government labour market policy both for the UK as a whole and for Northern Ireland. Although unemployment has declined over the past decade, it is still recognised as a significant problem particularly since the proportion of long-term unemployed people in NI remains higher than in other parts of the UK. Therefore, within NI, an important strand of New Targeting Social Need Policy (New TSN) is to improve employability and to reduce unemployment, as the most direct way to tackle the causes of poverty.

Mapping (Chapters 8 & 15) undertaken by C-STAR, Queens University Belfast and Based upon permission from the Ordnance Survey of Northern Ireland on behalf of the Controller of Her Majesty's Stationery Office
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The intent of this article is to develop these concepts in more detail, particularly those on the demand side, by looking at job uptake in the Food Processing and Hospitality Sectors using local case studies of two employers, one from each sector. Overall, the article points to the importance of local circumstances and suggests a need to be sensitive to these in dealing with the complex concept of 'employability'.

The objectives of the New TSN policy across government are reflected in the Action Plans of Government Departments. That of the Department for Employment and Learning (DEL), for example, mainly focuses on Lifelong Learning, Jobskills and the New Deals, whereas that of the Department of Enterprise, Trade and Investment (DETI) aims to encourage, among other objectives, foreign direct investment in New TSN areas. The requirement for a cross-departmental approach was formally recognised by the establishment of a Taskforce on Employability and Long-Term Unemployment. An **Employability Scoping Study** to assist the work of the Taskforce was published in June 2001¹ (see Chapter 7 in this Bulletin for a summary). This sought to identify the parameters that affect employability, and to

suggest broad areas for action. The rationale for a multi-departmental approach made in the study is clear since it is argued that 'employability' depends on the balance between 'supply' (e.g. individual knowledge, skills and household background) and 'demand' (e.g. the economic and social context within which work is being sought). Included among the factors identified as influencing employability are the need to 'realise potential' with employment that matches expectations, and 'structural aspects of employability' which incorporate notions of employer behaviour and institutional characteristics such as the operation of the benefits system.

These case studies look at the experiences of the employers from the food and hospitality sectors but they are also supplemented with a wider series of labour market interviews. The examples are taken from the **Large-Scale Recruitment Study**², which is an on-going programme of research into labour supply efficiency and the equality implications of employment growth. The main issues to be considered include the importance of the type of jobs offered in enhancing employability, the significance of employment location, and the consequences of mismatches between labour supply and labour demand.

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WORKFORCE PROFILES

The two employers in the Food and Hospitality Sectors will simply be known respectively as Sites 1 and 2 to preserve anonymity. They differ in many ways. One important dimension is geography – Site 1 is located in Mid-Ulster, recruiting from a wide rural hinterland, whereas Site 2 is situated in central Belfast, and recruits largely from an urban catchment throughout Belfast. Other significant dimensions include workforce characteristics that reflect substantive differences between Sites 1 and 2 in the type of work offered. Site 1 involved in meat processing and packing, for example, has a mainly young male labour force with relatively few educational qualifications, and a high proportion of operator-level employment. Site 2 is similar in that it also has a young workforce but, in contrast, it has a more even gender balance, and a wider range of jobs (but with a preponderance of 'service' occupations).

These differences are exemplified by **Table 1** which profiles the educational attainment of the Site 1 and Site 2 workforces – with Site 2 having a much more educated workforce than Site 1.

Table 1: Educational Profile of the Workforces at Sites 1 and 2 (percentages)

Highest Qualification	Site 1	Site 2
No formal qualification	37.0	6.4
Below NVQ Level 2	28.7	8.9
NVQ Level 2 or equivalent	25.4	36.4
NVQ Level 3 or equivalent, below degree	7.9	37.2
Degree Level or higher	1.0	11.1

Source: Large-Scale Recruitment Study.

Despite these variations between the sites in location, type of work performed, and workforce characteristics, the two employers (and more widely the two sectors of employment) face common employability issues. In particular, both employers experience 'hard-to-fill' vacancies, but not always because of a lack of suitable skills. For both employers attracting sufficient local labour is an issue, although the reason that vacancies are 'hard-to-fill' varies between the sites, as does the context of the debate about local labour. These differing reasons and contexts throw light on the local context of employability, and illustrate the need to take account of local and sectoral background when assessing the balance of labour supply and demand.

HARD-TO-FILL VACANCIES IN THE FOOD SECTOR

Site 1 is located in an area with expanding employment opportunities. There has been an increased demand

for labour in the food-processing sector, in particular, because of changed relationships in the market (e.g. more numerous and stronger relationships with large supermarket chains) that have meant greater demands for food products sourced in NI. This jobs growth might have been assumed to be of benefit to local residents. Yet, in common with many other food-sector companies, Site 1 has found it difficult to increase its locally-resident workforce largely because, although it succeeds in recruiting large numbers of workers, an equally large number leave meaning that it is 'running to stand still'. These labour shortages, and 'hard-to-fill' vacancies, have led to problems in production which have been experienced by many employers in the area:

"It's very much a constraint on us at times. We've had to slow down some of the expansion..... We would end up losing the business because we weren't able to supply them."



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The reasons for this situation are several. One factor is that the labour market has become 'tighter' as the numbers of Jobseekers Allowance (JSA) benefit claimants in adjoining areas has continued to fall, and several employers in the locality have completed significant expansions of production and employment. But this is not the full story. There were still about 2,000 JSA claimants (as of Autumn 2000) in the area who might be expected to be looking for work in the locality. At first sight it seems a paradox that unemployment persists when there are unfilled vacancies at local employers. But there are strong barriers to the employment of local residents. These include perceptual factors that mean that the jobs on offer are unattractive for many individuals:

"I think it's a mixture of all of those things. I think again, what I said earlier, the food industry is considered to be somewhere you basically end up in when you haven't done so well in your education. So I think there's a combination of that, where it is frowned upon, it's considered to be a poor job and poor prospects and so on."

In essence, many jobs in the sector, whether in terms of relative pay or conditions,

do not meet employment aspirations and individuals therefore seek other opportunities. In response to these labour shortages, employers have adopted a number of measures. These include the attraction of 'returners', improvements to benefits and conditions, the provision of training, and the use of contract labour. This last response has proved to be especially interesting. Initially, contract workers from other parts of NI were used, but increasingly foreign workers, mainly from Portugal, have been introduced to maintain production. These workers have been significant for employers:

"I think until this source of labour from Portugal came,....we were being constrained badly."

Against assumptions of continued labour shortages as a result of an inability to attract applications to what are perceived as unattractive jobs, the expectation is that this trend to immigration will continue because of insufficient NI resident workers to meet the demand for labour:

"I see it here to stay. And I also see that in the next ten to fifteen years we're going to see an explosion in the immigration, people coming into the province. I think we'll go very much like the

south. They reckon in the south that they are going to need 70,000 immigrants."

This case study illustrates the importance of job type in influencing employability, particularly in terms of 'realising potential', by matching people with jobs that meet their expectations, and in understanding more about the local 'structural aspects of employability'. In this instance, employment expansion is not increasing local employability but is instead enhancing the employment of a variety of contract workers. Clearly, the situation is optimal neither for the employers who cannot attract local labour under present conditions, nor for wider social policy objectives of reducing NI unemployment.

HARD-TO-FILL VACANCIES IN THE HOSPITALITY SECTOR

Site 2 also has hard-to-fill vacancies and relatively high rates of workforce turnover. These are at the lower-pay and lower-skill end of the occupational hierarchy, in this case in jobs such as housekeeping. There are also skill shortages for more highly skilled occupations such as chefs. This experience is not unique to Site 2 – many other employers in the hospitality sector also find it difficult to recruit workers for certain positions, have hard-to-fill

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vacancies, skill shortages and high turnover – see the NI Skills Monitoring Survey (Chapter 11 in this Bulletin). Unfilled vacancies and the need to recruit continually to cope with turnover have consequences for operations and the provision of services. As one personnel manager commented:

"Oh yea. The consistency of service becomes very difficult to provide because they have new people coming in all the time trying to train them up, and then a lot of times when they are trained up, they move on..."

Increases in employment in the hospitality sector in the greater Belfast area – and wider – are expected to increase the numbers of hard-to-fill vacancies and also cause potential skills shortages. Some of the measures to cope with these are associated with those that are already in place to reduce losses of workers by turnover and include increased pay and multi-skilling programmes.

But Site 2 is additionally interesting case study because of its location. Situated near some of the most socially deprived areas in NI, there is a policy drive to encourage urban regeneration and to increase the uptake of jobs by local residents. The conditions for this policy are favourable on several counts. Firstly, there

is a tradition of work in the hospitality sector in the local deprived neighbourhoods and so it might be assumed that similar jobs might be highly suited to local skills and aspirations. Secondly, the employer has made efforts to build links with the local community. But despite this, there are perceptions of failure as typified by the following quote:

"Sometimes it is an issue. I mean, I know...has done an awful lot of work with the community and we have had a lot of problems. I mean, they come and they want jobs, they come for interviews, we give them jobs, but they maybe last for two days and decide not to come back, or don't turn in, so their attitude to working is not very positive."

Paradoxically, Site 2 has jobs, undemanding in terms of skill, a commitment to employ local labour, and a local labour supply with some tradition of working in the hospitality sector, but yet has problems with unfilled vacancies and a mixed record in attracting local workers. The employer is also perceived as being a 'good' employer offering relatively high rates of pay and training as well:

"At £4.50 an hour it was a good wage for that sort of work. Even those with no qualifications could get

work...and they were training them too."

Furthermore, the site is not seen as intimidating, and as being relatively accessible to prospective workers:

"...there was absolutely no problem with the (Site 2) location. You'd need your head showered if you thought there was."

This heightens the puzzle as to why Site 2 has had a mixed experience of local recruitment. However, it is likely that the explanation can be found in terms of the operation of the benefits system, and local labour market traditions.

Firstly, there is the informal economy in the locality that means that the local labour market does not operate in a way that would be expected but in a manner that is still economically rational, as was expressed succinctly by one respondent:

"Local women do the black and white. They can't manage on a full-time job. They do the double to make ends meet, and they can't afford to give up benefits. They also need to be available to look after kids"



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"But to work at (Site 2) they had to hand in their cards so they couldn't do the double, which they have to do to get by..."

Secondly, there is still a tendency to look to the city centre for employment despite the advantages offered by location of Site 2:

"Some have full-time jobs in the city centre... that's where the jobs are"

This indicates that measures to increase local employability face a number of problems in implementation in the 'real world'. Even in apparently favourable circumstances, it can prove difficult to place local people, particularly those who are unemployed.

CONCLUSION

The two case studies show that enhancing local employability is problematic. In each instance, the employer has found it difficult to recruit or retain labour in certain occupations. This has led to problems in production or in service provision. Substantial effort has been expended on recruitment drives, and in devising measures to attract or retain labour. These have included alterations in shift patterns, increased pay, enhanced and multi skilled training, increments to other benefits

or even the use in the food-processing sector of foreign contract workers.

Employers often understand these problems in terms of 'attitude' – difficulties in recruiting workers, particularly the unemployed, are often perceived as being caused by individuals being 'work-shy', as are problems in worker retention. But there is far more to the mismatch between the supply and demand for labour than this. If 'attitude' was the only issue, then a significant step towards increasing employability could be made by finding means of enhancing work discipline and incentives amongst unemployed people.

However, the problems that employers face in recruiting sufficient workers go beyond this, questioning the notion of 'employability' and pointing to the need to be sensitive to local situations. Site 1 (and other similar employers in the same industrial sector), seems to have problems in recruitment because of its image, and particularly the perception that many jobs are not well paid, offer poor conditions, and are at the 'bottom of the heap'. This image has persisted despite efforts to change working conditions and to offer incentives. However, the poor image of the industry has proven resistant to

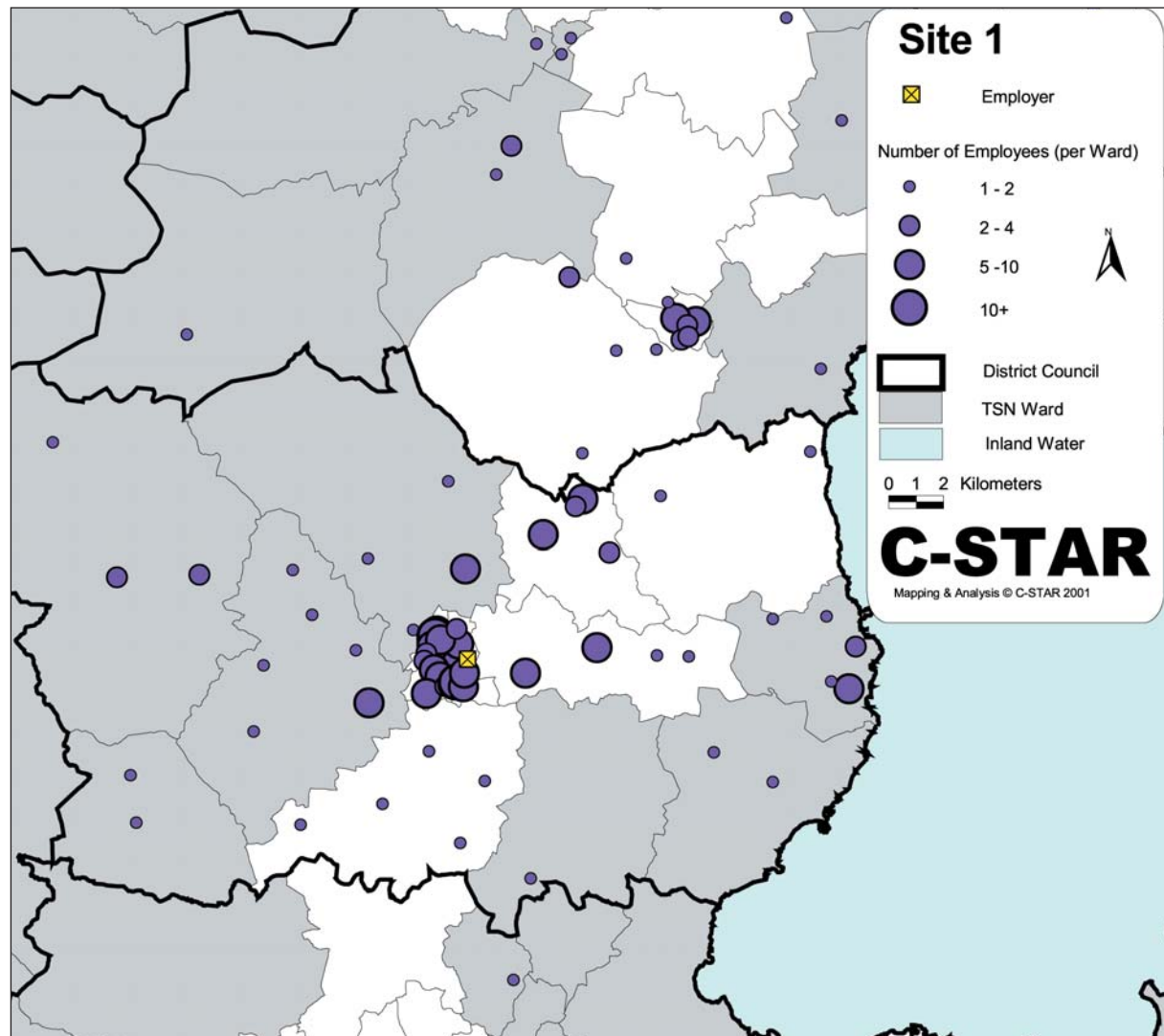
reform. To some degree, this could be seen as a result of the poor 'attitude' of workers and unemployed. But the issue could perhaps better be seen in more structural terms in which factory work, particularly of this sort, is unattractive given the range of other options open to individuals, especially younger people, regardless of attempts to improve conditions. In these circumstances, simply increasing work of this, or similar, type in the NI economy is unlikely to increase sustainable employability.

Instead it is probable that it will lead either to an increase in the immigration of workers who will take the jobs that NI residents do not really want, or a growth in disgruntled employees who feel that they are in unsuitable employment. Closer interaction between government and employers in looking at the quality of work on offer may be of help in this type of instance.

Site 2 exemplifies a different type of situation. The overall position is the same – there are 'hard-to-fill' vacancies and high turnover - but the reasons for this are different. The employer, as are some others in this sector, is fairly highly regarded in terms of employment conditions. However, problems in gaining workers (and retaining them) are again,

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often perceived as being caused by a poor attitude to work, especially in the case of potential employees. Efforts at outreach to these communities have had mixed success in encouraging local employment. But in this case, it is difficult to attribute a lack of local involvement in employment at Site 2 to irrationality and to behavioural issues. The shift patterns and the need for flexibility in hours

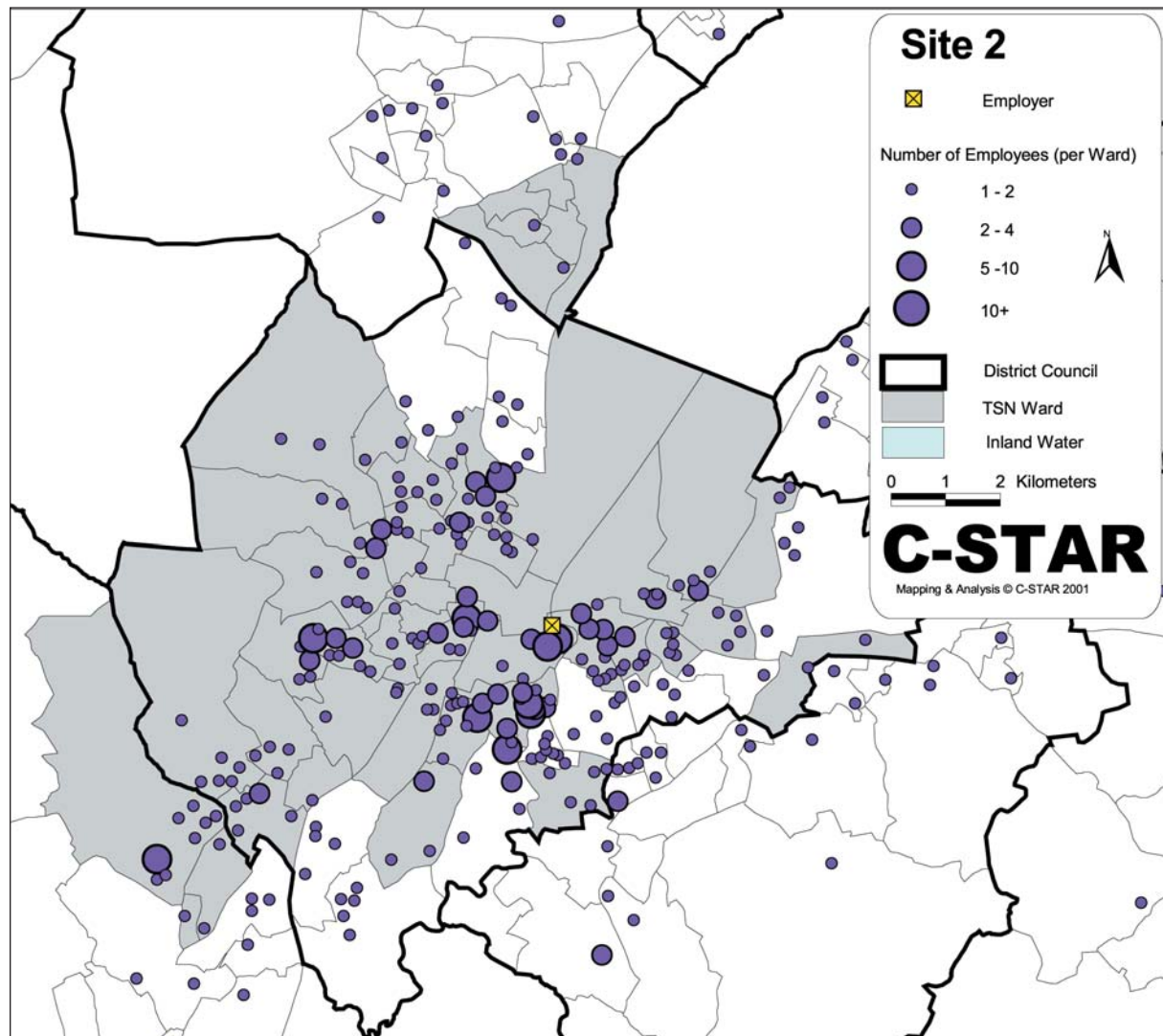
worked, plus the formal nature of the employment with the implications of paying tax and national insurance, mean that for some people it is uneconomic to seek work at Site 2. They would forgo income that they otherwise would earn from benefits and informal employment, plus sacrifice the flexibility needed for childcare, if they moved into the formal economy. Their decision not to work is therefore not

irrational – indeed purely in terms of income it is sensible, and paradoxically, it is problematic to perceive individuals as being 'work-shy' because they already are taking-up work opportunities in the informal labour market.

The notion of employability suggests that individuals should only find work in the formal labour market, and that this objective can be achieved by adjusting the

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supply and demand for labour. These two case studies, however, point to the formidable problems in bringing work to areas, and in particular placing unemployed people into jobs, even when labour market conditions appear to be favourable. These difficulties vary by industrial sector and locality and so suggest the need to be sensitive to geography and local background, but they also indicate the potential need for radical changes if

long-term unemployment is to be reduced by long-term unemployed people gaining jobs.

About the Authors:
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The Unemployed - where do they go when they leave the Register?

Statistics Research Branch, Department of Enterprise, Trade and Investment

The claimant count records the number of people claiming unemployment-related benefits. The series has been used as a main indicator of labour market activity since the 1970s and figures are derived from records of claimants held at Social Security Offices (SSOs). The term 'claimants' is used here to refer to those claiming Jobseekers Allowance and national insurance credits. The figures include the severely disabled unemployed, but exclude students seeking vacation work and the temporarily stopped.

Outflow and recycling data are obtained from the longitudinal databases held within Statistics Research Branch. The databases hold details of all computerised claims made since October 1993. The longitudinal databases are a rich source of information on the characteristics of those claiming unemployment related benefits.

NI DESTINATION DATA

2000 data

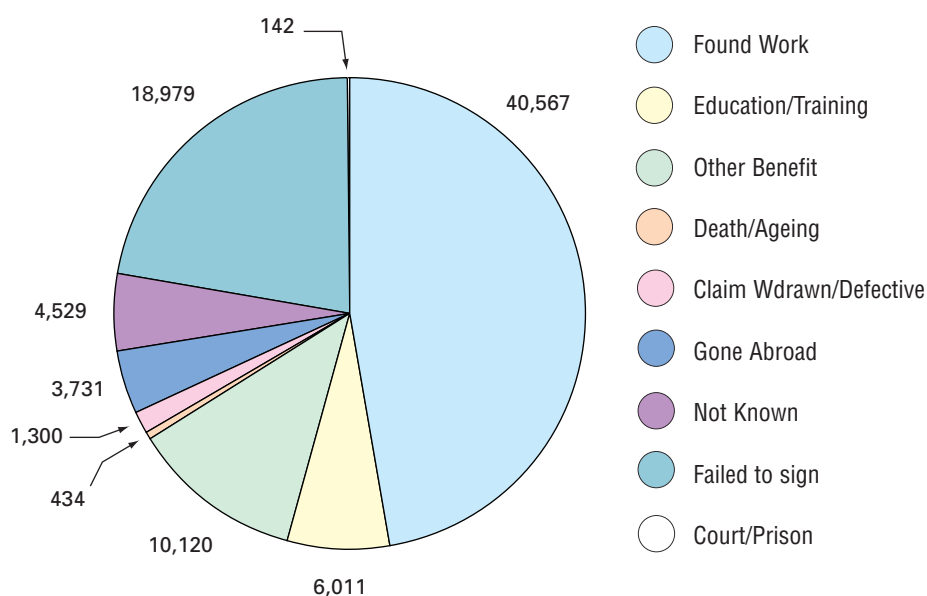
Using the claimant count longitudinal database, it has been possible to trace some 85,813 spells of claimant unemployment that ended in NI during 2000. **Figure 1** below gives a breakdown of

the destination of all these claimant count leavers.

Figure 1 shows that some 40,567 (or 47.3%) of those who left the claimant count in 2000 left to start a job. However **Figure 1** also highlights the fact that 18,979 (22.1%) of leavers in 2000 failed to sign and a further 5.3% (4,529 people) had 'Not Known' destinations. By excluding these unknowns (i.e. 'Failed to sign' and 'Not Known'), the destination data can be examined in more detail.



Fig 1: Destination of claimant count leavers in 2000 (including unknowns)



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Of those for whom a destination on leaving unemployment is known, over 90% who left the count in 2000 went into one of three main categories: found work (65.3%), education or training (9.7%) or switched to another benefit (16.3%). It is these three main categories that are considered in more detail (whilst still excluding those claimants with an unknown destination).

DESTINATIONS BY AGE GROUP (THREE MAIN DESTINATIONS)

2000 data

Figure 2 below shows that older claimants who leave unemployment are more likely to go to 'less favourable' destinations than their counterparts. The proportion of claimants switching to another benefit tends to increase with age with over one quarter of claimants aged 50 or more,

Table 1: Destination by Sex 2000 (percent- excluding unknowns)

Destination	2000		
	M	F	T
Found Work	64.0	67.4	65.3
Education/ Training	9.9	9.3	9.7
Other Benefit	17.6	13.9	16.3
Death/Ageing	0.9	0.4	0.7
Claim Withdrawn/Defective	1.9	2.3	2.1
Gone Abroad	5.6	6.6	6.0

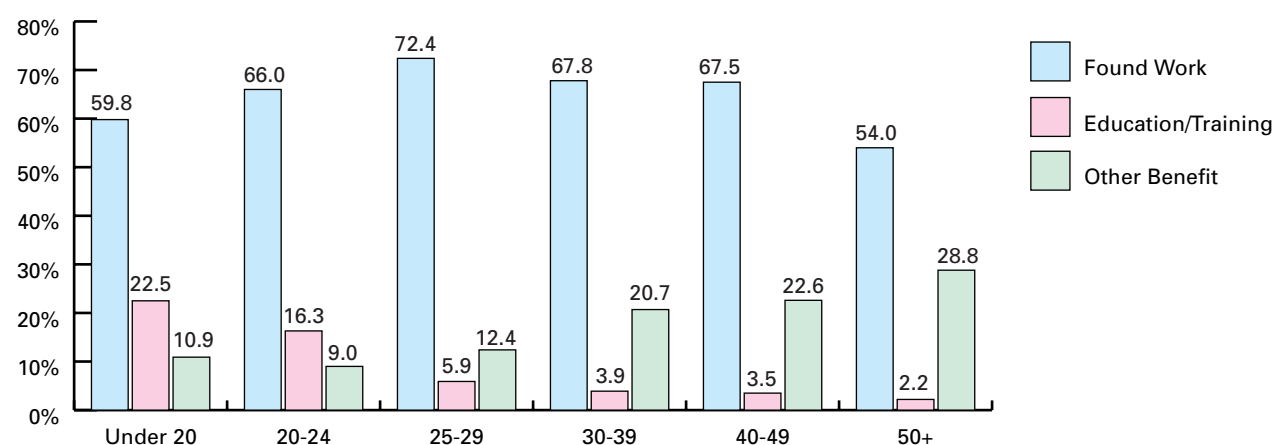
who left claimant unemployment in 2000, switching to other benefits, this is compared to only 9% for the 20-24 age group. Predictably, claimants under twenty years of age were more likely to leave unemployment to enter education/training than other age groups. As **Figure 2** shows, the proportion taking the education/training route out of unemployment falls as age increases. Leavers aged 25-29 were the group most likely to leave to start a job (72.4%) compared to just over half (54.0%) of leavers aged 50+ who found work.

DESTINATIONS BY DURATION BAND (THREE MAIN DESTINATIONS)

2000 data

In line with the link between age and destination, claimants who left after a long period of unemployment are also more likely to go to 'less favourable' destinations than their counterparts. **Figure 3** shows that claimants who left the count after an unemployment duration of 6 months or less were much more likely to have found work and much less likely to have switched to another benefit. In

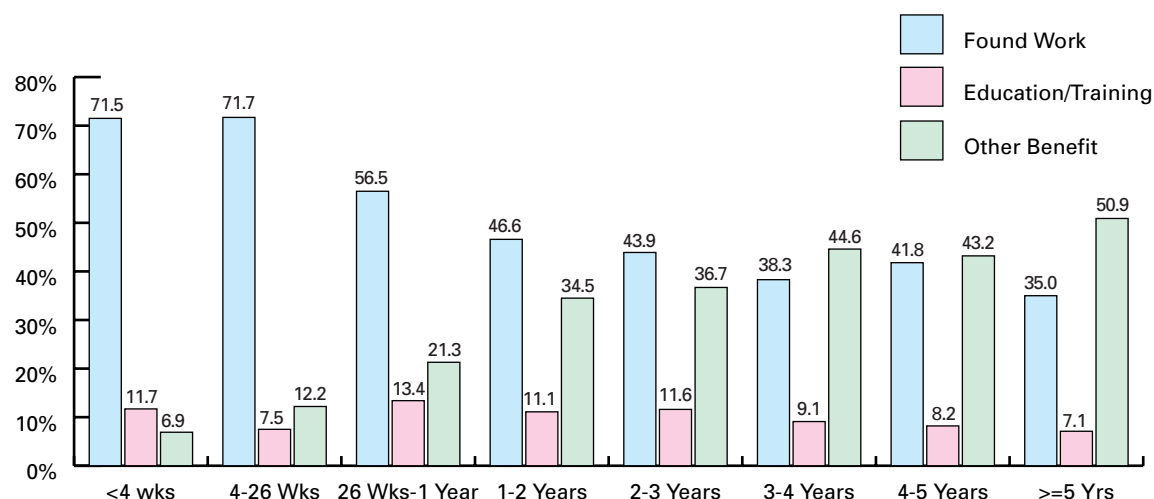
Figure 2 Destination by Age Band 2000



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Figure 3 Destination by Duration Band 2000



general, as duration of unemployment increases, claimants are more likely to leave to claim another benefit and less likely to leave to start a job. It is worth noting that over half (50.9%) of the very long-term unemployed (i.e. those with a duration of over five years) who left the count switched to another benefit. Only 35.0% of these very long-term unemployed claimants found work compared to almost 72% of those who left unemployment after a duration of less than 6 months.

DESTINATION BY DISTRICT COUNCIL AREA

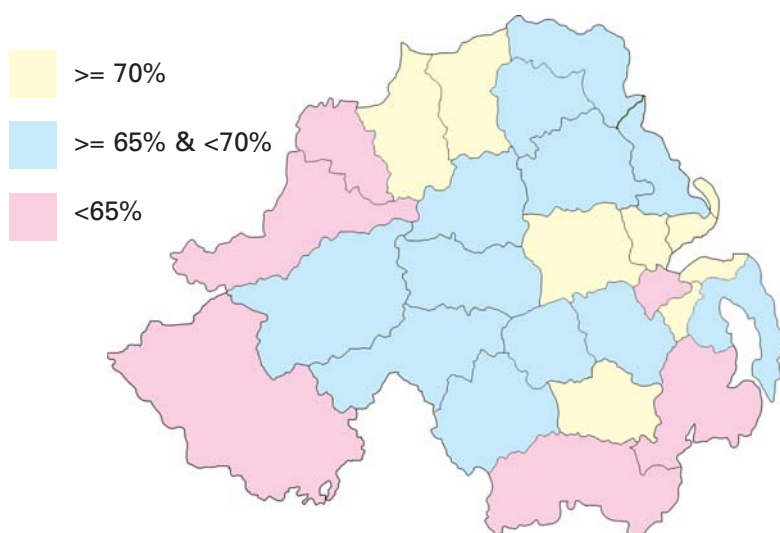
At District Council Area (DCA) level, the data highlighted considerable variations in the proportion of claimants leaving unemployment who found

work (see **figure 4**). The percentage finding work ranged from around 58% in Derry DCA to 73% in Antrim DCA. Areas with a lower percentage of claimants who left to find work tend to be concentrated in the west and south.

SUMMARY- DESTINATION DATA

Excluding unknowns, the destination data for 2000 shows that around two-thirds of those leaving the claimant count found work. Age and duration were shown as influences on the destination of leavers with older, longer-term unemployed much more

Figure 4 Percentage finding work by DCA 2000



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Statistics Research Branch, Department of Enterprise, Trade and Investment

likely to leave to claim another benefit and, consequently, less likely to have found employment.

NORTHERN IRELAND RECYCLING DATA- ALL SPELLS OF UNEMPLOYMENT

Background

Alongside the analysis of destination data, it is possible to examine the extent to which those leaving unemployment subsequently return to unemployment at a later date. This occurrence is known as 'recycling'.

The following analysis assesses the overall impact of recycling on claimants who left unemployment during 1999, ignoring the fact that some individuals featured more than once. This should give an indication of the complete dynamics of the labour market in relation to recycling of the unemployed. The data used in this Section relates to all claimants who left unemployment during 1999 (i.e. 1999 'outflows') rather than those who left in 2000.

Table 2: Percentage of claimants returning to unemployment by sex

Percentage of claimants who left unemployment in 1999 returning within:			
	0 to 6 Months	6 to 12 Months	12 Months
Male	34	12	46
Female	30	10	41
Total	33	11	44

This is because those who left the claimant count in December 2000 have had only eight months (to end August 2001) in which to return to unemployment. Thus, it is not possible to give recycling data for a full year's outflows until everyone in that year has had the same length of time in which to return.

Recycling of 1999 Outflows

Table 2 shows that, for those claimants who left the register in 1999, 33% had experienced a further spell of unemployment within six months and an additional 11% returned after 6-12 months. In all, some 44% of those who left the count in 1999 returned to unemployment within one year.

Recycling by Destination

The likelihood of an individual re-signing varies according to the reason that the original claim was terminated (see **Table 3**).

Table 3 shows that 43% of claimants who left the count because they found a job returned to unemployment within a year. In contrast, only 30% of claimants who claimed another benefit were 'recycled' within one year. Males were more likely to return to unemployment across all destination bands regardless of the reason they originally left.

Recycling by Age Band

As **Figure 5** shows, there is a remarkable consistency to the level and pattern of recycling across age bands

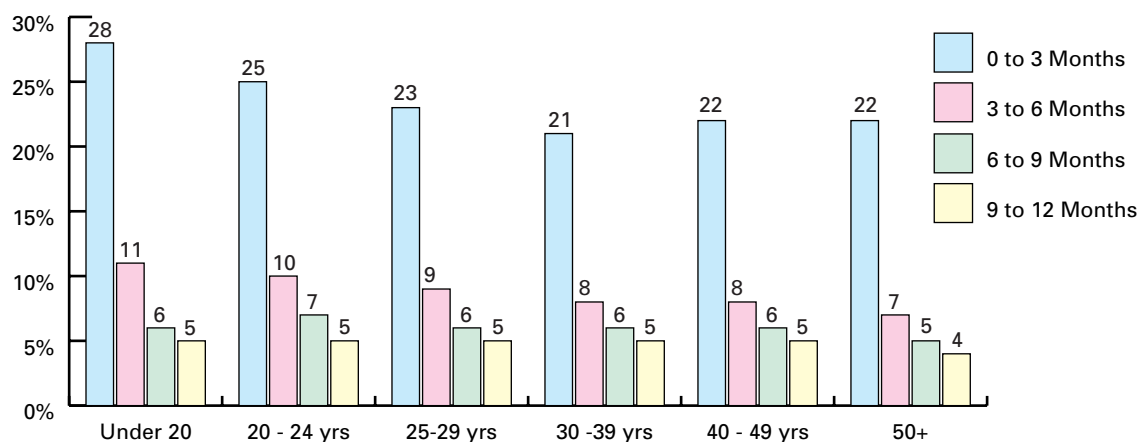
Table 3 Percentage of claimants recycled within 1 year by destination on leaving the count

Percentage of claimants returning to unemployment within 1 year by destination on leaving the count in 1999:								
	Found Work	Education/ Training	Other Benefit	Claim Withdrawn	Gone Abroad	Not Known	Failed to Sign	Total
Male	43	53	31	40	71	54	53	46
Female	42	42	26	25	71	37	39	41
Total	43	49	30	34	71	48	49	44

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Figure 5 Percentage recycled by age band by time between spells



particularly in the 3-12 months period. A slightly higher proportion of younger claimants, who left the count in 1999, had a further spell of claimant unemployment within three months compared to their older counterparts. The slightly lower level of recycling for claimants aged 50 plus (38% within 1 year) is likely to be influenced by the greater propensity of these older claimants to switch to another benefit or age/die

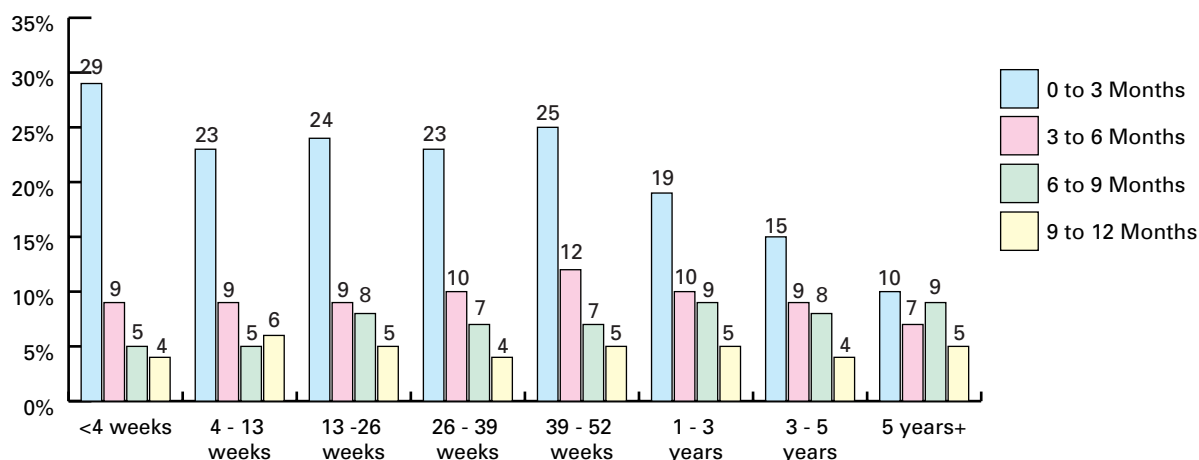
out of the system, combined with the lower overall level of recycling from these destinations.

Recycling by Duration Band

By the time one year had elapsed, around 47% of those whose previous spell of unemployment had lasted less than 4 weeks experienced a further spell of unemployment (see **Figure 6**). Indeed, up to 3 years duration, there are

remarkably similar levels of recycling occurring. However for those whose previous spell of unemployment had lasted for five years or more the percentage being recycled had fallen to 31%. As shown earlier claimants with longer durations (3 years or more) who left unemployment were more likely to have switched to other benefits and this may account for the lower level of recycling.

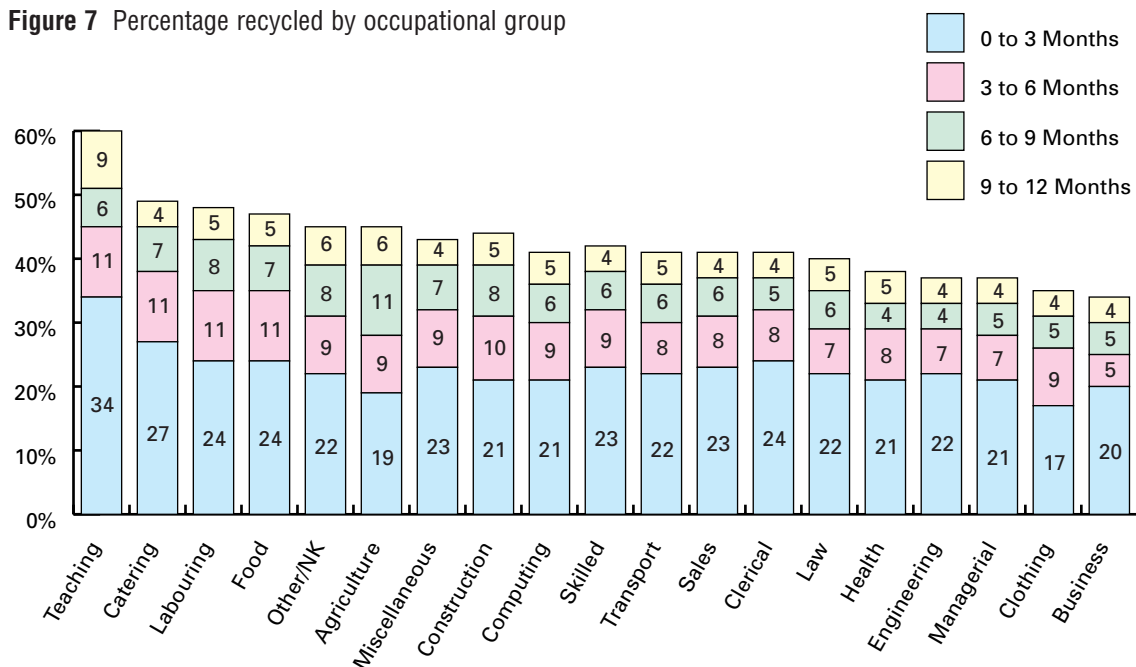
Figure 6 Percentage recycled by duration of previous spell by time between spells



The Unemployed - where do they go when they leave the Register?

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 7 Percentage recycled by occupational group



Recycling by Occupational Group

Using the 18 broad occupational groupings¹, **Figure 7** shows that there is significant variation in the percentage of claimants being recycled according to the occupation in which the claimant was seeking work. The percentage recycled ranges from 35% (Business) to 59% (Teaching). The Teaching/Education group (59%) stands out due to the cyclical nature of employment in this sector. In general, low-skilled manual occupations tend to have higher recycling rates.

SUMMARY- RECYCLING DATA

Overall the recycling data for 1999 showed that 44% of

those who left the count had made another claim within one year. As with the destination of claimants, several factors were seen to affect the propensity of leavers to re-claim. In particular, the extent of recycling is affected by the claimants' destination on leaving the count and the duration of their previous spell.

CONCLUSION

Destination and recycling data reveals interesting characteristics about claimants which will be useful in planning unemployment policies.

The destination data highlighted that older claimants (aged 50+) who

leave unemployment are more likely to go to 'less favourable' destinations e.g. to another benefit. Claimants under the age of 20 are more likely to go into education or training. A claimants duration was also found to influence a claimants destination. In general, as duration of unemployment increases, claimants are more likely to leave to claim another benefit and less likely to leave to start a job. There was also a geographical dimension to the destination data with claimants living in Strabane and Derry District Council Areas the least likely to leave to go to a job.

The recycling data then showed that the likelihood of a claimant re-claiming within a year is influenced

¹ When claimants 'sign on' their usual occupation is recorded and coded according to the Standard Occupational Classification (SOC) index. There are a number of people who will be seeking employment for the first time (such as school leavers etc) who, therefore, will not have a usual

occupation. The 18 broad occupational groups listed in Figure 7 have been devised in-house by Statistics Research Branch as a way of summarising occupations by job area rather than skill level.

The Unemployed - where do they go when they leave the Register?


Statistics Research Branch, Department of Enterprise, Trade and Investment

by the reason that the previous claim was terminated. The data also showed that older claimants (aged 50 plus) are less likely to reclaim although this is likely to be due to the greater propensity of these older claimants to switch to another benefit or age/die out of the system. There are remarkably similar levels of recycling occurring with claimants whose previous spell of unemployment was up to three years. Claimants with longer previous durations (3 years or more) were more likely to have switched to other benefits and this may account for the lower level of recycling.



The Work of the NI Skills Task Force & Skills Unit – An Update

Mark Livingstone, The Skills Unit, REB, DEL



In 1998 the Chancellor of the Exchequer's Skills Initiative allocated £14m to the Training and Employment Agency for skills training over the subsequent three years and allowed for the formation of a Skills Task Force for Northern Ireland to advise on issues relating to the demand for and supply of skills in the NI labour market (see the end of this article for the remit and current composition of the Task Force). The NI Skills Task Force was formally established in February 1999 (see Labour Market Bulletin Nos 13 and 14 for an overview of the early work of the Task Force). It is now well over two years since the establishment of the Task Force and since early 1999 the work of the Task Force has progressed well. This article provides a further update on the work of the Task Force and on initiatives funded from the Skills Agenda Budget.

BACKGROUND

This year has seen a slowdown in the world economy, the effects of which are most clearly seen in the high profile difficulties of a number of local technology firms. At the same time 'traditional' sectors continue to be affected by factors such as the impact of a strong pound and the lingering effects of foot and mouth. The consensus opinion is that the difficulties faced by the 'technology' sectors are likely to be transitory and that the electronic engineering and IT sectors will resume their previous pattern of rapid growth; and it is likely that the pressures on manufacturing and agriculture will ease somewhat in the coming months. Long-term however the prospects for the NI economy are uncertain. During the 1990s NI was the fastest improving regional economy in the UK. However with the benefit of further data it is becoming clear that this improved performance largely took place in the early to mid-1990s (see Chapter 5 of this Bulletin). Projections for the next decade suggest that the NI economy will grow at a rate roughly equivalent to the UK average (see Chapter 12). On this basis there is little prospect of further convergence between NI and the UK average on measures such as GDP per

head; the employment rate; or average incomes in the period to 2010 without concerted effort. The attraction of high-technology, high productivity, high wage employment is critical to NI's economic prospects however the achievement of a 'fast growing, knowledge-based economy' is far from assured. Increasingly the supply of a highly skilled workforce is becoming the critical factor in the location decisions made by internationally mobile investors. The NI economy can only move forward if we can clearly show that we can supply the skills that existing employers and new inward investors need.

THE PROGRAMME OF WORK TO DATE

Skills Research

When the Task Force was established, it was clear that despite increasing reports of skills shortages, there were no systems in place to gather robust data to guide policy makers in better matching skills supply to demand. This information gap needed to be filled if resources including the funds made available under the Chancellor's Initiative (henceforth the Skills Agenda Budget) were to be effectively targeted on areas of skills deficiency. Since February 1999 high quality data systems for monitoring

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and forecasting skills supply and demand have been put in place to inform the Task Force. With these systems now established the Task Force is well placed to make recommendations for action based on robust data.

Skills Monitoring

One fundamental gap in the information available was that there was little robust data on current demand for labour and skills across the economy. While a number of surveys are carried out by various organisations they were either too small to provide robust data, were restricted to particular sectors, or took place at different times to meet different needs. February 2001 saw the publication of the Northern Ireland Skills Monitoring Survey 2000, the largest survey of employers' skill needs ever undertaken in NI and the central 'plank' of the skills monitoring research (see Chapter 11 for details). The Survey was designed to provide an overview of the current skill needs of NI's private sector employers; to provide a baseline against which future trends can be measured; and to highlight areas of concern for further investigation.

Some 3,700 NI employers were interviewed during April/May 2000 representing an excellent response rate of

76%. Employers responded on a number of skill related issues including the incidence of current vacancies; hard-to-fill vacancies; expected recruitment difficulties; labour retention problems; and skills gaps in the current workforce.

In general, the Survey supports the perception that the NI labour market has tightened considerably in recent years with many employers reporting difficulties in filling vacancies; however vacancy levels are still not as high as in other regions such as GB and ROI. A high proportion of vacancies (64%) were considered by employers to be difficult to fill however many difficult to fill vacancies were not due to skills shortages per se, rather they were due to factors such as unattractive working conditions or other 'internal' factors. There appears to be a perception that many vacancies are not seen as attractive while at the same time employers perceive a lack of basic 'employability' skills in many jobseekers and skills gaps in the existing workforce. The Survey also suggested that, while there was demand for high level skills such as computer programmers/analysts there was also a high level of demand for vocational skills.

The Skills Monitoring Survey has provided a comprehensive 'snapshot' of the current skill needs of NI private sector employers and allows for the identification of 'true' skills shortages as opposed to recruitment difficulties associated with other 'non-skill' factors. The Survey provides a context within which the more detailed Priority Skills research detailed below can be set.

While the skills monitoring survey provides a comprehensive snapshot at one point in time (it is intended that the survey will be repeated again in Spring 2002) there is a need for more continuous data.

Hence, since January 2000 the Skills Task Force has supported the enhancement of the Executive Recruitment Watch survey carried out by PA Consultancy which appears quarterly in the Business Telegraph. This survey analyses by industry and occupation advertisements placed in the Belfast Telegraph for 'executive' vacancies attracting an annual salary of £20k or more as well as gathering qualitative data on recruitment issues in key sectors. In addition recommendations have been made to ensure the quality of data on vacancies notified to the T&EA Employment Service which



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will allow for detailed monthly information to be gathered on non-executive vacancies.

Priority Skills Research

While the Skills Monitoring Survey provides an overview of skill needs across the economy and acts as a baseline for assessing long term trends, a general survey such as this provides insufficient detail to allow for appropriate interventions to address identified skill needs. In September 1999 the Priority Skills Unit was established at the Northern Ireland Economic Research Centre (NIERC) as a centre of excellence for skills forecasting and to take forward a programme of detailed research into skill needs in priority sectors. This more detailed research is impossible to carry out for all sectors simultaneously, therefore research has concentrated initially on skill needs in those priority skills areas where shortages could hold back the growth of the NI economy.

The first area of research covered skills needs in the IT sector and the results of this were published in August 2000 (see Labour Market Bulletin 14 Chapter 8 for summary results). Among the findings were :

- NI computer service companies have

difficulties in recruiting **experienced** staff

- But no indications that shortages will emerge in the period to 2005 for **new entrants** at graduate and technician level - **provided that enrolments continue to grow**

DEL continues to work with Momentum, the IT industry representative body to ensure that the skill needs of IT employers continue to be met.

The results of research into the Electronic Engineering sector were published in October 2001. The main findings (see Chapter 13) include :

- NI electronics companies tend to be either primarily manufacturing oriented or are involved in product development which has implications for their respective skill needs. On aggregate however the NI sector has a higher proportion of assembly workers and correspondingly a lower proportion of qualified personnel compared to the GB average. This suggests that many local operations are concentrated at the 'low value added' end of the industry.
- Despite this unfilled vacancies were found to be a problem at all levels

and these problems were more acute relative to the IT sector, particularly for professional engineers.

- If the aim is to ensure that the current structural gap compared to GB does not widen then some gearing up of educational supply is necessary at both graduate and technician levels. Any more ambitious plans to reduce the structural gap between NI and GB would have more significant implications for skills supply.

Work is now nearing completion on the skill needs of the mechanical engineering sector (to be published in December 2001) to be followed by the construction sector. Parallel research on the tourism and hospitality sector (carried out by McIver Consulting) is now nearing completion.

LABOUR MARKET RESEARCH

In addition to the primarily skills focused research, the Department also supports an ongoing programme of research into a range of labour market issues which also informs the work of the Skills Task Force. Labour market research currently ongoing includes the Large Scale Labour Recruitment Patterns research which has been expanded to cover the

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call centre and hotel sectors and lately the Belfast labour market for IT skills.

ACTIONS TAKEN TO DATE

The Department has developed a number of initiatives to address the skills gaps identified through the labour market research, particularly aimed at meeting immediate and longer term skill needs in growth sectors such as ICT, engineering and private sector services. The following details some examples of the major initiatives currently funded from the Skills Agenda Budget :

- A Rapid Advancement Programme aimed at addressing the identified skills gap in the software sector through the provision of specialised training to 250 non-IT graduates per year to enable them to take up employment in the ICT sector. 85% of those who have completed the programme have found employment in the Industry.
- The Lecturers into Industry programme aims to promote the idea of regular placements of Further Education lecturers within local businesses to enable them to update their skills and experience and
- to pass this on to their students/trainees. From September 1999 to June 2001, 27 lecturers in Hospitality, 13 in Engineering and 9 in Software Engineering were involved in industrial placements. In the 2001/02 Academic Year Construction has been added as a fourth strand.
- The development of a Childcare Financial Support Scheme, in the form of a bursary, aims to raise the quality of childcare by ensuring that the childcare sector has an adequate supply of suitably qualified workers. To date the scheme has attracted 421 candidates.
- The introduction of a CORGI Gas Proficiency Grant Scheme as a result of research carried out by the gas industry which identified skills shortages across the UK. The research identified that an additional 669 operatives needed to be trained and assessed by CORGI installer standard to meet the needs of the sector in NI over the next 3 year period.
- The Department is committed to encouraging businesses and individuals in the use of E-Learning. A programme of support

delivered through **learndirect** will provide high bandwidth connectivity for the 32 Learning Centres throughout NI. This measure will ensure a high quality E-Learning experience for those seeking to improve their skills as learners will derive best benefit from increasingly sophisticated and media rich learning materials delivered over the Internet.

CONCLUSION

The past 12 months have seen the return of considerable uncertainty in the future prospects of the local, national, and international economies. The NI economy will only prosper if higher economic growth can be achieved through higher productivity employment supported by the appropriate skills. With a programme of research now in place to deliver high quality information on current and future skill needs the NI Skills Task Force is well placed to advise government on the strategic allocation of education and training resources to enable us to make the most of growth opportunities.

The Skills Task Force published a Summary Report on 9 October, 2001

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which outlines the current evidence on skills demand and supply in the NI economy, examines current provision, identifying gaps and weaknesses, and makes recommendations to address immediate and long-term skill needs. The Summary Report is intended to stimulate debate on skills issues which can contribute to the ongoing development of a cohesive skills strategy for NI.

The Report of the NI Skills Task Force is available from Sectoral Development Branch, DEL, CGU Building 1-3 Donegall Square North Belfast BT1 5JA
Tel: 028 9054 8876
or electronically at:
www.delni.gov.uk

THE NORTHERN IRELAND SKILLS TASK FORCE – TERMS OF REFERENCE:

To advise the Department for Employment and Learning on matters of strategy to meet the skills needs of the Northern Ireland economy and to advise the Department on its labour market research programme in order to assist in targeting the allocation of education and training resources.

Skills Taskforce Membership

Bill McGinnis	Chairman
Michael Anyadike-Danes	Director, NI Economic Research Centre, The Queens University Belfast
Bill Brown	Chair, Engineering Training Council President, Engineering Employers Federation (NI)
Tony Doran	Chief Executive, Construction Employers Federation, Board Member, CITB
Tom Gillen	Acting NI Officer, NI Committee of the Irish Congress of Trade Unions
Tony Hopkins CBE	Chairman, Laganside Corporation
Ann Shaw CBE	Chair, Institute of Directors (NI), Director, Shaws Farms, Chair Health & Safety Agency (NI)
Ann-Marie Slavin	Managing Director, Western Connect Ltd
Vivienne Walker	Board Member, NI Growth Challenge Head of Human Resources, South & East Belfast H&SS Trust
Ian Walters	Chief Executive, Training & Employment Agency
Ken Cleland	Chairman, NI Training Councils Association, Managing Director, Graham & Heslip Ltd
Peter Williamson	Regional Secretary, Amalgamated Engineering & Electrical Union
Richard Sterling	Managing Director, Coolkeeragh Power Ltd Chair, Basic Skills Committee
Gordon Milligan	Human Resources Manager, Nortel Networks
Stephen Peover	Deputy Secretary, Department of Education
Tom Scott	Director, Skills & Industry Division, DEL
Deirdre McGill	Head of Sectoral Development, DEL

In addition the Task Force is supported by an Officials Group comprising representatives from relevant government departments and agencies.

Where are we now? - Results of the NI Skills Monitoring Survey 2000

Mark Livingstone, The Skills Unit, Research & Evaluation Branch

The NI Skills Monitoring Survey 2000 was designed to provide a comprehensive snapshot of the current skill needs of NI employers in the non-agricultural private sector. This is the largest survey of employers' skill needs ever undertaken in NI.

The Survey provides an overview of current vacancies and skill needs across the economy and particularly highlights those areas where recruitment difficulties are related to external skills shortages and which therefore might be amenable to a 'skills' solution as well as exploring other issues such as retention difficulties and skills gaps¹. The Survey was commissioned by the NI Skills Task Force as part of its research programme to assess the skill needs of the NI economy.

BACKGROUND

In February 1999, in the context of a tightening labour market and increasing anecdotal reports of skills shortages, the NI Skills Task Force was established to advise government on issues relating to the supply of, and demand for, skills in the NI labour market.

The work of the NI Skills Task Force is focused on identifying the current and future skill needs of NI employers and through this to ensure that education and training resources are best targeted to meet these needs. As with any major decisions, the targeted allocation of education and training resources must be based on high quality information. It was clear at the time of the establishment of the Task Force that information on skills supply and demand was incomplete, fragmented and of variable quality. Therefore, in common with initiatives taken in England, Wales, the Republic of Ireland and latterly in Scotland, a programme of research was developed to provide high quality data to assist the Task Force in its task.

The skills research programme is designed to cover a number of dimensions. Firstly there is often a trade-off between

breadth and depth. Detailed information is required on which to make specific recommendations but this research needs to fit within a broader labour market context. In addition, to obtain a comprehensive understanding, it is important to determine not just **current**, but also **future** skill needs. It is also insufficient to assess the **demand** for skills in the absence of a rigorous examination of the **supply** of skills to the labour market.

A Skills Unit was established within the T&EA (now DEL) to provide technical support and advice to the Task Force and with particular responsibility for the monitoring of current skill needs across the economy. In September 1999 the Priority Skills Unit was established at the Northern Ireland Economic Research Centre (NIERC) to carry out a complementary programme of more focussed and detailed research into the current and future skill needs in priority skills areas (see chapter 10).

THE NORTHERN IRELAND SKILLS MONITORING SURVEY 2000

Objectives

Almost daily, some commentary appears in the media referring to recruitment difficulties or skills shortages in the NI



¹ Skills gaps were defined as a gap between the skills companies need to meet their business objectives and the skills held by their current workforce.

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economy. The frequency of reports has increased in recent years as our unemployment rate continues to fall and as the numbers in employment reach record levels. Labour market prospects for jobseekers have never been better with many high quality jobs being created in 'new technology' sectors. In 1999/2000 some 80% of jobs promoted by IDB were in the high technology and knowledge-based sectors. However there are dangers in government policy being determined solely in reaction to media reports. The evidence for skills shortages comes from many sources including surveys conducted by a variety of organisations or often from anecdotes. However the scope, methodology, definitions used and quality of surveys are as diverse as the range of organisations who commission them and while anecdotes are evidence, they are often not quantifiable and are difficult to generalise from. What was missing was an overview of the current skill needs of the NI economy which was comprehensive and robust.

The NI Skills Monitoring Survey 2000 was designed to meet this need with respect to the current skill needs of NI employers in the non-agricultural private sectors². In particular the key

objectives of the Survey were to :

- Provide robust estimates of the current level of vacancies and difficult-to-fill vacancies as an indication of demand for skills from NI private sector employers.
- To provide baseline labour market measures against which future trends can be compared.
- To highlight those areas where recruitment difficulties are related to external skills shortages and which therefore which might be amenable to a 'skills' solution.
- To highlight areas of concern that might merit more detailed investigation by the Priority Skills Unit.

METHODOLOGY

The Survey was designed, not only to provide robust estimates for all NI private-sector employers but also, where possible, to provide estimates for individual industrial sectors.

Responses were analysed by Standard Industrial (SIC92) and Occupational (SOC90) classifications to allow for the results to be compared with other sources of data.

The questionnaire was structured to allow for comparison with similar surveys carried out in other regions and with earlier surveys carried out in NI (e.g. the Skill Needs in Northern Ireland Survey 1998) as well as being tailored to meet the specific research objectives of the Task Force. The sample was drawn from all NI businesses with one or more employees listed in the BT Business Database and was disproportionately stratified to ensure that a sufficient number of large businesses were contacted. The results were re-weighted to reflect the composition of the population of businesses as a whole. Telephone interviews were conducted by the Central Survey Unit of the Northern Ireland Statistics and Research Agency (NISRA) during April/May 2000 using computer-assisted personal interviewing (CAPI). Valid responses were received from 3,707 employers representing a response rate of 76%. This is an excellent response rate which not only underlines the quality of the information received but also reflects the high level of interest shown by employers. Our thanks again to the employers who participated in the Survey and the various employers' representative organisations who encouraged their memberships to participate.

² This is consistent with the approach taken for example in ROI. In the NI context the Survey was thus restricted for reasons of economy and because to date the public sector has largely not suffered from recruitment difficulties to the same extent as the private sector. Plus for key public

sector skills, there are well-established mechanisms to monitor supply and demand (e.g. teachers, doctors etc). Separate research has also recently been completed examining training needs in the agricultural sector.

Where are we now? - Results of the NI Skills Monitoring Survey 2000

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Table 1. Distribution of Responses and Businesses in the BT Business Database

SECTOR	Responses	Population in BT Database	Proportion Interviewed (weighted) %	Proportion in Population %
Mining & Quarrying	22	61	0	0
Manufacturing	707	4,867	15	14
Utilities	4	33	0	0
Construction	235	2,265	6	6
Wholesale & Retail	1,152	11,648	31	34
Hotels & Restaurants	387	3,194	10	9
Transport & Communications	248	2,080	7	6
Financial Services	66	949	2	3
Business Services	464	4,665	13	13
Community, Social & Personal Services	422	4,955	15	14
Total	3,707	34,717	3,707	34,717



RESPONSES TO THE SURVEY

Table 1 compares the distribution by industrial sector of survey responses received to the businesses listed in the BT Business Database. The first point to make is that, with 3,707 responses, the Skills Monitoring Survey 2000 is the largest survey of employers' skill needs ever undertaken in NI. Responses were received from just over 10% of all businesses listed and in most cases at least 10% of businesses were interviewed in each industrial sector giving sufficient numbers from which estimates could be made with reasonable precision. The exceptions were in the Mining and

Quarrying and Utilities where there were a small number of companies in the sectors and Financial Services where banks declined to participate in the Survey. Although responses in these sectors contribute to the overall findings the number of respondents is small and caution is urged in interpreting the findings for these sectors in isolation. Table 1 also shows the distribution of employers in the population by industrial sector and the distribution of responses received (after the responses are weighted). It can be seen that the responses received are representative of the businesses contained in the BT Business Database.

KEY FINDINGS

This section provides a summary of some of the key findings from the Survey and where available, compares these findings to earlier surveys carried out in NI and recent findings from similar surveys carried out in other regions. Because of the limitations of space just some of the key headline findings are presented. More detailed breakdowns of the responses are contained in the full Report (see contact details provided at the end of this article to obtain a full copy).

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Table 2. Key Findings by Industrial Sector

Industrial Sector	Employee Turnover %	Current Vacancies %	Difficult to Fill Vacancies %	External Skills Shortages (% of Difficult to Fill Vacancies)	Retention Difficulties %	Skills Gaps %
All Employers	18	21	15	43	7	15
Mining & Quarrying**	9	37	12	18	2	8
Manufacturing	15	22	11	47	9	17
Utilities**	5	6	4	0	-	9
Construction	16	21	17	60	4	15
Wholesale & Retail	16	19	12	31	6	14
Hotels & restaurants	32	30	23	30	18	20
Transport & Communications	16	13	11	47	4	13
Financial Services**	13	15	3	83	2	24
Business Services	20	24	16	56	7	13
Other Services	17	21	15	44	5	16
BASE (unweighted) =100%	3,567	3,707	3,707	3,707	3,707	3,707

** Caution : Based on a small number of responses.

Table 2 presents some of the key findings from the Survey analysed by industrial sector. As can be seen, employee turnover for 1999/2000 was estimated at 18% for all sectors with the Hotels and Restaurants sector having the highest level (32%). Some 21% of employers reported having at least one current vacancy. This compares with just 10% in the 1998 Skill Needs in Northern Ireland Survey; 32% in the 'National' Skills Task Force Employer Skills Survey (1999, covering England only) and 31% in the latest (late 1999/early 2000) National Survey of Vacancies in the Republic of Ireland. For those sectors for which reliable estimates can

be made, again the highest level of vacancies was reported in the Hotels and Restaurants sector (30%) with the levels in Business Services (24%) and Manufacturing (22%) also above average.

While the level of current vacancies is of interest, the Task Force was particularly interested in vacancies that were proving difficult to fill and those which were difficult to fill due to 'external skills shortages'. Recruitment difficulties may be due to 'internal' company factors such as low pay or unattractive working conditions and therefore the solution is unlikely to lie in the supply of skills available

in the external labour market. Overall 15% of employers reported having at least one difficult to fill vacancy. This compares to just 4% of employers in the 1998 Skill Needs in NI Survey; 16% in the Employer Skills Survey; and 25% in the Rol National Survey of Vacancies. While the level of difficult to fill vacancies is not as high as in other regions, some 64% of vacancies in NI were considered by employers to be difficult to fill (80% in Rol). Again the Hotels and Restaurants sector reported the highest level of difficult to fill vacancies (23%) followed by Construction (17%). Overall the main reasons given for difficulties

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in filling vacancies included 'not enough people interested in doing this type of work'; 'poor attitudes, motivation and personality'; 'lack of work experience'; 'lack of practical skills'; 'long/unsocial hours'; and 'too much competition from other employers'. The reported effects of these difficulties included 'more strain on management of staff in covering the shortage'; 'restrictions to business activities'; 'loss of business to competitors'; and 'increased running costs'.

A different picture emerges when we ask employers to state the reasons for vacancies being difficult to fill. Overall 43% of difficult to fill vacancies were considered by employers to be due to external skills shortages (that is where the reasons given for difficulties included either a lack of practical skills; technical skills; qualifications required; or work experience). This is exactly the same proportion found in the National Skills Task Force Employer Skills Survey and by implication more than half of difficult to fill vacancies were **not** considered by employers to be due to a shortage of skills. Whereas the Hotels and Restaurants had the highest levels of vacancies and difficult to fill vacancies; only 30% of difficult to fill vacancies in this sector were

considered to be due to external skills shortages. In contrast, 60% of difficult to fill vacancies in Construction; 56% in Business Services; and 47% in Manufacturing were considered to be external skills shortages.

Some 7% of all employers reported difficulties in retaining staff and 15% reported gaps between the skills their current workforce possess and those needed by the company to meet its business objectives. In comparison 19% of companies reported retention difficulties in the 1999/2000 Rol survey (no figure available for skills gaps) and 20% of companies reported skills gaps in the 1999 Employer Skills Survey in England (no figure available for retention difficulties). Again employers in the NI Hotels and Restaurants sector report much higher levels of retention difficulties (18%) and skills gaps (20%).

The overall findings provide additional evidence that the NI labour market has tightened considerably in recent years with a high proportion of all vacancies considered to be difficult to fill. This is a cause for concern given that the overall level of employers reporting vacancies, while more than double that found in 1998, is still modest in comparison with

levels found in England and the Republic of Ireland. Interestingly, less than half of difficult to fill vacancies were considered by employers to be due to external skills shortages with the most frequent reason given being 'not enough people interested in doing this type of work'. It is likely that a tightening labour market means that employers increasingly have to compete for workers. In this context it is understandable that employers report greater difficulties in recruiting staff. The recent good performance of the NI economy also means that there are a greater number and range of employment opportunities for jobseekers. The Survey results suggest that with increased employment opportunities a number of vacancies in the NI labour market are seen by jobseekers as unattractive.

Where are we now? - Results of the NI Skills Monitoring Survey 2000

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Table 3. Key Findings by Occupational Group

Occupational Group	Current Vacancies %	Difficult to Fill Vacancies %	External Skills Shortages (% of Difficult to Fill Vacancies)	Retention Difficulties %
All Occupations			43	
Managers /administrators	4	4	52	2
Professional occupations	3	4	34	2
Assoc. professional & technical	6	7	72	8
Clerical & secretarial	10	9	46	12
Craft & related occupations	22	26	51	17
Personal & protective services	15	16	38	20
Sales occupations	16	13	43	18
Plant & machine operatives	12	9	28	9
Other occupations	12	12	21	13
BASE (unweighted) =100%	4987	2682	1130	432

Table 3 provides a breakdown by major occupational group of the key findings of the Survey. Craft and Related occupations accounted for 22% of all vacancies; Sales occupations 16%; and Personal and Protective Services occupations 15%. In contrast Craft and Related occupations represent a higher proportion of difficult to fill vacancies (26%); Personal and Protective Services occupations represent 16%; and Sales occupations 13%. Again, while 43% of all difficult to fill vacancies were considered to be due to external skills shortages, there was considerable variation by occupation. 72% of Associate Professional and Technical occupations;

52% of Manager/Administrator occupations; and 51% of Craft and Related occupations were considered to be external skills shortages. In contrast just 38% of Personal and Protective Service occupations; 28% of Plant and Machine Operatives; and 21% of Other (Elementary) occupations were considered to be due to external skills shortages. These findings come as little surprise as the latter occupations are generally regarded as requiring a lower skills content.

The highest levels of retention difficulties were reported for Personal and Protective Service occupations (20%); Sales occupations (18%); and Craft

and Related occupations (17%); occupations where employment is concentrated in the Hotels and Restaurants, Manufacturing; and Construction sectors. The close relationship between retention difficulties, employee turnover; and the level of vacancies and difficult to fill vacancies is clear. Recruitment difficulties may be due to expansion of the workforce but may also often be caused by the need to replace staff lost through high turnover due to retention difficulties.

The overall occupational breakdown of vacancies is interesting. The Strategy 2010 economic development document and latterly the Programme for Government

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set out an aspiration for a 'fast growing knowledge based economy' and at UK level the Government proposes to continue to raise participation in higher education. Whilst the Survey finds (unsurprisingly) that external skills shortages tend to be related to occupations requiring higher level skills, occupations requiring skills up to and including intermediate/skilled craft level represent by far the greatest proportion of current vacancies and difficult to fill vacancies. The demand for higher level skills will continue to grow (see Chapter 12) however there is a need to ensure that the supply of skills is appropriate in the context of current demand in the NI labour market.

SKILLS SHORTAGES

The Survey design allowed for the collection of detailed occupational descriptions (minor SOC group) of vacancies. While descriptions of skills shortages in terms of high level occupational aggregates (e.g. Craft and Related occupations) are useful, skills shortages can only be effectively tackled if specified in sufficient detail.

Shown in rank order, the 25 minor SOC occupational groups in which difficult to fill vacancies due to external

skills shortages were most frequently reported were:

- Sales assistants
- Computer analysts/programmers
- Hairdressers, barbers
- Metalwork, maintenance fitters
- Chefs, cooks
- Carpenters and joiners
- Waiters, Waitresses
- Bricklayers, masons
- Motor mechanics
- Sewing machinists
- Drivers of road goods vehicles
- Clerks (not elsewhere specified)
- Welding trades
- Other managers and administrators (not elsewhere specified)
- Electricians etc
- Accounts clerks, book-keepers etc
- Kitchen porters
- Cleaners, domestics
- Other secretarial personnel (not elsewhere specified)
- Bar staff
- Chartered and certified accountants
- Plasterers
- Receptionists
- Other craft and related occupations (not elsewhere specified)
- Plumbers, heating etc engineers

It is clear from this list that the occupations which employers perceive as being external skills shortages cover a range of skill levels, ranging from those requiring degree level

qualifications and professional qualifications, through those requiring a extended period of vocational training (particularly skilled trades), to those for which vocational skills may be acquired through a short training programme. In this respect the definition of external skills shortages is quite broad as it only requires that either a lack of skills, qualifications or experience is mentioned as a reason for recruitment difficulties, regardless of any other reasons that were mentioned. While employers' perceptions of external skills shortages provides one perspective, more detailed analysis is needed to determine the exact balance between supply and demand for particular skills.

Demand caused by the growth of the 'knowledge economy' is reflected in the number of computer analysts/programmer vacancies which are considered to be due to external skills shortages; however many of the occupations listed are at the intermediate or skilled trades level (within a number of sectors) or for occupations requiring relatively low skills within the private service sectors such as Hotels and Restaurants and Wholesale and Retail. While the **general** trend suggests increased



Where are we now? - Results of the NI Skills Monitoring Survey 2000

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demand for higher level skills, the fastest employment growth over the last decade has been for Personal and Protective Service occupations (e.g. security, hotels and catering occupations, childcare, health and beauty service occupations) which may not require higher level skills but which may require a good standard of basic education, customer service skills, or personal qualities such as motivation, integrity etc. It should also be noted that even where a sector has been contracting there may still be a high level of replacement demand to cover staff turnover (hence the appearance of sewing machinists in the list).

provided that applicants possess sufficient basic skills to build on. These 'work readiness' skills might include basic literacy and numeracy skills; basic IT skills; interpersonal and customer service skills; plus a range of personal characteristics such as enthusiasm, reliability and willingness to learn;

- Finally at the intermediate to high skills levels there are undoubtedly genuine skills shortages where employers are unable to recruit sufficient numbers of staff with the necessary qualifications, skills or experience.

as in other areas, however 64% of vacancies were considered by employers to be difficult to fill; despite the fact that less than half of difficult to fill vacancies were considered to be due to external skills shortages.

As with any Survey which aims to paint a broad and comprehensive picture, the findings are often not of sufficient depth to answer all the questions. This is the role of more detailed research. However the Survey can highlight areas of concern on which the detailed research should focus. For example the list of external skills shortage occupations detailed above suggests that employers perceive a shortage of many skilled trades occupations in sectors such as Engineering and Construction (see Chapter 13). While in aggregate terms, the demand for higher level skills will continue to rise, the skills research needs to examine the supply of and demand for skills at all levels, not just at graduate level. The Survey also suggests that employers across all sectors perceive a lack of 'work readiness' skills in at least a proportion of the population. Rising skill needs will only be met if the majority of the workforce have a range of basic skills on which to build.

SUMMARY

In summary the analyses plus specific comments made by employers suggest that difficult to fill vacancies may fall into three groups :

- those which are difficult to fill despite minimal skill requirements because of unattractive characteristics of the job be it low wages, working conditions or long or unsocial hours, or even geographical location;
- vacancies at low to intermediate skill levels for which employers are prepared to provide vocational training

ASSESSMENT OF THE SKILLS MONITORING SURVEY 2000

The Survey has provided a robust analysis of the current skill needs of NI private sector employers which can be used as a baseline from which to assess changes over time; and which sets a broad labour market context which complements the more detailed research carried out by the Priority Skills Unit. The Survey describes a NI labour market that has 'tightened' considerably in recent years with increased reports of vacancies and recruitment difficulties. Recruitment difficulties appear not to be as severe

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The response by employers to the Survey has been very positive reflecting the interest shown in skills issues. It is our intention to repeat the Survey in 2002 and, for the purposes of comparisons over time, the overall structure of the Survey will remain similar. However there is always room for improvement and a number of changes are being considered, including expanding the Survey to include the public sector. Your comments and suggestions are welcomed.

Copies of the full Report are available from :

The Skills Unit, Research & Evaluation Branch, DEL
39-49 Adelaide Street
Belfast BT2 8FD
Tel : 028 9025 7626

Or electronically :
(www.nics.gov.uk/hfe.htm).



Where are we going? - Projections of Occupations and Qualifications to 2010

Terry Morahan and Mark Livingstone, Research and Evaluation Branch

The Institute for Employment Research at the University of Warwick is one of the leading labour market research organisations in the UK. One of its specialisms is occupational forecasting – see “Projections of Occupations and Qualifications”, 2000/2001: Regional Results edited by Dr Rob Wilson, which presents new forecasts of likely developments in the national (UK) and regional economies, see website, available through www.dfee.gov.uk/datasphere. This article summarises the results – with a particular focus on NI. We are grateful to IER for their co-operation.

Carrying out projections in this area is a data-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 structure within each sector.

The results include:

- i Labour supply and demand.
- ii Employment change by broad industrial sector (detailed analysis, aggregated up to six sectors for presentational purposes).
- iii The changing composition of employment – by gender and employment status (employee, self-employed).
- iv 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 Chapter 9 for a more detailed explanation of SOC).
- v Projected change in employment by qualifications.

As **Table 1** shows the NI economy performed well in the decade of the 1990s – especially in the first half when it easily exceeded the national trend in GDP and employment terms. However, in this decade IER project growth in NI a little below national average rates.

Growth in long term GDP is around 2½% – as it has been for almost 100 years! The UK Government is trying to increase this growth rate by examining how productivity per worker could be increased – but past efforts in this regard have met with little success.

SECTOR GROWTH

As **Table 2** shows, in the past decade manufacturing in NI has outperformed the UK average (and indeed every other UK region) but service sector growth has been slower in recent years.

In the incoming decade manufacturing is projected to grow at national rates with again service sector growth rates a little slower than the national average.

Where are we going? - Projections of Occupations and Qualifications to 2010

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Table 1: UK GDP and Employment Growth % pa: by region: 1990-2010

Region	GDP				Employment			
	1990-1995	1995-1999	1999-2005	2005-2010	1990-1995	1995-1999	1999-2005	2005-2010
London	1.4	2.4	2.6	2.6	-1.6	2.6	0.5	0.7
South East	1.6	3.5	2.9	3.0	-1.1	2.7	0.9	1.2
East	1.6	3.2	3.0	3.0	-0.4	1.8	1.2	1.1
South West	1.8	3.3	2.9	2.8	0.2	1.2	1.0	1.0
West Midlands	1.1	2.1	2.5	2.6	-0.9	1.3	0.4	0.7
East Midlands	1.5	2.6	2.5	2.6	-0.4	1.4	0.6	0.8
Yorks & Humber	1.3	2.3	2.3	2.2	-0.4	0.4	0.4	0.5
North West	1.2	2.1	2.4	2.1	-1.0	1.0	0.5	0.5
North East	1.0	1.7	1.9	2.1	-0.6	0.0	0.2	0.3
Wales	1.2	1.6	2.2	2.4	-1.2	0.8	0.3	0.6
Scotland	2.4	1.3	2.3	2.4	0.0	0.1	0.1	0.2
Northern Ireland	3.0	2.4	2.3	2.3	1.6	0.9	0.6	0.5
United Kingdom	1.5	2.5	2.6	2.6	-0.7	1.4	0.6	0.7

Source: All Tables - Wilson (2001, Ed) Projections of Occupations and Qualifications, 2000/2001: Regional Results.

Table 2 GDP and Employment Changes by Sector % pa 1990 - 2010

	GDP											
	Manufacturing				Services				Other			
	1990-1995	1995-1999	1999-2005	2005-2010	1990-1995	1995-1999	1999-2005	2005-2010	1990-1995	1995-1999	1999-2005	2005-2010
NI	2.6	2.6	2.0	2.5	2.8	2.7	2.8	2.7	2.8	1.5	1.6	1.6
UK	0.4	0.4	2.0	2.5	2.3	3.6	3.2	3.1	-0.6	1.2	1.1	1.2
	EMPLOYMENT											
	Manufacturing				Services				Other			
	1990-1995	1995-1999	1999-2005	2005-2010	1990-1995	1995-1999	1999-2005	2005-2010	1990-1995	1995-1999	1999-2005	2005-2010
NI	0.1	0.0	-1.3	-1.2	2.6	1.5	1.3	1.0	2.8	1.5	1.6	1.6
UK	-3.0	-0.2	-2.0	-1.2	0.4	1.9	1.3	1.1	-0.6	1.2	1.1	1.2

LABOUR SUPPLY AND DEMAND

Population growth in NI is among the highest in the UK – double the UK rate – (relatively high birth rates, immigration). Current NI birth rates (1.9 children per family) are below

replacement level (which is 2.1) but in the past birth rates were much higher and it is that cohort which is now entering the labour market.

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Table 3 Change in Population, Working Age Population, Labour Force, Activity Rate, Unemployment and Employment, 1999-2010

Region	Population (000s)	Working Age Population (000s)	Labour Force (000s)	Economic Activity Rate (% point)	Unemployment (000s)	Unemployment Rate (% point)	Employment (000s)
NI	93	85	43	-0.5	-1	-0.4	43
UK	1,686	1,181	2,152	3.2	25	-0.2	2,127

Table 3 indicates that there will be little change in the rate of unemployment in the next decade – either in NI or the UK. But in NI, unlike anywhere else in the UK, employment increases will not be sufficient to mop up the large rise in the labour force – resulting not in an increase in unemployment (there is a slight fall) but in a reduction in the activity rate – the only region this is expected to occur.

EMPLOYMENT STATUS BY GENDER

Table 4 projects that there will be a substantial decline in full time (FT) employment – mostly male, offset by a large increase in part-time employment (mostly female) but NI is projected to have a strong increase in self-

employment (SE) – the strongest of any region.

INDUSTRIAL CHANGES

Table 5 gives projected employment changes by broad industrial sector 1999-2010 for the UK and NI.

At a UK level, sectoral changes in employment over the period to 2010 include; projected substantial job losses in manufacturing (-710,000) and the Primary Sector and Utilities (-135,000); and major job gains in Business and Miscellaneous Services (+1,780,000) with smaller although still substantial gains in Distribution, Transport etc (+630,000) and Non-Marketed services (+560,000). Employment

levels are projected to remain stable in the Construction sector.

The projections suggest that NI will share in employment gains in Business and Miscellaneous Services (+28,000) and Non-Marketed services (+18,000) with a percentage growth rate similar to the UK average; but with employment in Distribution, Transport etc (+25,000) growing at almost twice the UK rate. Jobs are projected to be lost in Manufacturing (-14,000) at a slower rate than the UK average. However proportionately higher losses are projected in Primary and Utilities (-21% v -18%) and Construction (-15% v 0%).

Table 4 – Change in Employment Status by Gender, NI: UK 1999-2010 Change in Thousands

	Males			Females			Total		
	FT	PT	SE	FT	PT	SE	FT	PT	SE
NI	-33	27	22	14	39	1	-46	66	23
UK	-72	794	-83	523	756	209	450	1,550	126
Percentage Change pa									
NI	-1.2	4.0	2.6	-0.8	2.2	0.6	-1.1	2.7	2.2
UK	-0.1	3.5	-0.3	0.7	1.2	1.2	0.2	1.9	0.3

Where are we going? - Projections of Occupations and Qualifications to 2010

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Table 5 – Employment Growth by Broad Industrial Sector, 1999-2010

		Primary & Utilities	Manufact- uring	Construct- ion	Distribution, Transport etc	Business & Misc Services	Non Marketed Services	All Industries
UK	change in thousands	-135	-710	7	628	1,776	562	2,127
	% change	-18	-17	0	8	26	9	8
	% change per annum	-1.8	-1.6	0	0.7	2.2	0.8	0.7
NI	change in thousands	-7	-14	-6	25	28	18	43
	% change	-21	-13	-15	14	26	8	6
	% change per annum	-2.1	-1.3	-1.4	1.2	2.1	0.7	0.5

Table 6 - Change in Total Employment by Occupation by Region, 1999-2010

	UK			NI		
	Change in Thousands	Percent Change	Percent Change per annum	Change in Thousands	Percent Change	Percent Change per annum
Managers & Senior Officials	72	2.0	0.2	0	0.0	0.0
Professional Occupations	864	28.0	2.3	2.6	31.0	2.5
Associate Professional & Technical Occupations	789	23.0	1.9	21	25.0	2.0
Admin, Clerical, Secretarial Occupations	56	1.0	0.1	-2	-2.0	-0.2
Skilled Trades Occupations	-196	-5.0	-0.5	-7	-7.0	-0.6
Personal Service Occupations	645	40.0	3.1	20	39.0	3.0
Sales and Customer Service Occupations	178	10.0	0.9	5	10.0	0.9
Process, Plant & Machine Operatives	-103	-4.0	-0.4	-6	-11.0	-1.0
Elementary Occupations	-177	5.0	-0.4	-15	-15.0	-1.5
All Occupations	2,127	8.0	0.7	43	6.0	0.5

Note the data detail the projected numbers in employment in each of the nine major occupational groups and therefore may be used as a guide to additional demand due to expansion (where this is projected). The data however do not estimate 'replacement demand' where additional employees are needed to cover retirements, inter-occupational moves etc.

OCCUPATIONAL CHANGES

Table 6 gives projected changed by broad occupational grouping.

At a UK level the largest increases in occupational employment to 2010 are projected for Professional Occupations (+865,000 jobs),

Associate Professional and Technical Occupations (+790,000) and Personal Service Occupations (+645,000). More modest gains are expected for Sales and Customer Service Occupations, Managers and Senior Officials and Administrative, Clerical and Secretarial Occupations.

Where are we going? - Projections of Occupations and Qualifications to 2010

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Skilled trades dominate projected job losses (-200,000) with Elementary Occupations (-180,000) and Process, Plant and Machine Operatives (-100,000) also expected to decline.

In NI proportionately similar growth is expected for Professional Occupations (+26,000 jobs), Associate Professional and Technical Occupations (+21,000) and Personal Service Occupations (+20,000). As with the rest of the UK, Skilled Trades (-7,000), Process, Plant and Machine Operatives (-6,000) and particularly Elementary Occupations (-15,000) are expected to decline but at an even faster rate.

QUALIFICATION CHANGES

Changes in employment by sector and occupation allow for projections of the changes in numbers in

Table 7: Change in Employment by Qualifications, 1999-2010

	UK		NI	
	('000)	% change	('000)	% change
Level 5	1,237	30.8	30	40.0
Level 4	5,864	33.2	142	34.5
Level 3	5,099	5.4	130	3.9
Level 2	6,172	-0.9	158	-2.5
Level 1	5,778	8.2	148	5.4
No qualifications	3,388	-26.5	87	-27.6

employment by the highest level of formal qualifications held as illustrated in **Table 7**. Again at a UK level the highest level of growth is projected for first degree or equivalent level 4 qualifications (+33.2%) and higher degree or equivalent level 5 qualifications (+30.8%). In contrast by far the largest decline in numbers employed is for those with no qualifications (-26.5%).

In NI, the percentage growth in employment for those holding higher degree or

equivalent level 5 qualifications (+40%) and first degree or equivalent level 4 qualifications (+34.5%) is projected to exceed the UK average with a similar decline in the numbers employed with no qualifications (-27.6%). These changes are summarised in the following figures.

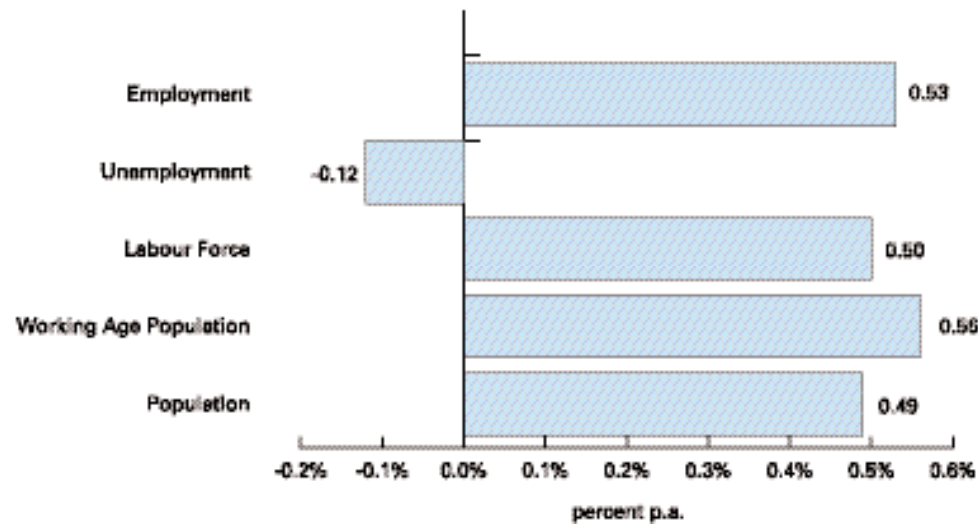
Where are we going? - Projections of Occupations and Qualifications to 2010

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PROJECTED CHANGES FOR NI FOR 1999 - 2010 (% PA GROWTH RATE).

Figure 1: Projected Changes for Northern Ireland for 1999 - 2010 (per cent per annum growth rates)

Changes in Unemployment, Employment & Labour Force



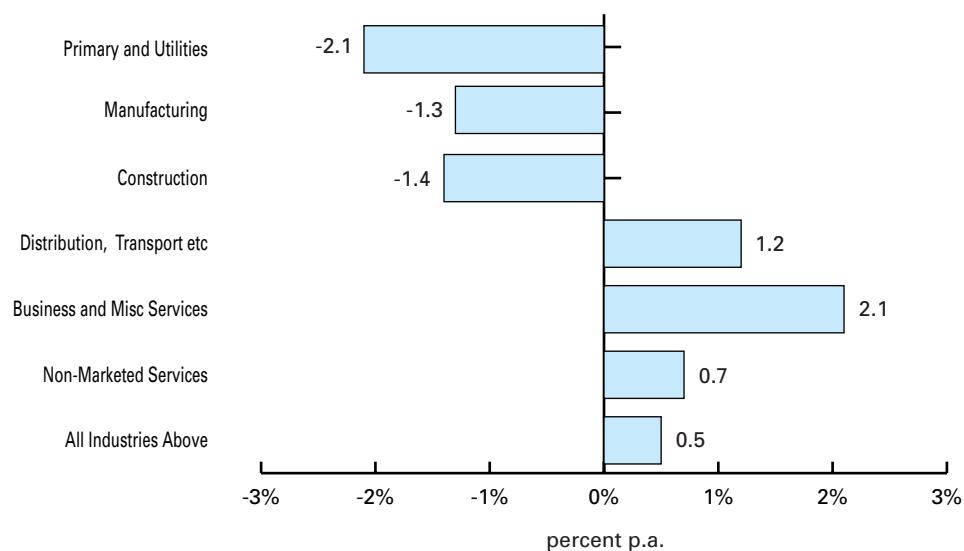
Changes in Employment Status



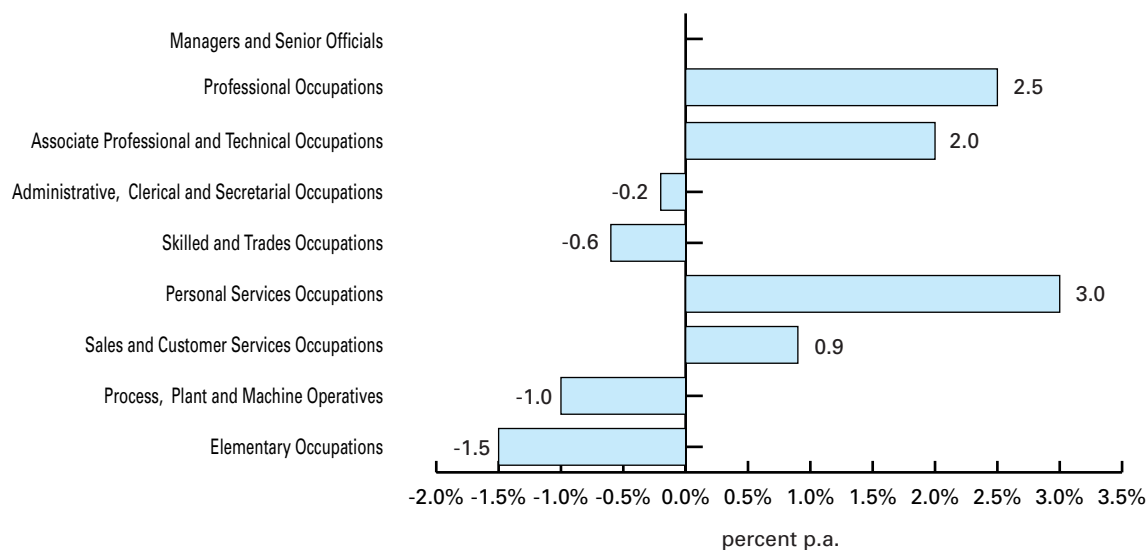
Where are we going? - Projections of Occupations and Qualifications to 2010

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Employment Growth by Broad Industrial Sector



Occupational Change



Where are we going? - Projections of Occupations and Qualifications to 2010

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SUMMARY AND CONCLUSIONS

Forecasting it is said is difficult “especially about the future” and there are numerous uncertainties and unforeseeable shocks which will affect the projections. As the late Prime Minister, Harold McMillan commented when asked about what was the greatest difficulty in politics, he remarked “Events, dear boy, events”.

Projections strictly speaking are not forecasts but rather the extrapolation of past trends. Many “health warnings” need to be sounded. For example, no-one looking to 2000 from a 1990 vantage would have been able to envision the impact of the Internet. No-one in NI in 2000 looking at tourism one year ahead would have foreseen foot and mouth disease and its impact on the 2001 summer season.

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.

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.

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. The approach used in NI is to choose specific sectors and go into greater depth and in a shorter (five years) timescale – see Chapter 13 in the Bulletin for more details.


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.

The Northern Ireland Economic Research Centre carry out regional forecasts based on the OEF model. Its

results are similar to those of IER – although in a little more optimistic direction. However, whilst producing forecasts for GDP, employment growth by sector and levels and rates of unemployment, it does not further breakdown the data into occupational and qualification changes.

The Supply of, and Demand for, labour in the NI Electronics Engineering Industry

Seamus McGuinness & Karen Bonner, Priority Skills Unit NIERC



As of January 2001 an estimated 9,600 persons were employed within the NI electronics Industry. Employment within the NI sector has almost trebled over the course of the past 20 years, however, as recent events have demonstrated, conditions within the industry can be somewhat volatile due to the highly responsive nature of the demand for electronic goods. Nevertheless, the high growth nature of electronics related employment implies that the industry must be seen as an extremely important future source of high quality employment for NI.

This article provides a summary of results from a recent study of labour market conditions within the NI Electronic Engineering sector¹. The work was conducted by the Priority Skills Unit of NIERC on behalf of the NI Skills Task Force as part of their ongoing research programme designed to identify areas of labour market shortage that have the potential to impede future economic growth with a view to taking corrective actions. The analysis is based on a survey of NI electronic engineering firms carried out between September – November 2000. Clearly the well-documented slowdown in the markets for high-tech products that became apparent in the first half of 2001 was largely unforeseen at the time of the fieldwork. Consequently, where relevant, the analysis was adjusted to ensure that it represents a true reflection of current economic conditions.

Previous work on the IT sector (see Labour Market Bulletin, 2000, No. 14 Chapter 8) has demonstrated that if a thorough understanding of the labour market position is to be achieved, then it is necessary to examine current labour market conditions/practices in addition to assessing potential demand/supply-

side imbalances. Consequently our paper consists of two elements of one overall study. Section 1 examines the survey data to assess the extent to which firm-level factors such as relative wages, inter-organisational competition etc are contributing to the incidence of shortage. Section 2 develops a number of forecasting scenarios in order to assess the adequacy of educational supply to the sector over a five-year time horizon.

SECTION 1

DEMAND-SIDE ISSUES – SUMMARY OF SURVEY FINDINGS

As noted above, conditions within the electronics sector have been somewhat volatile since the time of the fieldwork, nevertheless, it is unlikely that such developments will have substantially altered the labour market position as outlined within this section. That is, despite some major local players announcing significant cutbacks in their workforce during the first six months of 2001, industry employment is expected to expand by around 10 per cent over the course of the current year. Such forecasts imply that in spite of difficulties in global markets for high-tech goods, we are unlikely to see any substantial slackening of conditions within the NI

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electronic engineering labour market.

Sample Information

We estimate that the NI electronics industry comprised 89 firms as of October 2000, of this population 49 agreed to take part in the study. On the basis of our survey results we assessed that total employment within the industry, as of October 2000, was approximately 10,700, some 40 percent above the official estimate. However, not all firms operating within the industry were involved in the manufacture or development of electronics related goods. We estimated that approximately 90 per cent of total industry employment was electronics related, implying a target population of 9,597. The firms participating in our study employed a total of 7,678 persons at the time of survey and thus comprised an estimated 80 per cent of total electronics related employment. Industrial structure was heavily skewed with just 18 per cent of companies accounting for over 80 per cent of employment. In terms of ownership the industry appears to have been driven almost exclusively by foreign direct investment with over 90 per cent of total employment located in externally owned companies.

Table 1: Current Employment Structure of Respondent Firms (n=43)

	No. Employed	% Female
Non-Operational	2539	34
Operators/Assemblers	3997	39
Non-Grad Technician level 3	146	8
Non-Grad Technician level 4	458	9
Grads no experience	88	8
Grads <2yrs experience	132	5
Grads 2+ experience	131	8
Project Managers/ Group Leaders	138	15
Senior Managers	95	7
Total	7,678	33

Source: NIERC (2001)

Current Industry Employment Structure

Non-operational staff, general managers and administrators etc accounted for approximately one third of sample employment, with the remaining two thirds concentrated in operational activities encompassing the production/design of electronics goods. Thus, the electronics sector in NI is characterised by a relatively small professional workforce supported by a very large assembly level staff (**Table 1**). The substantial number of non-operational staff may seem rather peculiar; however, the industry contains large numbers of software engineers employed within telecommunications firms. Females accounted for around a third of the workforce, which is broadly in line with the level of representation reported

within Great Britain (EMTA, 1999). However, females were predominantly employed at the lower end of the skill spectrum and made up less than 10 per cent of professional-level staff (requiring a degree).

Significant differences became evident when comparing the occupational composition of NI sectoral employment with that of GB. Local firms tended to employ much larger proportions of assembly-level staff and lower proportions of technician level 3 workers (NVQ Level 3), level 4 technicians (HND) and professional engineers (Graduates) (**Table 2**).

Such comparisons suggest that the NI sector contains a higher than average share of companies concentrated in lower value added activities. This is a somewhat surprising finding when we consider that, according to

The Supply of, and Demand for, labour in the NI Electronics Engineering Industry

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Table 2: Employment Composition in NI and GB

	NI Electronics 2000	GB Electronics 1999
Electronics Managers	1%	4%
Professionals/level 4	13%	21%
Technician level 3 workers	2%	9%
Operators/Assemblers	52%	34%
Others	32%	31%

Source: NIERC (2001), EMTA (1999)

our survey, approximately 11 per cent of total sectoral employment was committed to research and development. However, innovation activity was not evenly spread across the industry and a relatively clear division could be drawn between firms involved in product development and those concentrating almost exclusively on manufacturing. In order to distinguish between both types of firm we measured the proportion of total employment currently comprised of graduate-level staff, designating any

company with a graduate employment share of less than or equal to five per cent as being concerned primarily with manufacturing. Using this criterion we identified 18 firms employing 2,580 persons as manufacturing specialists whilst the remaining 25 firms we shall subsequently refer to as product developers. Product developer firms accounted for over two thirds of sample employment with graduates making up over 10 per cent of the total workforce as opposed to just 2 per cent within the manufacturing category.

Unfilled Vacancies

The data on unfilled vacancies helps to determine the level of actual shortage occurring in each of the occupational aggregates over the previous 12 months. A vacancy rate was calculated as unfilled vacancies expressed as a percentage of total employment in the aggregate plus the number of unfilled vacancies. In the twelve months leading up to our survey a total of 208 vacancies in operational positions remained unfilled within the 22 NI electronics firms sampled (**Table 3**). The rate of shortage was highest for technician level 3 workers at 24 per cent. The apparent shortage of technician level 3 workers does appear consistent with the GB sector where almost 40 per cent of operational hard-to-fill vacancies occurred at technician level 3 (EMTA 1999). The rate of shortfall over the year was less severe for operators and level 4 technicians.

Table 3: Unfilled Vacancies

	No. Vacancies	Vac Rate (%)	n
Operators/Assemblers	82	2	9
Technician level 3	45	24	6
Technician level 4	15	3	8
Grads no experience	10	10	5
Grads <2yrs experience	9	6	4
Grads 2+ experience	37	22	11
Project Managers	10	7	7
Senior Managers	0	0	0
Total	208	4	22

Source: NIERC (2001)

Firms also experienced significant difficulties in recruiting staff at the professional engineering level, with the rate of shortage particularly pronounced in the areas of new graduate supply and engineers with greater than two years experience but below project manager level. Relative to the labour market for IT professionals,

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Table 4: Vacancy Rates in Electronics & IT

Vacancy	IT	Electronics
Non-Grad Support	1.3	9.9
Professional Engineers	5.4	16.0
Project Managers	11.2	6.8
Senior Managers	1.9	0

Source: NIERC (2001)

electronics appears to be more severely constrained at the lower end of the professional spectrum with one in every six non-management posts remaining unfilled (**Table 4**). The relatively low rate of shortage within management positions does not imply that there are larger numbers of electronics project and senior managers available in the labour market at any one time, but seems more likely to reflect the tendency of electronics firms to promote their senior staff from within.

Inter-firm Competition

Respondents were asked to give details of any staff lost to rival companies throughout the year. The level of inter-firm competition for staff appeared to be particularly intense within the sector with 12 per cent of the total operational workforce switching organisations during the 12 months preceding the survey (**Table 5**). It is worth noting that the level of inter-firm competition was most intense in the occupational aggregates recording the highest vacancy rates. For instance, in the months preceding the fieldwork, over 40 per cent of

technician level 3 workers and over 20 per cent of graduates with over two years' professional experience had been induced to leave their existing employment. The competition for operational labour was confined to NI organisations, as the numbers lost to the GB and Rol sectors were very small.

It is highly probable that such intense competition for labour will have led to wage inflation within the sector, implying that at present smaller organisations are likely to be experiencing extreme difficulty in recruiting and retaining the staff required for business development. This view is confirmed by the fact that over 50 per cent of the 614 persons switching jobs throughout the year were absorbed by one large externally owned plant. Given the major role played by government agencies within the industry, there is a need to ensure that the labour market can effectively support any future expansion of the externally owned sector without adversely affecting the fortunes of indigenously owned companies.

Wage Rates

Most of the respondents agreed to provide information on the commencing salaries offered

Table 5: Inter-organisation Labour Flows

	Total Lost	% Lost to NI Firms	% of Total Emp
Operators/Assemblers	428	100	11
Technician level 3	60	100	41
Technician level 4	50	94	10
Grads no experience	6	100	7
Grads <2yrs experience	12	92	8
Grads 2+ experience	33	85	21
Project Managers	20	100	14
Senior Managers	5	100	5
Total	614	98	12

Source: NIERC (2001)

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Table 6: Gross Average Annual Salaries in NI, GB & ROI

	NI	GB	ROI
Operators/Assemblers	10,275	10,248	10,374
Technician level 3	13,821	14,435	*
Technician level 4	14,451	16,000	15,600
Grads no experience	17,194	*	*
Grads <2yrs experience	20,333	*	18,740
Grads 2+ experience	22,217	20,300	25,450
Project Managers	24,971	25,500	*
Senior Managers	34,000	38,000	*

Source: NIERC (2001), IDS (2000) Marlborough Group (2000)

senior professionals commanding starting salaries between 11 and 30 per cent above those of their IT counterparts. This highlights the need to raise the profile of electronic engineering as a profession and an obvious starting point would be to ensure that careers teachers are relaying the correct information to students.

to candidates applying for posts within the various occupational groupings. Average starting salaries in the sector ranged from £10,275 for operators to £34,000 for senior engineering managers. It was necessary to compare the NI data with the rates offered in the proximate labour markets of GB and ROI on the basis that large differentials are likely to have a significant impact on the levels of labour supply. Directly comparable wage data was not readily available for all aggregates, however, we have made some adjustments to ensure the maximum degree of comparability is achieved

(Table 6). It was obvious that wage rates in NI were broadly comparable with those of GB and ROI, thus indicating that recruitment and retention problems experienced here stem from some level of inadequate domestic supply rather than substantial outflows to nearby regions.

The available data also illustrates the widespread misperception of the wage relativities between the electronics and computer services sectors (Table 7). We found that starting salaries in electronic engineering exceed those of the IT profession at each potential entry level, with

Econometric Analysis of Unfilled Vacancies

The relative importance of various demand-side factors in explaining the incidence of unfilled vacancies can be examined within formal statistical frameworks using formal statistical techniques.

The results indicate that skill shortages at the professional engineering level are more likely in firms with a high export orientation whilst the combination of R&D activity and a Belfast location also raises the likelihood of a firm experiencing an unfilled vacancy at this level. The R&D/location term implies that competition for professional labour amongst product developer firms located in the Belfast area was quite extreme. However, inter-organisational 'poaching' was not a driver of unfilled vacancies at the professional engineering level.

Table 7: Gross Average Annual Starting Salaries, Electronics & IT

	Electronics	IT
Non-Graduate Tech Support	14,451	12,918
Graduate with no experience	17,194	14,939
Graduate <2yrs experience	20,333	18,213
Graduate 2+ experience	22,217	*
Project Managers	24,971	22,907
Senior Managers	34,000	26,375

Source: NIERC (2001), IDS (2000), Marlborough Group (2000)

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For technician level 4/3 workers it was found that shortages were most severe in firms participating in R&D activity (irrespective of location). However, in contrast to the graduate labour market, inter-organisational competition for existing staff did appear to be a significant driver in the process, with the incidence of shortage higher amongst firms that had recently lost technician level 4/3 workers to competitors.

Finally, for operator level staff, those plants that had grown most rapidly in the past 12 months preceding the survey experienced the most difficulties in filling operator level posts. Once again, intensive competition for operator level staff appears to have initiated considerable inter-organisational labour flows, with those firms losing staff to competitors experiencing a higher incidence of shortage.

SECTION 2

POTENTIAL DEMAND AND SUPPLY IMBALANCES

The adequacy of educational supply was assessed at various levels for the period 2000-2005 under high, medium and low growth scenarios. In forecasting the demand for skilled labour we recognised that the structural gap that existed vis-à-vis GB had to be taken into account. By adopting the method used in our previous report on IT (NIERC 2000) which based labour requirements on an assumption of continued historical recruitment trends then, by definition, we would be implicitly assuming that NI would lag further behind GB, with the region remaining largely a manufacturing outpost. Here instead our demand figures were based around an assumption of gradual convergence in occupational structure, so that by 2005 the composition of employment in NI is as recorded for GB in the year 2000. It seems reasonable to suggest that the total employment of skilled workers will expand over time if only to ensure that companies remain competitive within an industry based on an ever-increasing degree of technical sophistication. This seems a realistic compromise between the present situation and what

is desirable i.e. a market-leading scenario.

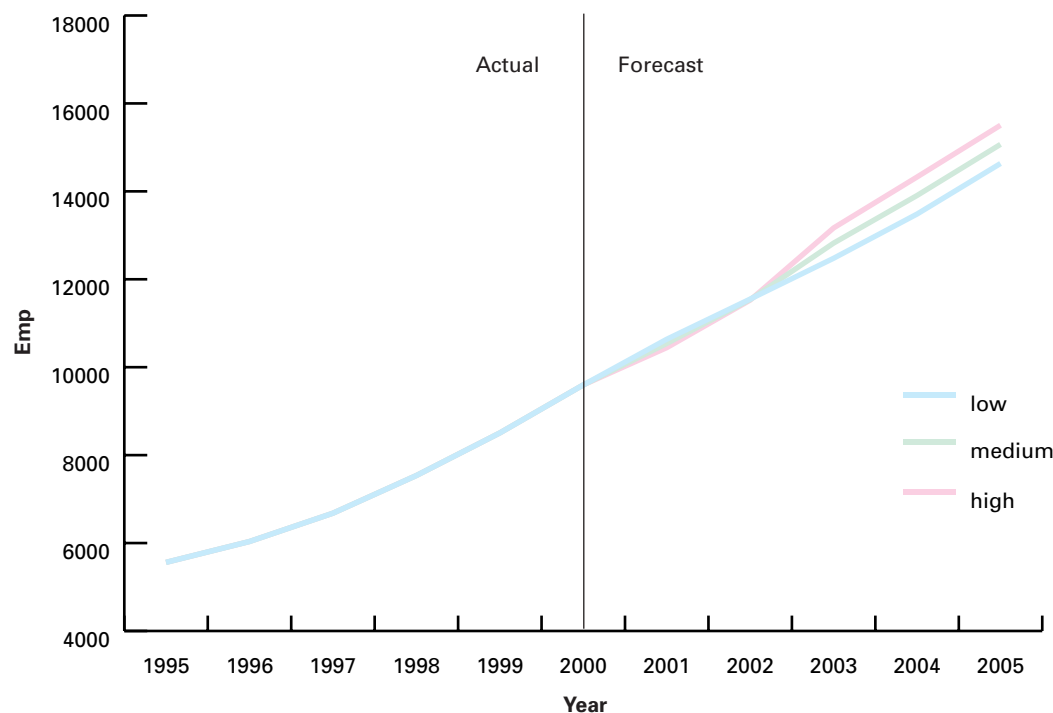
Predicted Future Employment Trajectories

The employment forecasts generated under each growth scenario are illustrated in **Figure 1**. From a figure of 9,597 in September 2000 we see electronics related employment rising to 15,504 in 2005 under the high growth scenario, 15,069 under the medium growth scenario and 14,634 under the low growth scenario. The low growth model generates the continuation of the 1995-2000 trend over the forecast horizon and is associated with an annual average growth rate of 8% between December 2001 and 2005. Employment under the high growth scenario is projected to expand at an annual average of 10% between 2001 and 2005. Whilst under the medium growth scenario employment will expand at an annual average rate of 9% between 2001 and 2005. There is little to separate the high and low growth models over the first two years of the forecasting horizon, however, the employment paths diverge substantially thereafter.

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Figure 1: Actual and Forecast Employment: 1995-2005



Source: NIERC (2001)

Our models predict that the product-developer group is unlikely to increase in dominance over the forecast period with its share of total electronics related employment remaining relatively static over the forecast period (**Table 8**).

Labour Market Imbalances

By subtracting the projected labour market supply from our demand figures we can establish the adequacy of current institutional arrangements for moving NI electronics towards the higher value added centre of activity implied by our limited GB convergence

assumptions. An inspection of Figures 2, 3 and 4 will reveal that the projected supply-side provision may well prove somewhat inadequate for the task of maintaining the structural gap that currently exists with GB. More specifically our analysis of new graduate supply suggests that the labour market will generate a small surplus during 2001 - 2002 before moving into a situation of steadily increasing shortage, with the estimated shortfall lying between 47 and 77 in 2005 (**Figure 2**). The situation is more problematic for technician level 3 workers. Supply problems are expected throughout the forecast period, with the level of

Table 8: Estimated Employment Structure 1999 - 2005

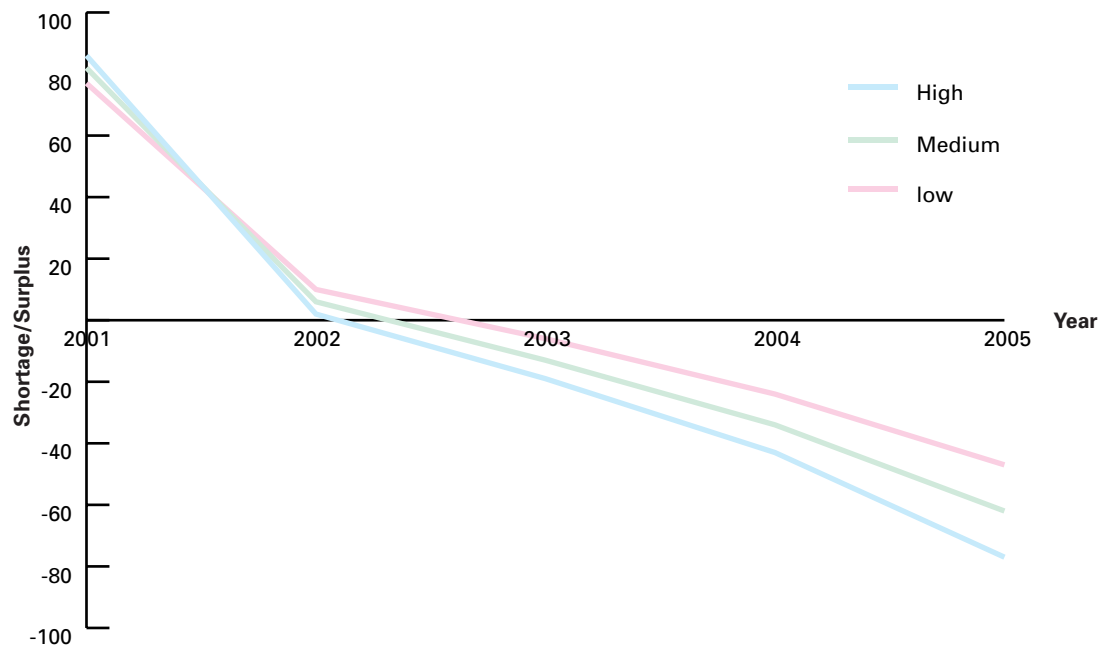
	Prod Dev %	Manuf %	Total %
1999	62.9	37.1	100
2000	66.4	33.6	100
2001	63.9	36.1	100
2002	62.0	38.0	100
2003	61.9	38.1	100
2004	63.2	36.8	100
2005	64.3	35.7	100

Source: NIERC (2001)

The Supply of, and Demand for, labour in the NI Electronics Engineering Industry

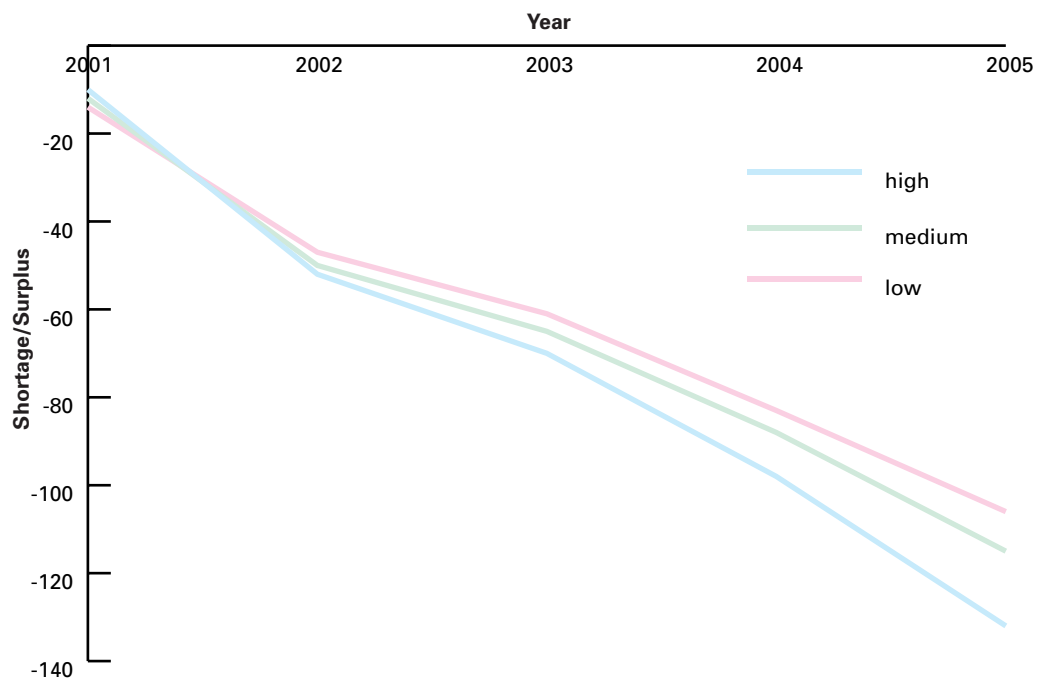
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Figure 2: Graduate Supply minus Graduate Demand 2001-2005



Source: NIERC (2001)

Figure 3: NVQ Level 3 Supply minus Technician Level 3 Demand 2001-2005

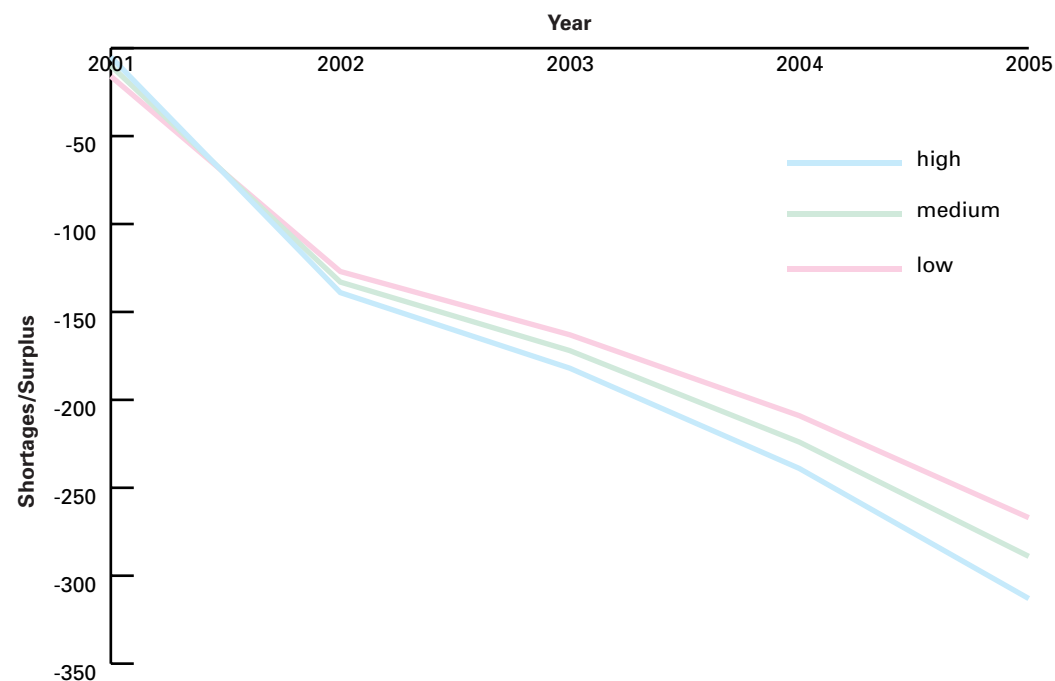


Source: NIERC (2001)

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Figure 4: HND & NVQ Level 4 Supply minus Technician Level 4 Demand 2001-2005



Source: NIERC (2001)

shortfall increasing from between 10 and 14 in 2001 to between 106 and 132 in 2005 (Figure 3). However, the most severe difficulties are likely to be felt in the market for level 4 technicians, with the supply-side gap estimated to lie between 5 and 16 in 2001, before increasing to between 267 and 313 in 2005 (Figure 4). Evidently without a dramatic change in electronics educational supply (particularly at the technician levels) NI industry is less likely to narrow the gap with GB.

If we consider the non-convergence scenario under which the current industry employment structure

prevails over the forecast period, it is probable that the demand for graduates will be met under envisaged supply arrangements. Under the non-convergence assumption the level of graduate surplus is estimated to fluctuate between 78 and 112 over the forecast horizon. However, even if NI industry maintains its current structure, and by default continues to fall increasingly behind GB industry in terms of the sophistication of its activities, it is likely that some gearing up of technician level supply will still be necessary. Given the very delicate balance between projected supply and demand of technician

level 3 workers (slight shortages in the range of between -4 and -21 are predicted over the forecast horizon), it is a distinct possibility that problems will emerge. Similarly, it appears unlikely that the supply of technician level 4 workers emanating from FE colleges and RTOs can be relied upon to maintain the current structure (with the estimated level of surplus / shortage forecast to lie between 4 and -40 over the 2001 - 2005 period). These expected annual shortfalls may seem slight until we remember that for every 10 additional technician level 3 workers required in any given year it would be necessary to expand enrolments by 30

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two years in advance (or an additional 23 if we are considering technician level 4 entrants from FE colleges).

Risk Factors

Our analysis does not take account of student preferences or university planning regimes. Thus they are based on the assumptions that (a) university enrolments will continue to grow at trend and (b) any additional places will be successfully filled by electronics students. It is probably reasonable to assume that the funding of electronics training provision is unlikely to be restricted over the forecast period. However, given the static nature of numerate A-level supply (particularly amongst females and those attending catholic maintained schools) coupled with the negative image of the electronics sector as a potential employer, we can be less certain that there will be sufficient numbers of students to accommodate any planned expansion. Given this, we examined the consequences of university and college enrolments remaining at their 1999 levels. As a result of this exercise there is a worsening of the expected 2004 and 2005 shortfalls predicted within each of the educational aggregates under the assumption of structural adjustment. These

results emphasise the fact that without measures to ensure that adequate numbers of students enrol on electronics courses over the forecast horizon the prospect of maintaining the status quo will become increasingly difficult whilst obtaining any degree of actual convergence with GB will become even more challenging.

SUMMARY AND CONCLUSIONS

The NI electronics industries has higher proportions of assembly workers and, correspondingly, lower proportions of qualified personnel than the GB average. The share of qualified personnel in NI electronics was in fact around a third of the GB average, which suggests that local operations are concentrated at the 'low value added' end of the industry.

The quantitative measures of shortage found that unfilled vacancies were a problem at all levels including technician level 3 workers. Shortages within the electronics industry were found to be more acute relative to those prevalent within the computer services sector, particularly in the area of professional engineers, where the rate of shortfall was almost three times higher in electronics.

The high level of competition amongst firms for workers had resulted in significant inter-organisational labour flows with 12 per cent of the industry's total operational workforce switching firms in the 12 months preceding our study. Competition was almost exclusively confined to NI with only small numbers of operational workers lost to firms located in the RoI or GB.

It is likely that the tightness of the labour market (as indicated by high vacancy rates and significant inter-organisational labour flows) will have led to a certain amount of wage inflation within the industry. It was found that wage rates in NI were highly competitive relative to GB and RoI, which perhaps explains the relatively insignificant leakage of operational labour to nearby regions. Starting salaries within the sector were found to be superior to those paid within computer services, thus re-emphasising the inaccuracy of the sector's poor image as a potential employer.

Our empirical analysis revealed that the incidence of shortage for graduate level engineers was most severe for firms located in Belfast and committing a substantial proportion of total resources ($\geq 5\%$) to research and development. Finally, it was found that

The Supply of, and Demand for, labour in the NI Electronics Engineering Industry

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inter-organisational labour flows did not exert a significant influence in determining the incidence of unfilled vacancies at the graduate engineer level.

In relation to the market for level 4 technicians and technician level 3 workers, the rate of shortage was highest amongst firms engaged in R&D. The level of inter-firm “poaching” were also found to be a significant driver of shortage, with the incidence of unfilled vacancy highest amongst those firms who had lost technician level 4/3 workers to competitors in the previous 12 months preceding the survey.

Our model for shortages at the operator level revealed that the incidence of unfilled vacancies were more common amongst fast growing companies. As was the case for technician level staff, we found that inter-firm “poaching” was a significant factor in determining the incidence of shortage at the operator level, as was a Belfast location and a high level of export orientation.

In terms of demand and supply imbalances, if the NI electronics industry is to maintain a five-year structural lag vis-à-vis GB industry then some gearing up of educational supply is necessary at both graduate and technician levels 3/4.

However, if the objective of policy is to simply maintain current occupational structure, which implies a further widening of the structural gap vis-à-vis GB, then it is unlikely that shortages will occur at the new graduate level. Nevertheless, even the relatively non-ambitious objective of maintaining current structures implies that some expansion of supply will still be necessary to ensure that the demand for technician level workers is met.

The NI Skills Task Force has studied the Report and corrective actions are being taken to remedy the problems identified by the research.

Employment in the IT Sector: How Does NI Compare with Other UK Regions and Republic of Ireland?

Mike Crone, Northern Ireland Economic Research Centre

Employment in the IT sector has expanded rapidly in the last decade. Here the GB regional and county pattern of employment in this key sector is examined using recently released data from the Annual Business Inquiry. Equivalent data is then used to examine the relative performance of NI and the RoI. The article is a summary of a new NIERC report, which was commissioned by the Research and Evaluation Branch of the Department for Employment and Learning (DEL) in connection with the work of the NI Skills Task Force.

DEFINING THE SECTOR

The fast growing IT sector has recently been a focus of attention for economic development agencies. Gauging the level of employment in this sector is not always straightforward since some definitions of the sector do not accord with the classification system used for official employment statistics. The key sector for official purposes is Division 72 'Computer and related activities' in the 1992 Standard Industrial Classification (see **Box 1**). This article is based on an investigation of official data and focuses on Division 72 (also referred to here as computer services). Note from the outset that in official employment statistics each separate business is classified according to its primary business activity. This means that employment in an IT department in a bank or financial institution, for example, would not be counted in the official figure for Division 72.

NEW EMPLOYMENT DATA FOR GB

Until 1998, official employment data for GB were collected by the Annual Employment Survey (AES). From 1998, a new data series, the Annual Business Inquiry (ABI), was introduced. In this first year

the ABI was conducted in parallel with the AES. The ABI uses a different methodology for collecting data and for estimating employment in non-sampled businesses, and is conducted in December rather than September. The Office for National Statistics claims the ABI is more accurate and consistent than the AES.

Under the 1998 ABI, total employment in GB was revised up by approximately one million (4.2%) on the 1998 AES figure, from just under 24 million to just under 25 million (Johnston, 2001). Because of this discrepancy, which ONS attributes to the elimination of undercounting under the old methodology, all AES data from 1995-97 have been re-scaled (revised upwards) to give a continuous series of consistent ABI data for 1995-99.

The introduction of the ABI has had rather different implications for Division 72. The 1998 ABI figure for GB represents a *downward* revision of approximately 33,000 jobs (-8.2%) compared to the 1998 AES. As with total employment, the AES figures for Division 72 employment in 1995-97 have been re-scaled (in this case revised downward) in line with the new ABI numbers. The downward revision in Division 72 is



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Box 1: Composition of Division 72 ‘Computer and Related Activities’

72.10	Hardware consultancy
72.20	Software consultancy and supply <p>This class includes:</p> <ul style="list-style-type: none"> - analysis, design and programming of systems ready to use: <ul style="list-style-type: none"> • analysis of user's needs and problems, consultancy on best solution • development, production, supply and documentation of order-make software based on orders from specific users • development, production, supply and documentation of ready-made (non-customised) software • writing of programs following directives of the user <p>This class excludes:</p> <ul style="list-style-type: none"> - reproduction of non-customised software cf. 22.33 - software consultancy related to hardware consultancy cf. 72.10
72.30	Data processing <p>This class excludes:</p> <ul style="list-style-type: none"> - processing of data employing either the customer's or a proprietary program: <ul style="list-style-type: none"> • complete processing of data • data entry services - management and operation on a continuing basis of data processing facilities belonging to others
72.40	Data base activities <p>This class includes data base related activities:</p> <ul style="list-style-type: none"> - data base development: assembly of data from one or more sources - data storage: preparation of a computer record for such information in a predetermined format - data base availability: provision of data in a certain order or sequence, by on-line data retrieval or accessibility (computerised management) to everybody or to limited users, sorted on demand
72.50	Maintenance and repair of office, accounting and computing machinery
72.60	Other computer related activities

Source: UK Standard Industrial Classification of Economic Activities 1992, ONS.



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counter-intuitive, since the AES was thought to undercount employment, and is not easily explained.

NI DATA

NI is not directly affected by the change from AES to ABI since it has its own statistical series – the biennial Census of Employment and Quarterly Employment Survey. The data used here for Division 72 employment in NI (the most recently revised 'employee jobs' figures) were supplied by DETI Statistics Branch in July 2001 and are sourced to the Quarterly Employment Survey (QES). The figures for 1995, 1997 and 1999 (Census years) are equivalent to the Census of Employment figures for

these years¹. QES data are also available for the inter-Census years (1996 and 1998). Since Division 72 data are not available at county level in NI, the region is also considered as a county in the ensuing analysis, which is not unreasonable given its relative size.

NATIONAL TRENDS

Employment in the UK computer services industry underwent a remarkable expansion during the 1980s. Employment in Activity Heading 8394 of the 1980 Standard Industrial Classification (the official classification prior to 1992) increased from 54,800 in September 1981 to 147,500 in September 1991 – equivalent to a compound annual growth rate of 10.4%

(Coe, 1996). This expansion continued apace during the early 1990s. Under the SIC 1992 definition (i.e. Division 72) UK employment in computer services increased from 170,400 in 1991 (Census of Employment figure) to 266,000 in September 1995 (AES figure) – 11.8% per annum. (Crone, 2000)².

Based on the new ABI data for 1995-99, and equivalent data for NI, it appears that UK employment in Division 72 grew even faster during the late 1990s. The expansion from 237,800 in December 1995 to 434,400 in December 1999 equates to 16.3% pa. Notably, growth during 1997-99 (17.1% pa) was faster than during 1995-97 (15.4% pa).



Table 1 - Division 72 Employment by Government Office Region, 1995-99

	1995	1996	1997	1998	1999	Change 1995-99	
						Number	%
South East	60,492	72,984	84,090	93,608	114,359	53,867	89
London	54,913	59,665	71,276	89,693	99,769	44,856	82
East	28,072	30,849	35,078	39,636	46,827	18,755	67
North West	19,605	20,551	25,050	29,408	35,960	16,355	83
West Midlands	17,148	20,842	23,013	27,129	31,175	14,027	82
South West	17,075	19,098	21,401	25,333	29,307	12,232	72
East Midlands	11,883	12,953	15,900	19,769	21,057	9,174	77
Yorkshire & the Humber	10,418	12,492	13,861	14,934	19,373	8,955	86
Scotland	9,354	14,530	14,054	16,285	18,248	8,894	95
North East	3,864	4,607	5,935	7,605	7,320	3,456	89
Wales	3,635	3,501	4,703	5,321	7,066	3,431	94
Northern Ireland	1,380	1,680	2,240	3,420	3,970	2,590	188
UK total	237,839	273,752	316,601	372,141	434,431	196,592	83

Sources: Annual Business Inquiry, ONS and NI Quarterly Employment Survey, DETI Statistics Branch.

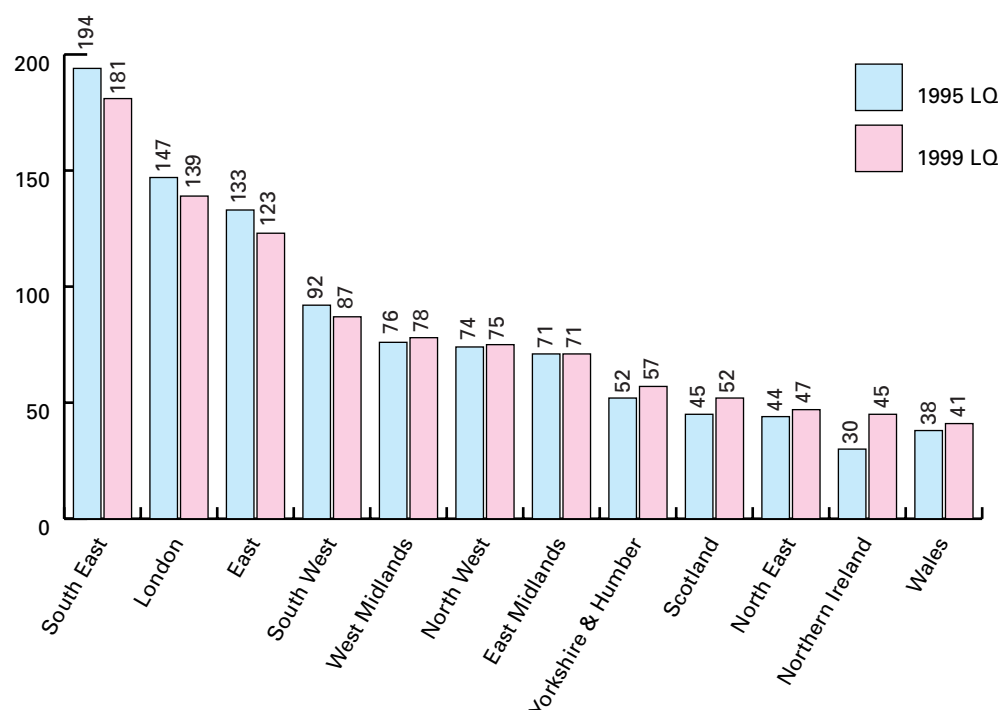
¹ ABI data refer to employment in December of each year whereas the NI Census of Employment refers September. September QES data were used for consistency with the Census.

² M. Crone (2000) Computer Services and Software Employment in the UK and Ireland, 1991-97: An Exploration of Official Data with Particular Reference to NI. NIERC Report Series No 16.

Employment in the IT Sector: How Does NI Compare with Other UK Regions and Republic of Ireland?

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Figure 1: Regional Location Quotients for Division 72



THE REGIONAL PATTERN³

As with other financial and business service activities, the pattern of computer services employment is highly concentrated in the 'Greater South East' (GSE) - i.e. London plus the South East and East regions (Table 1). This uneven regional distribution, especially the dominance of London and the South East, has been a hallmark of the UK computer services industry since its foundation in the 1960s. In 1999, the three GSE regions together accounted for 60.1% of UK employment in computer services (compared to 60.3% in 1995). In fact, the two leading regions (London and South East) accounted for nearly half of all UK

computer services employment (49.3% in 1999, 48.5% in 1995). Beyond the GSE, the other leading regions in terms of computer services employment in 1999 were the North West, West Midlands and South West (Table 1).

Location quotients, which standardise for differences in region size, give a comparison of the relative significance of computer services in each region⁴. Location quotients for 1999 show at least three distinct groups among the UK regions (Figure 1). The first group is comprised of three regions - South East, London, and East - with location quotients greater than 120, confirming the

relative as well as absolute dominance of the GSE. The intermediate group of regions in 1999, with location quotients between 70 and 90, comprised the South West, West Midlands, North West and East Midlands. At the bottom of the regional hierarchy in 1999 was a group of regions comprising Yorkshire and the Humber, Scotland, North East England, NI and Wales. All of these regions had location quotients between 40 and 60, with Wales being the worst placed region (LQ 41).

The regional hierarchy has not changed dramatically during the 1990s, although the degree of regional unevenness has lessened somewhat (the range of

³ The regional pattern is analysed in terms of the 12 UK Government Office Regions.

⁴ Location quotients were calculated with a denominator of 'private sector employment' - calculated as total employment minus Sections L, M, N and O of SIC1992. A location quotient above/below 100 indicates that the region has above/below the UK average share of employment in Division 72.

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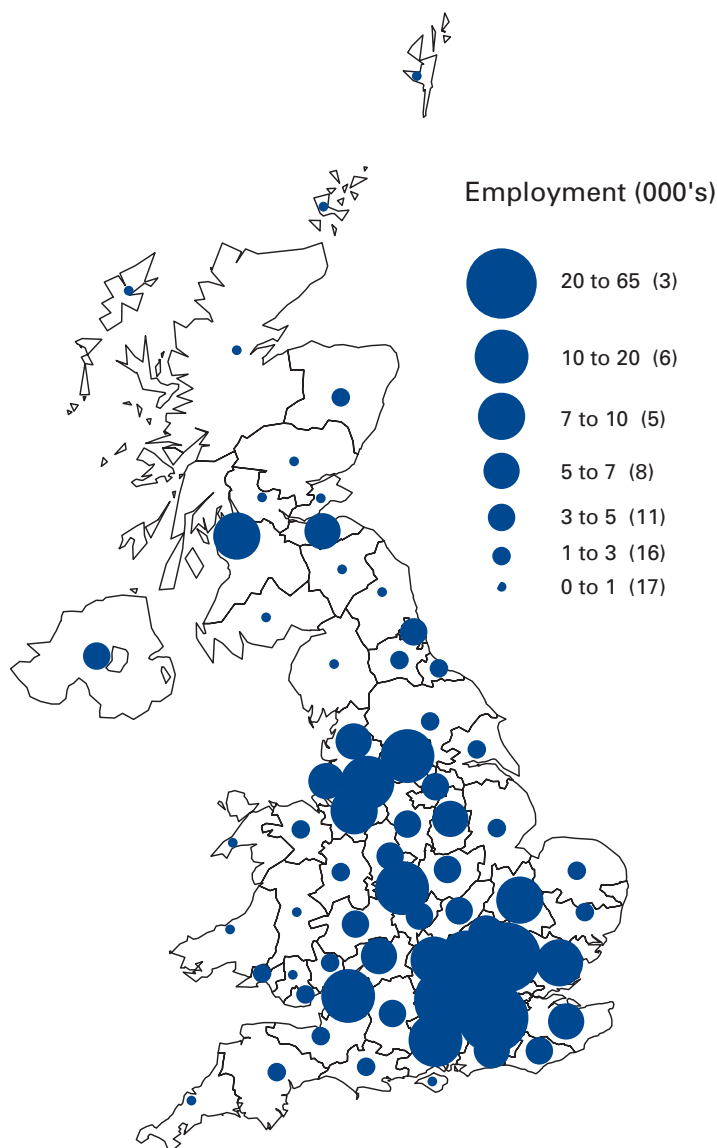
location quotients decreased from 29-207 in 1991 to 42-181 in 1999). The three GSE regions led the regional hierarchy throughout the decade and Wales and NI were always in the bottom two places.

THE COUNTY PATTERN⁵

At county level, an even more uneven pattern is revealed (**Figure 2**). The 1999 Top 10 counties by employment accounted for 60.4% of the UK total. In absolute terms, London had the most computer services employees (nearly 100,000 or 23% of the UK total). Beyond the capital a 'Western Arc' of non-metropolitan counties in the GSE (including Berkshire, Surrey, Hertfordshire, Buckinghamshire, Oxfordshire, Cambridgeshire and Hampshire) was the dominant concentration of employment. Outside the GSE the largest centres of computer services employment were the Metropolitan counties of West Midlands (Birmingham), Greater Manchester, Avon (Bristol) and West Yorkshire (Leeds), each having more than 10,000 employees in 1999.

Location quotients give a better indication of the relative strength or weakness of each county in computer services

Figure 2: Division 72 Employment by County 1999



(**Figure 3**). Only 12 of the 67 UK counties had a location quotient greater than 100 and all of these were located in the 'South' of England. The 1999 LQ was in excess of 150 in Berkshire, Surrey, Hertfordshire, Buckinghamshire, Oxfordshire and Cambridgeshire. The

leading 'Northern' counties in terms of location quotients were Nottinghamshire (LQ 94; 6,500 employees), Cheshire (90; 7,600), Warwickshire (87; 3,700), Lothian (86; 5,400), and Hereford & Worcester (86; 4,500). Notably, these are not the leading 'Northern' counties in terms of absolute

⁵ For the purpose of this analysis, the UK is divided into 67 counties, comprising 46 English and 8 Welsh counties (those that existed prior to the introduction of unitary authorities in 1995), 12 Scottish regions and NI (not subdivided).

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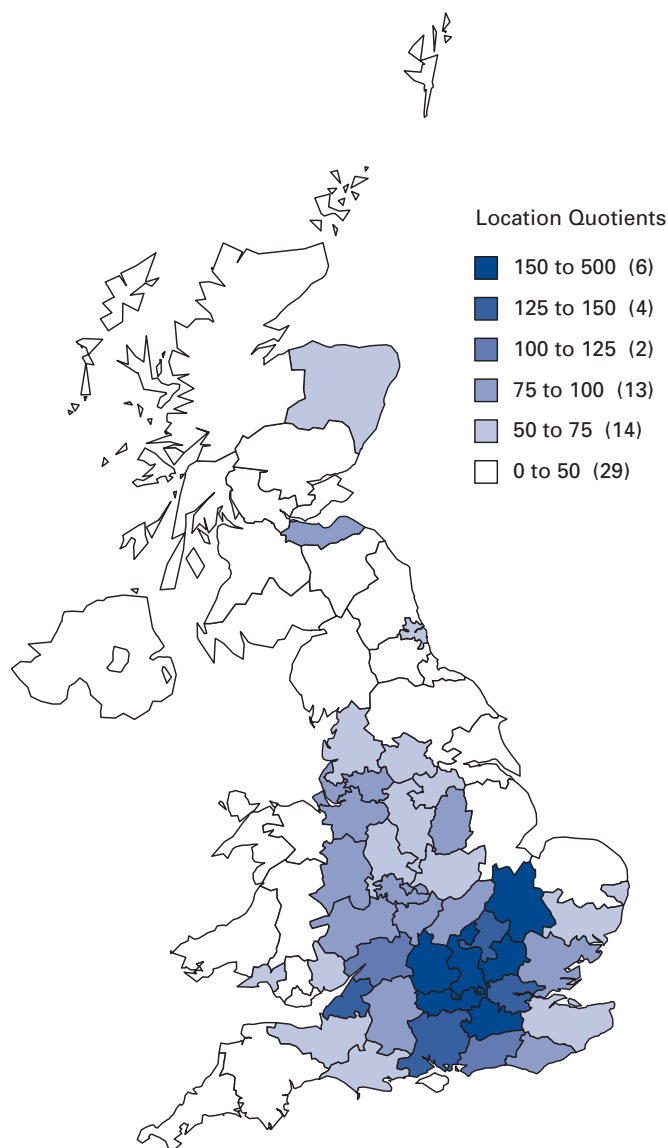
employment. The metropolitan counties of Greater Manchester, West Midlands, West Yorkshire and Strathclyde, whilst having more jobs in total, do not have as high a share of employment in computer services.

The pattern of employment growth in computer services in the late 1990s was also highly uneven (**Figure 4**). In general, the largest absolute increases in employment in the period 1995-99 were in the established concentrations. However, a few counties jumped up the county hierarchy after experiencing exceptional growth, including Oxfordshire (up 138% during the period; adding 4,800 jobs), Lancashire (170%; 4,000 jobs), Merseyside (143%; 3,700 jobs), Northamptonshire (158%; 3,100 jobs) and NI (188%; 2,600 jobs).

NORTHERN IRELAND

NI's computer services employment increased sharply from 1,380 in 1995 to 3,970 in 1999. This increase of 188% (30.2% pa) was the highest among the UK regions. However, NI's computer services location quotient in 1999 (LQ 45) was still lower than all other UK regions except Wales (LQ 42), and prior to 1998 had been lower than all UK regions. Put another way,

Figure 3: County Location Quotients for Division 72 in 1999



computer services accounted for only 1.03% of private sector employment in NI in 1999 compared to the UK average of 2.27%, and 4.09% in the South East of England.

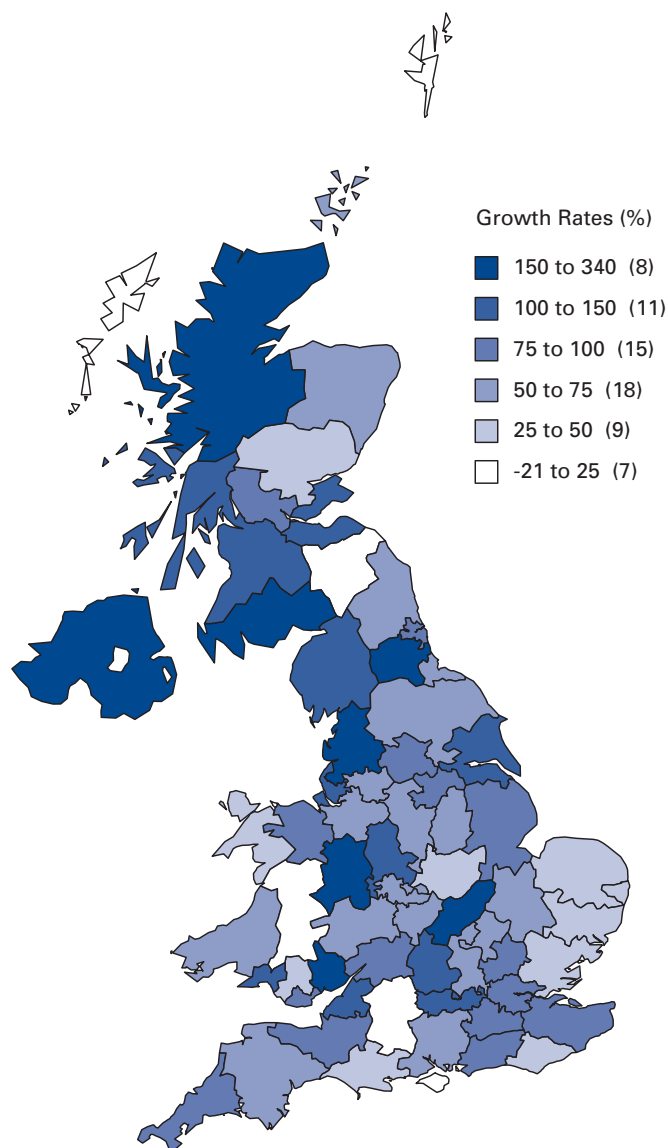
Nevertheless, computer services employment in NI increased much faster than

in all other UK regions during 1995-99 (**Table 1**) and although this expansion was from a low starting point, and in some senses represents a process of catch-up, the growth is impressive. An important factor has been the recent wave of inward investment, which surpassed all other

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Figure 4: % Increase in Division 72 Employment by County, 1995-99



UK regions during 1997-99 (Crone, 2000). Here, praise must go to the Industrial Development Board (IDB), and other supporting agencies, for their success in attracting projects in the face of stiff competition from other regions, such as Scotland.

REPUBLIC OF IRELAND

The expansion of the Rol software industry during the 1990s has been widely publicised in the media and academia and has attracted the attention of policy-makers in competitor regions. For this reason, Rol is a logical benchmark for

the UK regions, particularly NI.

Comparable data for Division 72 employment in Rol come from the Annual Services Inquiry. Unfortunately, the most recently published data refer to 1997, when Division 72 employment in Rol was estimated to be approximately 9,700. As an indication of the rate of growth in the Rol computer services sector in the mid-1990s, note that the expansion from 1995-97 equates to 29% pa.

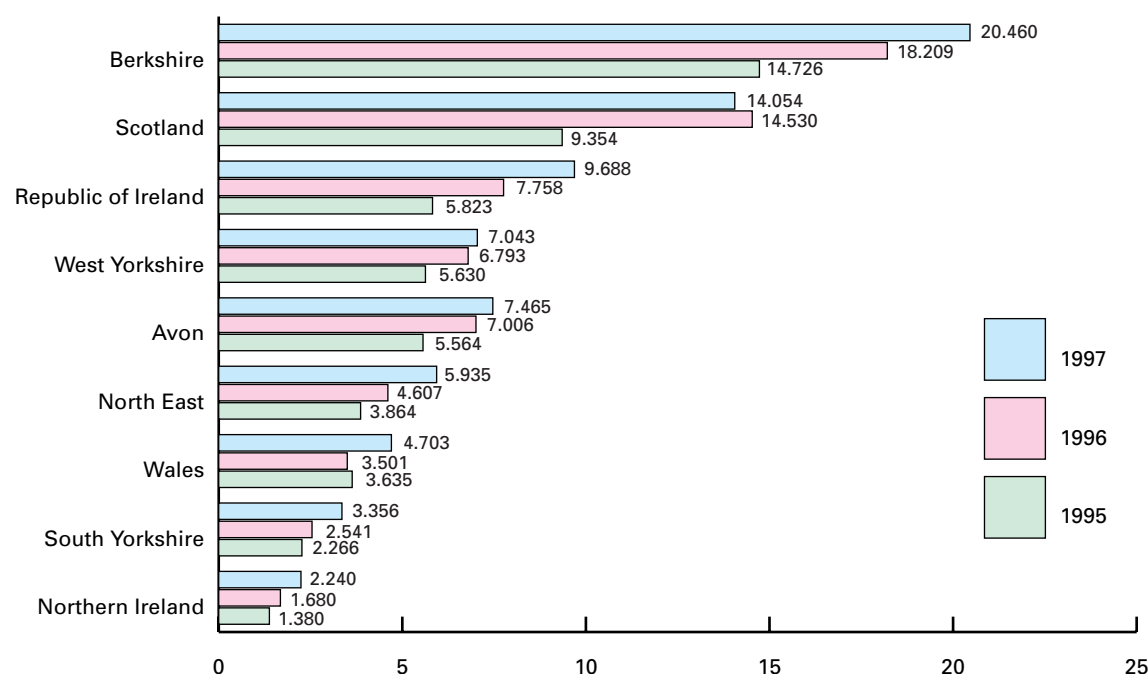
During the period 1995-97, the Rol computer services sector grew at a faster rate than all UK regions and almost all UK counties⁶. Thus whilst the Rol computer services sector was comparable in size to those in West Yorkshire and Avon in 1995, it was 30% larger by 1997 (**Figure 5**). In 1997 the Rol computer services sector was also significantly larger than those in the less economically successful British regions such as Wales, North East England and South Yorkshire (even when we allow for differences in region size). So far as NI is concerned, and bearing in mind that Rol has just over twice the population, it is interesting that the Rol computer services sector in 1997 was 2.4 times larger than its NI counterpart was in 1999.

⁶ Only 9 of the 67 UK counties had a higher CAGR than Rol during 1995-97. With the exception of Lancashire (CAGR 33%) and Somerset (34%) these counties were growing from a starting point of less than 1,000 employees in 1995.

Employment in the IT Sector: How Does NI Compare with Other UK Regions and Republic of Ireland?

Mike Crone, Northern Ireland Economic Research Centre

Figure 5: Division 72 Employment in ROI and Selected UK Regions and Counties, 1995-97



However, the RoI computer services sector was smaller than Scotland's and only half the size of Berkshire's in 1997 (Figure 5).

Other figures in the public domain, published by the National Software Directorate, give a much higher estimate for employment in the RoI software industry and a series of data covering 1991-99⁷. According to the National Software Directorate, employment in the RoI software industry increased from just under 8,000 in 1991 to almost 25,000 in 1999, a growth rate of 15.6% pa (Figure 6). Clearly, there is a major discrepancy between the NSD figures and the

Division 72 employment figures from the Annual Services Inquiry. In 1997, for example, the NSD claims there were 18,300 jobs in the 'software industry' but the ASI reports only 9,700 jobs in Division 72.

One partial explanation for the observed discrepancy lies in the structure of the RoI software industry, and particularly in the type of the activities undertaken by some software multinationals in RoI. Coe (1996, 1999) has observed that many of these firms are engaged in manufacturing and localisation activities including CD-ROM manufacturing and associated packaging, assembly and fulfilment

tasks⁸. Importantly, these activities are included in the NSD definition of the software industry but lie outside Division 72 of the official classification. In fact they are probably classified under the three-digit NACE heading 223 'Reproduction of Recorded Media' in the Census of Industrial Production, which accounted for some 6,100 employees in 1999 compared to 1,700 in 1991. As Figure 6 illustrates, however, Heading 223 does not account for the entire gap between the NSD and Division 72 figures.

In summary, it is clear that the RoI software and computer services industry has experienced very strong employment growth during

7 The National Software Directorate was established in 1991 to co-ordinate the work of government bodies with an interest in developing the software industry. Initially a freestanding body, the NSD was brought under the umbrella of Enterprise Ireland in 1999 and renamed the National Informatics Directorate shortly afterwards.

8 N. M. Coe (1996) *The Growth and Locational Dynamics of the UK Computer Services Industry, 1981-1996*. Unpublished PhD Thesis, University of Durham. N. M. Coe (1999) *Emulating the Celtic tiger? A comparison of the software industries of Singapore and Ireland*, *Singapore Journal of Tropical Geography*, Vol.20, No.1, 36-55.

Employment in the IT Sector: How Does NI Compare with Other UK Regions and Republic of Ireland?

Mike Crone, Northern Ireland Economic Research Centre

Figure 6: IT Sector Employment in Republic of Ireland, 1991-99



the 1990s. Although comparisons with the UK are complicated by the unique presence of a 'software manufacturing' sub-sector in RoI, it would seem that the RoI software industry is significantly larger than its counterparts in comparable UK regions.

ACKNOWLEDGEMENTS

Thanks to DETI Statistics Branch for supplying the NI data and for their helpful comments, and to Kerry Hazley (NIERC) for preparing the maps.

The full report appears as NIERC Series No 19 "Software and Computer Services Employment in the UK Regions and Counties, 1995-99" and can be downloaded from the NIERC web-site (www.qub.ac.uk/nierc).

What Happened to the Former Harland & Wolff Workers?

Peter Tyler, University of Cambridge, Darren McKinstry & Ian Shuttleworth,
Queen's University Belfast

On September 21st 2000 Harland & Wolff (H&W) announced that they were to make redundant some 580 workers. A Taskforce was established by the First and Deputy First Ministers to ensure that government efforts of assistance were co-ordinated – these ranged from the provision of advice to workers on alternative job opportunities, self employment, retraining, redundancy payments and unemployment benefits. Research and Evaluation Branch of the Department for Employment and Learning (DEL) was asked by the Chairman of the Task Force (Mr Ian Walters, Chief Executive of the Training & Employment Agency) to commission research to track the labour market experiences of those who had been made redundant.

The resultant project, undertaken by a team from Cambridge University and Queens University Belfast, has provided information for policymakers on the post-redundancy experiences of former H&W employees and has offered insights into how they have adjusted to the loss of their old jobs and assess the value of the help given by the relevant government agencies.

This article summarises some results from this research. An introductory section profiles the redundant workers to give some understanding of their general background and characteristics. Following this, the main section of the article looks in more detail at the post-redundancy adjustment process including views on retraining and problems faced after the redundancy. Finally, some general conclusions are drawn and some suggested policy implications of the research are explored. Previous redundancy studies on Mackies, Saracens and Killyleagh Yarns appear in past issues of this Labour Market Bulletin.

WHO ARE THE FORMER H&W WORKERS?

Profile information confirms that virtually all those made redundant were male and had worked full time. When asked for their last jobs at H&W, the respondents identified a considerable variety of occupations thus reflecting the traditionally high level of demarcation associated with shipbuilding, that in part resulted from union pressures. There were many job titles – 97 in total were notified - but 83 of these were undertaken by only one worker each. The most common occupations were

welder (9% of respondents), steel worker (8%), corrosion engineer (6%) and electrician (5%). Just over 21% of respondents had no qualifications but nearly 30% had a work-related qualification like a City & Guild, some 24% had GCSE/CSE/O Level or NVQ Level 2 qualification, 9% had A Levels or their equivalent and around 7% had degree or higher qualifications.

The workforce was older than average –some 5% were aged 18-24 whereas 41% were aged between 25 and 44, 31% aged 45-54 and 22% were 55 or over. More than 80% were owner-occupiers and although nearly 20% lived on their own, a quarter lived with a spouse or partner who had full-time paid employment and a further 23% had a spouse in part-time employment. The impact of redundancy on these ex-workers might be lessened because there is another earner in the household, but interestingly 32% of all ex-H&W workers lived with a partner or spouse who had no employment. For these households, the impact of redundancy could be particularly severe.



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Table 1: Characteristics of the Former H&W Workers

Characteristics	Total %
Sex	
Male	98
Female	2
Age:	
18-24	5
25-44	41
45-54	31
55+	22
Refused	1
Domestic situation	
I do not live with a spouse/partner	20
I live with a spouse/partner who has full-time employment	25
I live with a spouse/partner who has part-time employment	23
I live with a spouse/partner who has no paid employment	32
Tenure	
Rent from NI Housing Executive/Housing association	12
Rent from a private landlord	5
Owner occupier	83
Live in a Co-operative	*
Access car/van/motor cycle	
Own car/van/motor cycle	80
Car/van/motor cycle of another household member/friend	4
No access to car/van/motor cycle	16

* Under 1%

Source: Ulster Marketing Services

In general the potential mobility of the former H&W workers was high, since about 80% owned a car although a significant minority (16%) had no access to private transport.

Considering the catchment area from which workers are drawn, 10% of workers are found within 1.2 miles of the plant, 25% within 1.8 miles, 50% within 3.4 miles, 75% within 8.5 miles, and 90% within 12 miles.

Map 1 explores the geographical extent of the residential locations of ex-H&W workers in more detail. Although there is a major concentration of workers nearby the H&W site in East Belfast, workers are drawn from throughout Belfast and also from locations outside the city - particularly the north and east - reflecting the wide range of occupations at the site and their varied average travel-to-work distances.

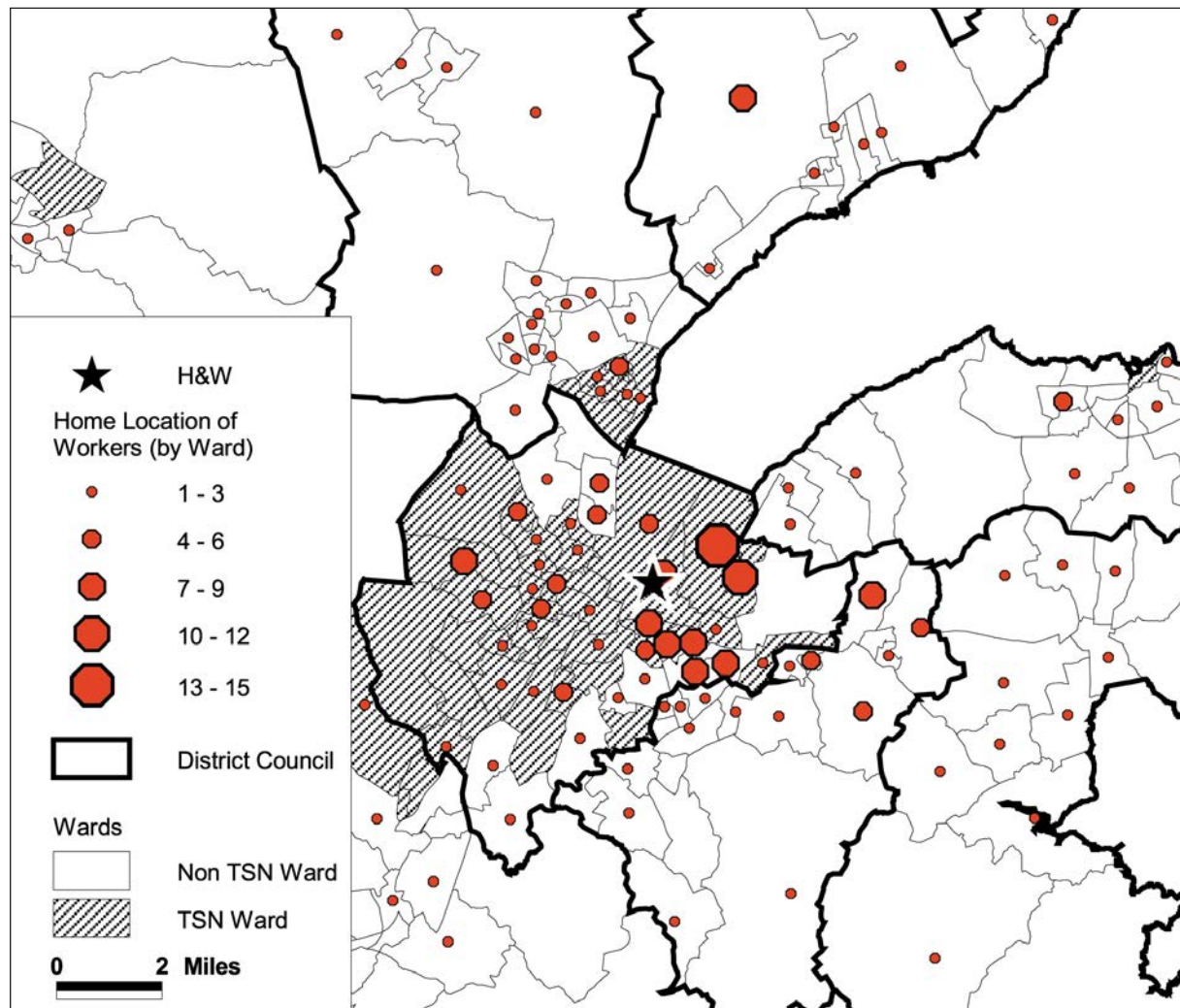
This worker profile is fairly typical for a long-established company with a history of employment in heavy industry. It is significant however, because the characteristics and past experiences of workers, including the types of jobs they undertook and their level of qualification, serve to shape their post-redundancy experiences. These are explored in the next section, which considers adjustment in the labour market and post-redundancy outcomes for ex-H&W employees.



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Map 1: Home Location of Workers



POST-REDUNDANCY ADJUSTMENT IN THE LABOUR MARKET

The redundancies at H&W have taken place against a backdrop of considerable change in the economic base of Belfast and, in particular, the Harbour area. Most of the traditional industries - of which shipbuilding is one - that used to form the backbone of the local labour markets of East and West Belfast, have contracted dramatically. In their place

has arisen a new range of job opportunities, some of which have radically different skill requirements to those in the past. In the nearby Laganside development - Lanyon Place and the Gasworks site for example, new jobs are appearing in financial services and the leisure sector with the Halifax Direct Call Centre and the Hilton Hotel being two good examples of the new employment opportunities. At the time, manufacturing

jobs were also being created nearby in companies like Bombardier Shorts (which added over 1,000 jobs in the past year) - one element of an emerging high-technology cluster in the Harbour area that offers exciting growth opportunities for the future. The local labour market thus offered opportunities and challenges for former H&W workers as they sought to navigate the local labour market.

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In this context, what is striking is that a high proportion had actively sought work and successfully found new employment, suggesting a relatively high labour market demand for these skills. At the time of the survey, 67% of former H&W workers were in employment, 23% were unemployed, 9% were inactive, and 1% were in education and training. Throughout the period since redundancy, some 72% had had a job at sometime, about 59% had either been unemployed initially or at some time, and only 2% had been in education or training. The survey also shows that 44% of those interviewed said they needed a job extremely urgently on redundancy, 28% quite urgently, and only 17% and 12% not very urgently and not at all urgently respectively.

For those in employment, there was a relatively low level of job turnover. The majority of workers had full-time jobs and had only had one job over the entire post-redundancy period. The main reason for job changes were that a temporary job had come to an end or a job with better pay or in a preferred occupation had been found. By occupation some 17% were now airframe/aircraft fitters, 7% welders, and 6% electricians and by industry 25% were employed in aerospace

engineering, 10% in construction, and 7% in shipbuilding. Our interviews showed that for those who had secured jobs in the new industries of aerospace the transition had not been without difficulty. There were sometimes considerable difficulties in training up workers for the precision work, measurement skills and working with fine tolerances required in the aerospace industry, and even skilled ex-H&W workers required specialist training.

Gaining a new job meant earning less for a substantial proportion of former H&W workers. Over 59% said that post redundancy they received lower pay, and 24% stated that their pay was much lower. This suggested a difficult adjustment process for these workers. But a positive finding was that 51% of those in employment felt they were better off in terms of general working conditions (other than pay). These workers pointed to work that was more interesting, more secure and had better prospects. A majority of those economically inactive at the time of the survey had chosen not to look for work at all since their redundancy and around a third of these had decided to retire. The number of respondents here is low, so it may be unwise to place too much weight on

the findings, but it is interesting to note that some of these workers appeared to be evaluating their options and about half expected to start looking for work in a year.

The number of jobs that had been applied for by those who remained inactive, or had been unemployed at some time since their redundancy, varied considerably between respondents and the reasons for turning down a job were low wages or obtaining a better job offer. Those who were currently inactive or had been unemployed were asked about the ways in which they had changed their behaviour in order to improve their prospects of gaining a job and there were a variety of responses including looking for a different type of job or increasing the search area. Easily, the single most quoted reason for the respondent believing that they could not get a job was because they were too old, a fact reflected in other studies – see for example LMB No. 14 - “What happened to the Ex-Mackie Workers?”. Again (as with the Mackie study) sectarian issues did not appear as a significant barrier.

A minority of respondents took up retraining. Previous studies undertaken by the researchers also indicated

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that many redundant workers do not consider training as part of their adjustment process. These issues were explored in more detail to examine the extent to which training was not considered as an option. When asked, some 38% of respondents said that they had considered further training. The largest proportion of these was interested in training in computers, some 28% had considered technical training, and a further 22% considered training in another trade. About 14% expressed interest in management training and driving skills – usually gaining an HGV License – were identified by 13%. Some of the respondents said that they had specific reasons why training was a difficult option. Most frequently identified were cost and family commitments, with only a minority referring to problems associated with travel. Of those not interested in receiving training it was because they believed that they already had sufficient skills, had health problems or were too old.

Findings on the impact of redundancy were mixed. Around 57% of former workers did not feel they had experienced any serious problems, and only 12% reported that another member of the household

had to take on more or new work to make up for the shortfall in income. This is probably a consequence of the rapid speed with which some of them obtained a new job. But around 56% had experienced problems in 'making ends meet' and with household costs and a further 34% of households had had to make an additional claim for benefit. This indicates that the experience of redundancy was finely balanced for the group, or the possibility that they varied markedly between different sub-groups of ex-H&W workers with some having little hardship but others finding considerably more.

The average duration of employment at H&W was around twenty years, and it is apparent from the analysis that on emerging onto the local labour market again quite diverse, post redundancy, fortunes were experienced. Whilst some were able to avail themselves of contemporary opportunities to gain employment, others found it much more of a challenge.

The next section looks at this diversity in more detail by profiling ex- workers according to their labour market outcomes and also by considering the geography of job location.

POST-REDUNDANCY ADJUSTMENT, WORKER CHARACTERISTICS AND GEOGRAPHY

Given the four main states of employment, unemployment, training, and economic inactivity that respondents can occupy, and the scope to record data on up to seven spells, there could be a very wide range of post-redundancy paths that individuals could follow. However, some 72% of respondents could be found in four main trajectories. In order of importance these are a spell of unemployment followed by a spell of employment (25% of respondents), one continuous post-redundancy spell of employment (22%), one continuous post-redundancy spell of unemployment (17%), and one continuous post-redundancy spell of

Table 2: Main Labour Market Trajectories

Post Redundancy Labour Market Trajectory	%
Unemployment followed by one continuous period of Employment	25%
One continuous period of Employment (with one employer)	22%
One continuous period of Unemployment	17%
One continuous period of Inactivity	9%
Other Trajectories	28%

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inactivity (9%). There are major differences between these four main groups, and these can indicate some of the factors that shape post-redundancy paths.

Numerically, the most important post-redundancy path followed by almost 25% of ex-workers was a period of unemployment followed by employment. The majority of ex-workers (63%) were employed in SOC 5 (skilled craft level occupations) and on average they had been employed in H&W for twenty years. Over 80% of respondents in this group own a car and are owner-occupiers with 45% living less than five miles from H&W and nearly 23% over 10 miles away. Over 82% commuted to H&W in their own private transport while only 4% went on foot. The majority have some qualifications (only 28% stated that they had no qualification). There was a fairly even spread through the age range - only 14% were aged 55 or over but around 41% were aged 25-44 and 43% 45-54. These individuals were keen to seek work after being made redundant (42% stating that they were seeking work extremely urgently), and around a quarter had experienced problems in 'making ends meet' post redundancy. Over 50% had a partner who was in employment (29% had a partner in full-time work and

25% one in part-time work). Almost 60% had not considered further training.

The next most important group, with just over 22% of ex-workers were those who had been continually in employment since being made redundant. On average, they had been seventeen years with H&W and the majority (66%) were formerly employed in SOC 5, although 12% had been in SOC 2 (managerial/technical occupations). Over 90% of this group owned their own cars and were owner-occupiers with 42% living within five miles of the site, and almost 35% over ten miles away. Nearly 80% commuted to H&W in their own transport while 13% shared a lift. A large majority had qualifications (only 12% stated they were unqualified). The majority of these workers were relatively young (only 6% were aged over 55) and the main age group (61%) was for those aged 25-44. As a group, these respondents were keen to get work (63% said they sought work extremely urgently) and very few had experienced post-redundancy financial problems. Over 60% had a partner who was also in work (34% had one in full-time work, and 29% in part-time work). Over three-quarters (77%) had not considered further training.

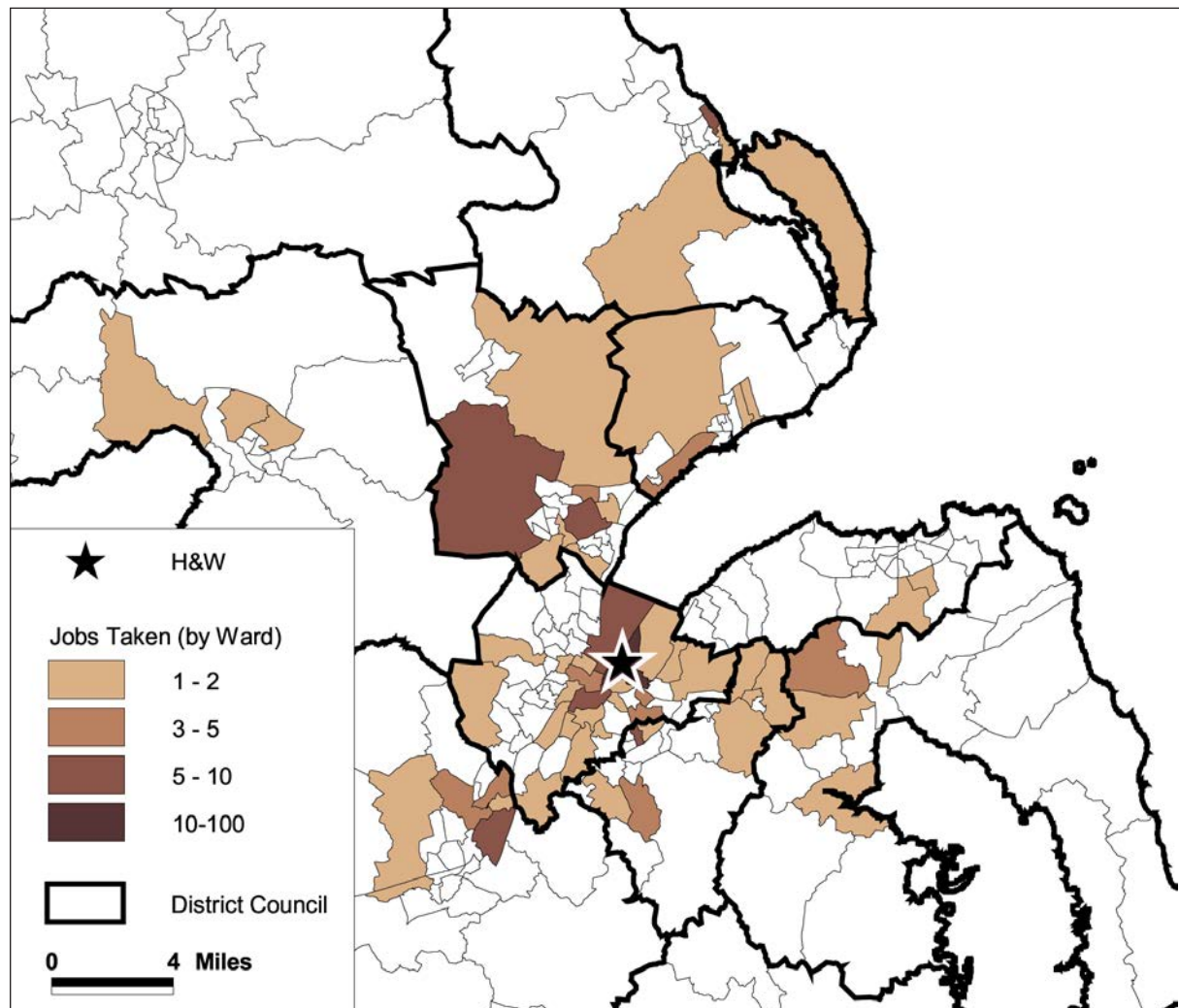
The third most important group, with about 17% of ex-workers, was those who had been continually unemployed since redundancy. The average duration of employment for these workers at H&W was twenty-one years and a small majority (53%) had been employed in SOC 5 with substantial minorities - 13% and 14% respectively - in SOC 8 and 9 (lower skilled craft occupations). A majority of this group were owner-occupiers (70%) and a majority (61%) owned their own cars with 61% living within five miles of the site. About 56% commuted to H&W in their own transport with 17% sharing a lift and 13% on foot. The majority (59%) said that they had no qualifications. The main age group for these respondents was 45-54 (44% of the group) but 34% were aged 55 or over. On the whole, these individuals were keen to get work - 44% stated they sought work extremely urgently and the majority (55%) had experienced problems in 'making ends meet'. A minority had a partner who was in work (14% had a partner in full-time work and 22% in part-time work). 56% had not considered training.

The final group, with about 9% of former H&W workers, was those who had been economically inactive since their redundancy. Their average duration of

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Map 2: Location of Most Recent Employment



employment was twenty-nine years and a majority (58%) had been employed in SOC 5 with 24% in SOC 9. Most owned their own house and car - 73% and 76% respectively - and 61% lived within five miles of H&W with almost 25% living more than ten miles away. The majority (73%) commuted to H&W in their own transport and a large majority (76%) said that they had no qualifications. The main age group was over 55 - 76% of these respondents

fell into this category. On the whole, this group had not sought work urgently (61% said not at all urgently), however 58% reported difficulties in 'making ends meet'. A minority had a partner in employment (12% in full-time work and 21% in part-time work) and most (85%) had not considered further training.

Finally, in this section, the geographical aspects of labour market adjustment

for those who have gained employment are explored in **Map 2**. This shows where employment has been gained and gives some feel for the extent to which people geographically shift their employment as an adjustment to redundancy. The map shows that many ex-H&W workers are employed in the Island ward near their old place of work. This reflects moves made to nearby enterprises such as Bombardier Shorts and other companies closely

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associated with the Harbour area. But a significant minority have moved their place of work to other parts of the city. This reflects the types of jobs taken and the spatial availability of employment in these sectors. The concentration of workers near to the North of the city for instance, reflects the location of the Mallusk industrial estates and Nortel, FG Wilson engineering and so on. A similar cluster to the South-West of the city reflect the location of Montupet and Bombardier Shorts (Dunmurry).

CONCLUSION

The research shows that post-redundancy outcomes were diverse – some workers had managed to find work and for them the experience had been more positive. Other workers, perhaps older, or with fewer skills, were less successful and faced greater challenges. Likewise, the impact of the redundancy on individuals and households was also mixed – and respondents were split on the hardship that had been caused. Our interviews also suggested that the adjustment process, even for those who had obtained work, was not unproblematic. Considerable company-specific training was sometimes needed even when they were being

employed in broadly similar occupational areas to their H&W jobs, and this was found to be an issue that was important not only in ensuring the re-integration of former H&W employees into the labour market, but also in ensuring that new manufacturing could expand in Belfast.

The profiling of redundant workers shows that their background can have a key influence in post redundancy outcomes. It is useful to draw out and to summarise some of the key features. Firstly, those who have been continuously inactive are differentiated from other workers in being older on average and also seeking work with less urgency. Secondly, those who were continually unemployed after redundancy differ from those in employment in having lower qualifications levels. This might explain their experience, but other differences could be equally important. Their reliance on lifts and walking for travel-to-work, their residential concentration near H&W, and their relatively low levels of car ownership suggest that mobility might be a special problem and the relatively low rates for partners in employment might also be significant. Finally, there are differences between those who have been continually employed and those who are now

employed, but were previously unemployed, in terms of urgency of seeking work and employment status of their partner.

These suggest that there are a number of subtle household, attitudinal, personal and mobility characteristics that guide post-redundancy adjustment. This points to the need for a differentiated policy response that caters for specific groups of redundant workers. Possible dimensions that might be considered as significant include age, household circumstances, qualifications, spatial mobility, attitudes towards seeking work, and duration of previous employment. These seem to be related to labour market outcomes after redundancy and worthy of further exploration.

Finally, building on this research, it is important to look at other studies of redundancy to see whether these findings are broadly replicated elsewhere, and to investigate whether any general conclusions about the factors that affect post-redundancy labour market outcomes can be drawn. A broader understanding of these factors might help to guide policy responses to future redundancies, and could help to tailor interventions to suit specific circumstances.

Work Permit Applications - A Guide to Skills Shortages?

Terry Morahan and Gayle Kennedy, Research and Evaluation Branch, DEL.

Recruitment difficulties within local companies are leading more and more employers to ask whether they can employ people they need from abroad. Under the Immigration Act 1971, the Home Office determined that potential employees who are not residents of any of the European Economic Area (EEA) countries must obtain a work permit before the immigration authorities will allow them to work in NI. (Member countries of the EEA are: the 15 EU countries plus Iceland, Liechtenstein and Norway.) Overseas Labour Service (DfEE) have identified those occupations which are classified as Shortage Occupations (as shown in Table 1), for which Work Permit applications may be considered.

Only employers can apply for a work permit to employ a non-EEA national. When completing the application it is necessary for the employers to show why they are unable to fill the post with a resident worker or an EEA national. In order to do this they must be able to prove that the vacancy has been widely advertised throughout the EEA, and that none of the applicants possesses either the occupational qualifications and associated work experience or the high level of specialist skills necessary for doing the job.

WORK PERMITS UK:NI:ROI:USA

NI employers wishing to employ non-EEA nationals must complete and submit an application for the work permit to DEL's Work Permit Unit before the potential employee leaves their home country. As part of our

efforts to increase our understanding of the nature and extent of skill shortages (see Chapter 10 in this Bulletin) it was considered that a trial examination of work permit applications should be undertaken to see if they supplied any insights into the nature and extent of skill shortages.

Numbers applying for work permits in NI is fairly small - but growing rapidly - in the last year, they doubled to 2,000. And last year in the UK - at a time of record unemployment lows - the UK Government announced that 100,000 work permits a year could be issued. In ROI work permits tripled between 1999 and 2000 from 6,000 to 18,000 and could rise to 30,000 in 2001. However given the sharp decline in rate of growth in ROI and hence a threat of rising unemployment the Dublin Government may use the work permit system as a

Table 1: Shortage Occupations

Nurses (various specialisms)	
Medical Consultants (various specialisms)	
Information Technology, Communication and Electronics (various specialisms)	
Electronic/Opto-Electronic Engineering (various specialisms)	
Others	- Actuaries
	- CAA Licensed Aircraft Engineers
	- Clinical Psychologists
	- Occupational Therapists
	- Physiotherapists
	- Pharmacists
	- Teachers
	- Veterinary Surgeon

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lever to better balance the supply of, and demand for, labour. In the USA the work visa system also has been used to increase the supply of skilled labour to shortage areas, most typically computer specialists from India.

THE INVESTIGATION

Accordingly REB collected data from a two month sample (May and June 2001) of application forms. The results are shown below.

In that period, 153 Applications were made to the Work Permit Unit. The majority of these were of particular interest to REB i.e. initial applications (102, 67%) and application for extension of existing Work Permit (17, 11%). Detailed information below refers only to these applications. The remaining 34 applications (22%) were for Sportspersons or Entertainers (e.g. a US pop group performing in Belfast).

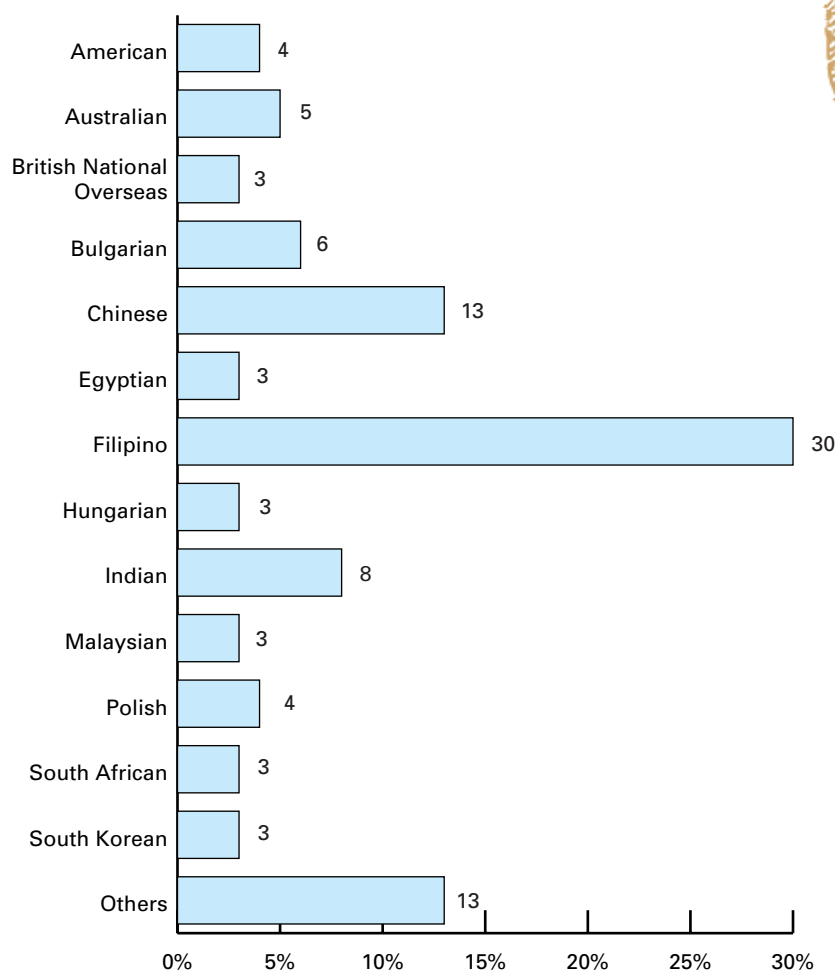
More than half of the applications were for males (57%). As shown in **Figure 1**, a number of nationalities are represented in the Work Permits database. The most frequently occurring are Filipino (30%) and Chinese (13%). The youngest applicant was 22 years of age and the oldest was 60. Almost half were within the

age range 21 – 30 years (58, 49%) and 34% within the 31 – 40 age bracket.

For each application, it was possible to classify the "Job Vacancy" according to the Standard Occupational Classification (SOC) 2000¹. There are nine Major Groups - 1 'the most skilled' to 9 'the less skilled.' Almost half of the posts (46%) were within Major Group 3 – Associate Professional and Technical Occupations. This was due

to the high number (50) of Health and Social Welfare Associate Professionals within this group. Professional Occupations (Major Group 2) accounted for 26% of the Work Permit applications – containing a high number of Science and Technology Professionals (13), Teaching and Research Professionals (9) and Health Professionals (8). The large number of applications for Chefs (18) resulted in 23% of the jobs being classified as Skilled Trades Occupations (Major Group 5).

Figure 1: Nationality of Work Permit Applicants



Others includes 16 individuals (13%) representing 14 countries.

¹ As detailed in Chapter 9 of Labour Market Bulletin 14



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One section of the NI Work Permit Application deals specifically with details of the employer. From the information provided, it was possible to classify the employer using the Standard Industrial Classification (SIC) 1992. Half of applications were for posts within Health and Social Work – again reflecting the high number of applications for Nurses. Hotels and Restaurants accounted for 15% of the total applications.

It is necessary for applicants to specify the duration for which the employer requires the permit (up to a maximum of 5 years). Almost half of the applicants (43%) requested a two-year Work Permit; 16% needed a three-year permit and 13% require a one-year permit. Salary data was available for 114 applications. In the majority of cases (96, 84%) the salary was under £20k.

The majority of work permit applications (84%) examined in the current study were accepted, only 7% were rejected. In cases where there was a change in the work Permit criteria, for example, change of status from a student to employee or change of employer, the application is sent to Immigration Branch (Home Office) for further consideration. In the trial

study, this accounted for 7% of the total cases.

It is interesting to note that clearly the biggest single group identified in this exercise were nurses from the Phillipines. Nursing is also the single most common group recruited in the RoI and the UK. According to the Recruitment and Employment Confederation (REC) recent publication (Report on Jobs, September 2001) "Nursing/Medical/Care" is still top of the list of Sectors ranked by strength of demand for staff – it was in the same position last year as well. Nursing is followed closely by "Hotel and Catering" and "Engineering/Construction".

The key question is whether the extra labour supply is sought:-

- a) To fill highly skilled posts where there is an insufficient supply?
- b) To meet recruitment difficulties for unskilled jobs, where employers – because of pay/conditions etc – cannot attract workers, even though other employers in the same locality offering better pay/conditions, have few difficulties. (In UK, permits are refused for this category).

The economic (and indeed social) consequences of (a) and (b) above are radically different for the importing locality. For example recruitment of a non EEA skilled surgeon would raise no concerns - in any case they would be few in number and fill a job that could just not be filled. And because of high wages for highly skilled jobs it would add disproportionately to GDP.

But recruitment of a large number of unskilled workers to solve recruitment difficulties would reduce the pressure on such employers to offer better pay and conditions to their workforces. Some employers are of course in such a tough competitive environment that they cannot afford to pay more: which raises the question of the quality of employment. In any event, increasing the supply of unskilled workers will tend to reduce the wages among the less skilled in the population - not a desirable social consequence. And there have been some cases in RoI where for example workers recruited for the catering sector have been exploited and who are in a weak position to complain - being threatened by having their work visa cancelled - according to media reports.

Work Permit Applications - A Guide to Skills Shortages?

Terry Morahan and Gayle Kennedy, Research and Evaluation Branch, DEL.

CONCLUSION

Given the numbers involved and the short time scale over which the trial was conducted (with the added possible complication of seasonality and susceptibility of a large number of applications from one employer) the trial will need to be run for a longer period to give a better guide.

The NI economy has been creating an extra 10,000 jobs a year throughout this past decade and the current total number in employment is over 700,000 so that in general quantitative terms the additional numbers of non EEA nationals is very small especially as many (most!) do not stay.

Graduates in Employment in NI

Statistics Research Branch, Department of Enterprise, Trade and Investment

Introduction

This article concentrates on the employment of graduates and non-graduates in the labour market. Data has been taken from the Labour Force Survey (LFS), which is the largest regular household survey in NI. Graduates refer to those persons who have, at any time, obtained a degree, which may either be a first or higher degree. This may have been obtained just recently (ie. within the last year) or several decades ago. All information relates to graduates of working age (i.e. 16-64 for males and 16-59 for females).

GRADUATES OF WORKING AGE, 1990 - 2000

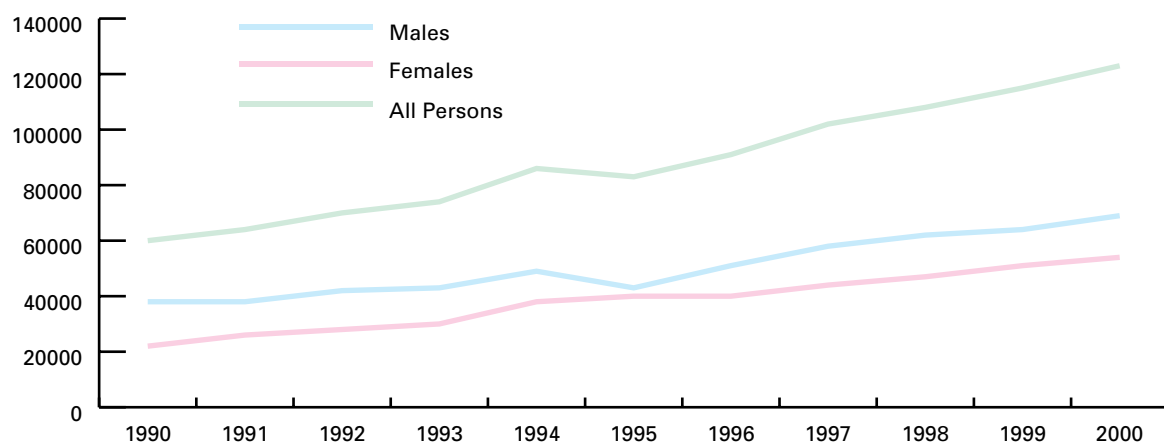
Figure 1 shows how the stock of graduates of working age has increased during the period 1990-2000. Overall the number of graduates more than doubled from 60,000 in 1990 to 123,000 in 2000, with 40,000 of this increase occurring in the last five years. The number of female graduates increased proportionately more than males over this period, up 140% from 22,000 to 54,000, while the number of male graduates increased by 82% from 38,000 to 69,000. During this time, however, the **total** population of working age (16-64 for males and 16-59 for females) increased by only 10%. As a result the proportion of the working age population who are graduates has risen from 7% in 1990 to 12% in 2000 (from 8% to 13% for males and from 5% to 11% for females).

Whilst females accounted for 37% of graduates in 1990, this proportion had risen to 44% by 2000.

GRADUATES OF WORKING AGE WHO ARE IN EMPLOYMENT, 1990 - 2000

Figure 2 shows the number of graduates of working age in employment during the period 1990-2000. Overall the number of graduates in employment more than doubled from 54,000 in 1990 to 109,000 in 2000, with 37,000 of this increase occurring in the last five years. Numbers of female graduates in employment increased more than males, up over one and a half times (156% from 19,000 to 48,000), compared with males (up 76% from 35,000 to 61,000). As the total number of persons of working age in employment from 1990 to 2000 increased by 12%, the proportion of persons of working age in employment who were

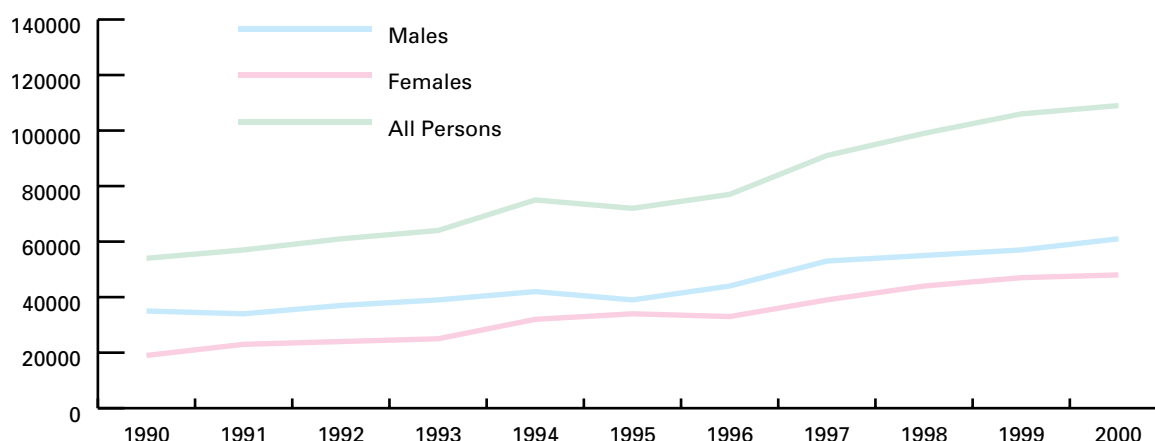
Figure 1 Number of graduates of working age 1990 - 2000



Graduates in Employment in NI

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 2 Number of graduates of working age in employment, 1990 - 2000



graduates rose from 9% to 17%. Whilst in 1990, 7% of females in employment were graduates compared with 10% of males in employment, in 2000 the proportion of those in employment who were graduates was roughly similar for both males and females (16% of males and 17% of females). The proportion of graduates in employment who were female rose from 35% in 1990 to 44% in 2000.

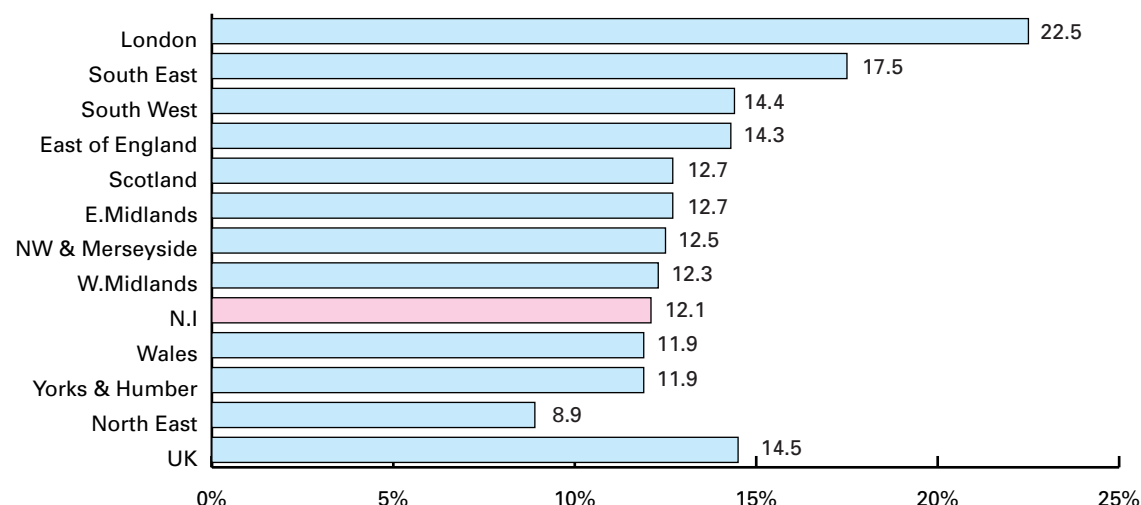
UK REGIONAL COMPARISON, SPRING 2000

In NI at spring 2000, there were 123,000 graduates of working age, equivalent to 12.1% of all persons of working age. This is slightly less than for the UK as a whole (14.5%). Of these 69,000 (56%) were male (13% of all persons of working age) and 54,000 (44%) were female (11% of all persons of working age).

Figure 3 shows that there

was considerable variation among the UK regions in the proportion of persons of working age who were graduates. Whilst in the North East 8.9% of working age persons were graduates, the proportion was much larger in London (22.5%) and the South East (17.5%). The proportion in NI (12.1%) was similar to that in Wales (11.9%) and Scotland (12.7%).

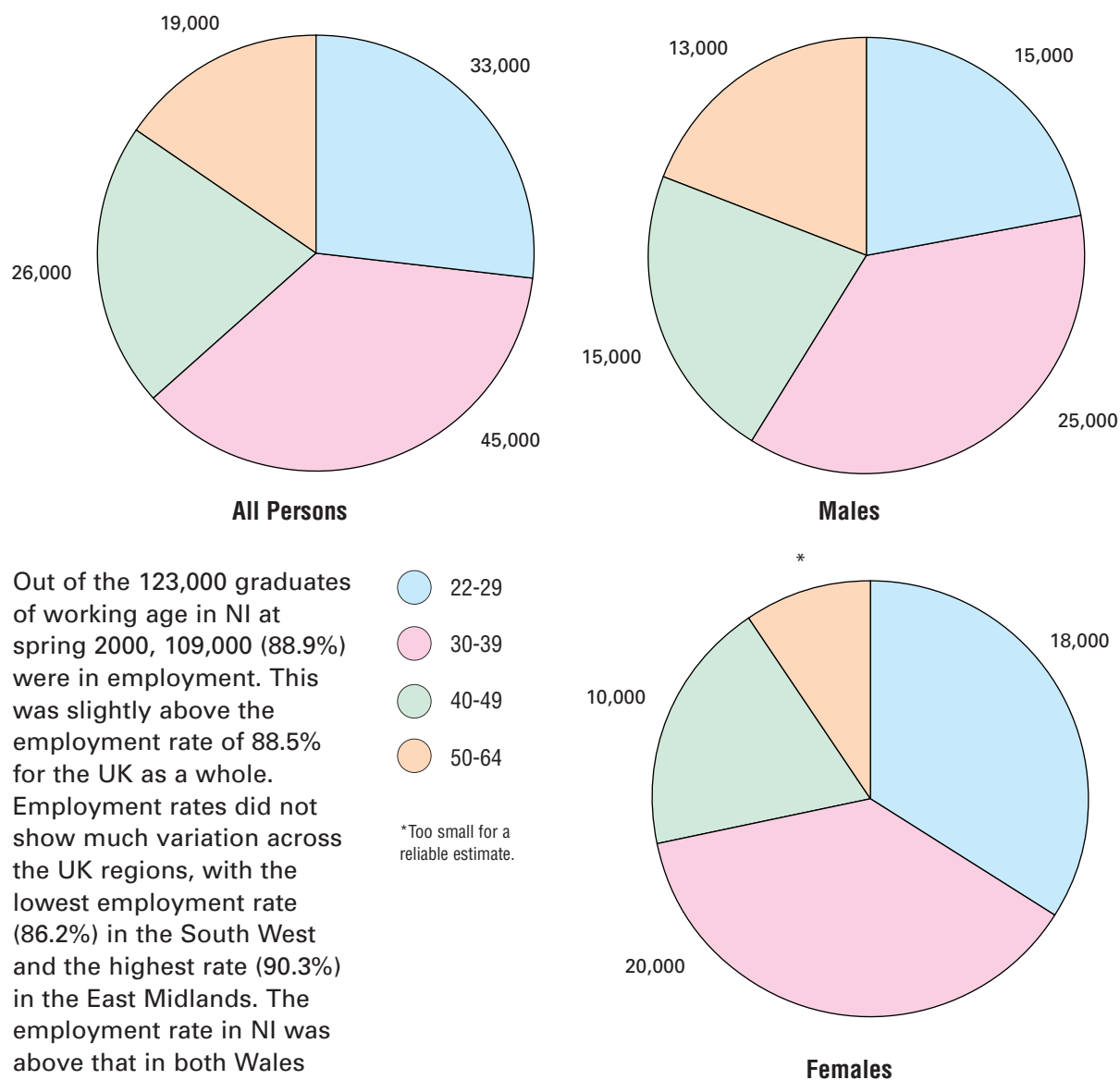
Figure 3 Percentage of persons of working age who were graduates for UK regions, Spring 2000



Graduates in Employment in NI

Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 4 Number of graduates by age group, Spring 2000



Out of the 123,000 graduates of working age in NI at spring 2000, 109,000 (88.9%) were in employment. This was slightly above the employment rate of 88.5% for the UK as a whole.

Employment rates did not show much variation across the UK regions, with the lowest employment rate (86.2%) in the South West and the highest rate (90.3%) in the East Midlands. The employment rate in NI was above that in both Wales (87.2%) and Scotland (87.9%). Of the 893,000 non-graduates of working age in NI at spring 2000, 551,000 (61.7%) were in employment. In contrast to graduate employment, there was considerable variation in employment rates for non-graduates across the regions. The non-graduate employment rate in NI was the lowest of all UK regions (some seventeen percentage

points below the highest rate of 78.7% in the South East).

GRADUATES IN NI, SPRING 2000

There were 123,000 graduates of working age at spring 2000 in NI. Slightly more than half these were male (56% or 69,000). These

graduates comprise all persons who have obtained a degree, irrespective of how long ago they obtained it. Thus the current stock of graduates is an accumulation of those who have qualified throughout past years.



Graduates in Employment in NI

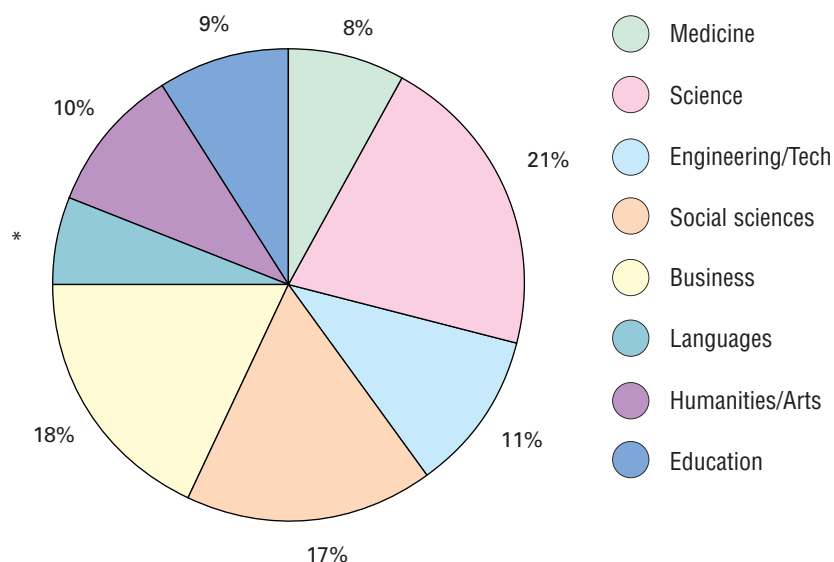
Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 4 shows the spread of ages of all graduates of working age. For both males and females, the age group with the largest number of graduates was age 30-39, which contained 37% of all graduates. The proportion of graduates decreased over the next two older age groups, with 19% of male graduates aged 50-64 and only a small number of female graduates aged 50-59. This points to fewer persons having graduated in earlier decades and who are now "middle aged".

TYPE AND SUBJECT OF DEGREE HELD BY GRADUATES AT SPRING 2000

One quarter (31,000) of all graduates had a higher degree, in addition to their first degree. There was little difference in the proportions for males and females (24% and 25% respectively). These higher degrees comprised of Doctorates, Masters, Postgraduate Certificate in Education and other postgraduate degrees or professional qualifications. The majority of these higher degrees (18,000) were Masters. **Figure 5** shows the main subject area for all those of working age who held degrees at spring 2000. Science degrees, which cover Biological Sciences (including Psychology with mainly science content), Agriculture, Physical/ Environmental Sciences,

Figure 5 Subject areas of degrees of graduates, Spring 2000



*Too small for a reliable estimate.

Mathematics, Computer Science and Architecture accounted for 21% (24,000) of all degrees held. The subject areas with the next largest number of graduates were Business and Finance (18% or 22,000) and Social Sciences (17% or 20,000); Social Science include Economics, Sociology, Social studies, Health studies, Psychology (with mainly social content), Politics, and Law.

EMPLOYMENT RATES OF GRADUATES AND NON-GRADUATES

Table 1 shows how the employment rate varied

Table 1 Employment Rates of graduates and non-graduates, Spring 2000

Graduate Status	All persons	Males	Females
Graduate	88.9%	88.6%	89.2%
Non-graduate	61.7%	68.8%	54.3%

according to graduate/non-graduate status and gender at spring 2000. A much higher percentage of graduates were in employment than non-graduates (88.9% compared with 61.7%), giving a differential of some twenty seven percentage points. Both male and female graduates had similar employment rates. This contrasted to non-graduates where the male employment rate was fourteen and one half percentage points higher than the female rate (68.8% and 54.3% respectively).

Graduates in Employment in NI

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EMPLOYMENT STATUS OF GRADUATES

Since the vast majority of graduates of working age (109,000 or 89%) were in employment at spring 2000, this group can be analysed in more detail. **Figure 6** shows that a higher proportion of graduates were working on a full-time basis than non-graduates (89% compared with 77%). Although for males there was little difference in the proportion of graduates and non-graduates who worked full-time (96% and 94% respectively), there was a significant difference between female graduates and non-graduates; just over half (55%) of female non-graduates worked full-time, while the majority (80%) of female graduates did so.

A slightly smaller proportion of graduates (89%) were in permanent positions than non-graduates (95%). This differential of about six percentage points held for both males and females. Nearly as many female graduates (86%) as male graduates (92%) were in permanent positions. It is interesting to note that although only 55% of female non-graduates were working full-time, 93% of female non-graduates were in permanent positions.

Figure 6 Graduates and non-graduates working full-time, Spring 2000

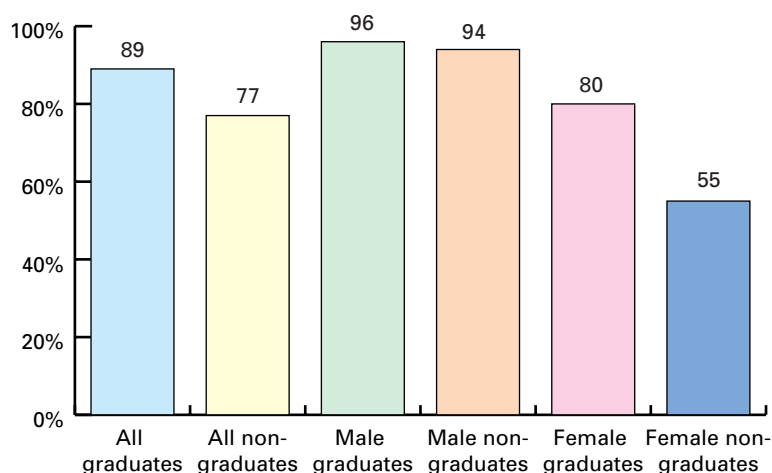
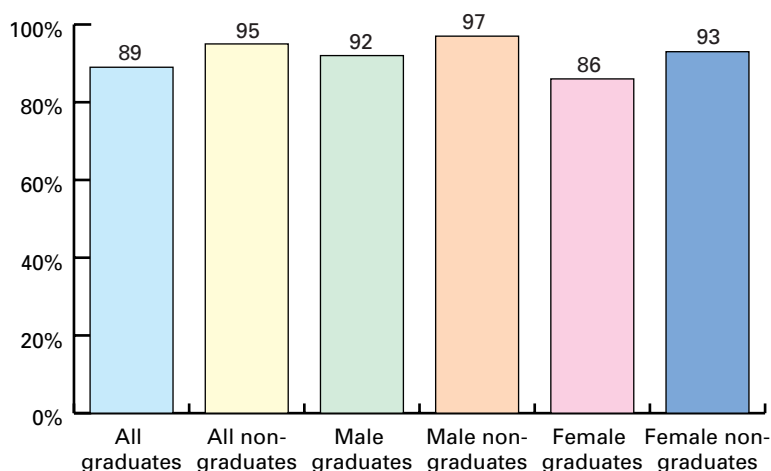


Figure 7 Graduates and non-graduates in permanent employment, Spring 2000



AREAS OF EMPLOYMENT

Smaller proportions of graduates, both male and female work in the private sector, than non-graduates. In fact, about equal numbers of graduates work in the private (56,000 or 51%) and public sectors (53,000 or 48%), while three quarters of non-graduates (75%) work in the private sector. 62% of male graduates work in the private sector

compared with 83% of male non-graduates. For female graduates the position is reversed, with 38% working in the private sector, compared to 65% of female non-graduates.

There was a considerable difference in the major occupational groups that graduates and non-graduates worked in, as shown by **Table 2**.

Graduates in Employment in NI

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Figure 8 Proportions of graduates and non-graduates in Private/Public sectors, Spring 2000

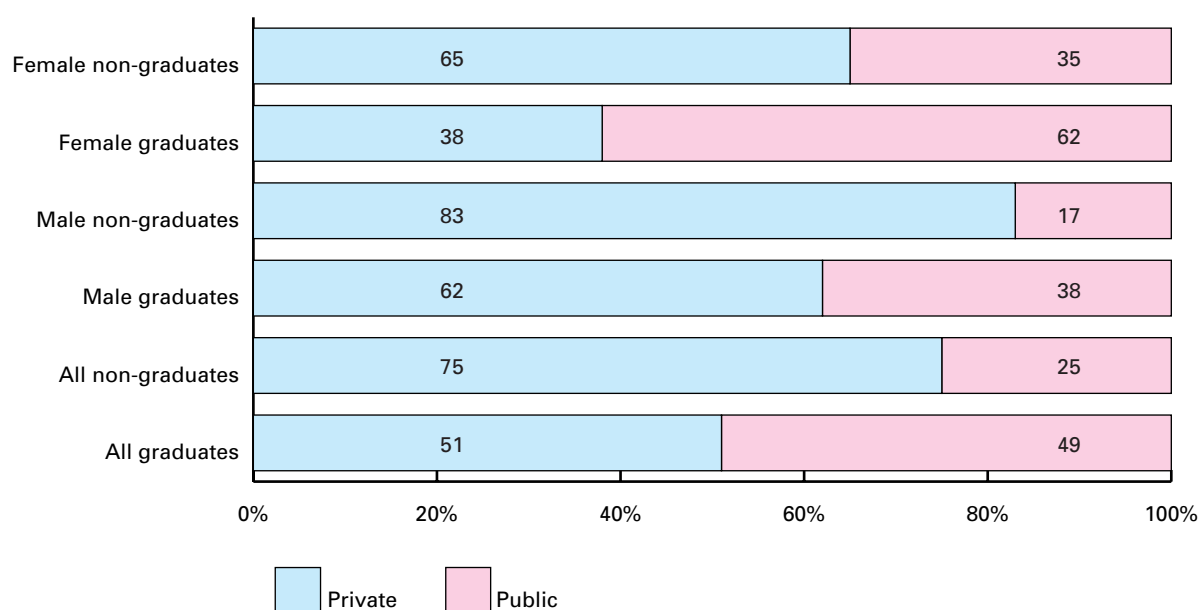


Table 2 Occupational group for graduates and non-graduates, Spring 2000

Occupational group		All persons	Males	Females
Graduate	Managers and administrators	17%	23%	-
	Professional occupations	43%	41%	46%
	Assoc professional & technical	14%	-	20%
	Clerical and secretarial	13%	-	17%
	All other occupations [#]	13%	17%	-
	Total all occupations	109,000 (100%)	61,000 (100%)	48,000 (100%)
Non-graduate	Managers and administrators	14%	18%	8%
	Professional occupations	3%	3%	3%
	Assoc professional & technical	6%	4%	10%
	Clerical and secretarial	17%	9%	27%
	All other occupations [#]	60%	66%	51%
	Total all occupations	551,000 (100%)	313,000 (100%)	238,000 (100%)

[#] All other occupations comprise Craft and related occupations, Personal, protective occupations, Sales occupations and Plant and machine operatives.
 - Too small for a reliable estimate.

Graduates in Employment in NI

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87% of graduates were employed in the top four occupational groups. For non-graduates the distribution was the opposite way round, with 40% employed in the top four occupational groups. In particular, over one half (57%) of all graduates were employed in Professional occupations or Associate professional and technical occupations, compared with 9% of non-graduates.

The split between those working in Service and Non service industries differed for graduates and non-graduates. A higher proportion of graduates (81%) worked in the Service industries, than non-graduates (63%). In fact, 92% of female graduates worked

in this area. One half of all graduates worked in Public administration, education and health.

EARNINGS OF GRADUATES AND NON-GRADUATES

Figure 9 shows that average gross weekly earnings of graduates were substantially (around 87%) higher than non-graduates for both males and females, with graduates earning on average £420 per week, while non-graduates earned on average £224 per week. On average male graduates earned about 45% more than female graduates (£488 per week compared to £338 per week). This was about the same percentage differential between the

earnings of male and female non-graduates. Comparing the two extremes, on average a male graduate earnings (£488 per week) was over two and a half times as much as an average female non-graduate earnings (£181 per week).

Gross weekly earnings are affected by the number of hours worked per week. As a higher proportion of females work part-time, average gross weekly earnings will be lower in comparison with male earnings. To counteract this, hourly earnings have been considered below in **Figure 10**.

The average hourly rate of pay for graduates was 85% higher than that for non-

Table 3 Industry group for graduates and non-graduates, Spring 2000

Industry group		All persons	Males	Females
Graduate	Non service industries	19%	28%	-
	Banking, finance and insurance	14%	16%	-
	Public admin, education and health	50%	37%	68%
	Other services [#]	17%	19%	-
	Total all industries	109,000 (100%)	61,000 (100%)	48,000 (100%)
Non-graduate	Non service industries	36%	53%	15%
	Banking, finance and insurance	6%	5%	9%
	Public admin, education & health	27%	14%	44%
	Other services [#]	30%	28%	32%
	Total all industries	551,000 (100%)	313,000 (100%)	238,000 (100%)

[#] Other services include Distribution, hotels and restaurants, Transport and communication .
- Too small for a reliable estimate.



Graduates in Employment in NI

Statistics Research Branch, Department of Enterprise, Trade and Investment

graduates (£11.50 per hour compared with £6.20 per hour). This differential was higher for males than females, with male graduates being paid nearly twice the hourly rate for male non-graduates (£12.80 compared with £6.60). For females the differential was less, with graduates earning on average £10.00 per hour and non-graduates £5.90 per hour. On average male graduates were paid 28% more than female graduates (£12.80 compared with £10.00). For non-graduates the gender differential was less at 12%.

GRADUATES OF WORKING AGE, ILO UNEMPLOYED 1990 - 2000

The estimated number of graduates of working age who have been ILO unemployed in each year in the period 1990-2000 falls below the level deemed reliable for publication.

Figure 9 Gross weekly pay of graduates and non-graduates, Spring 2000

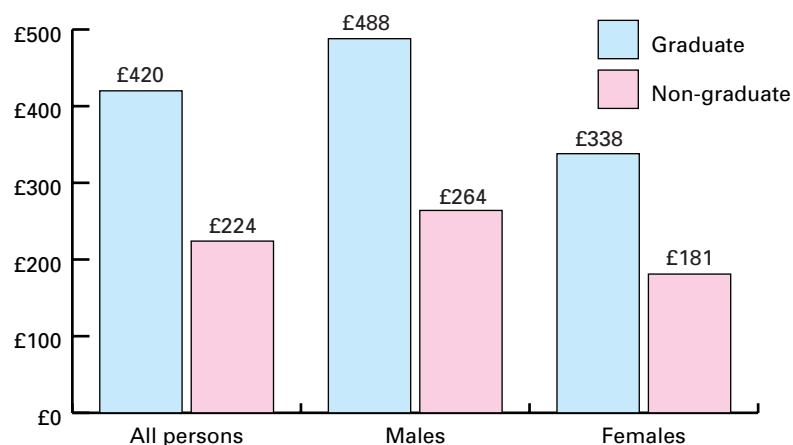
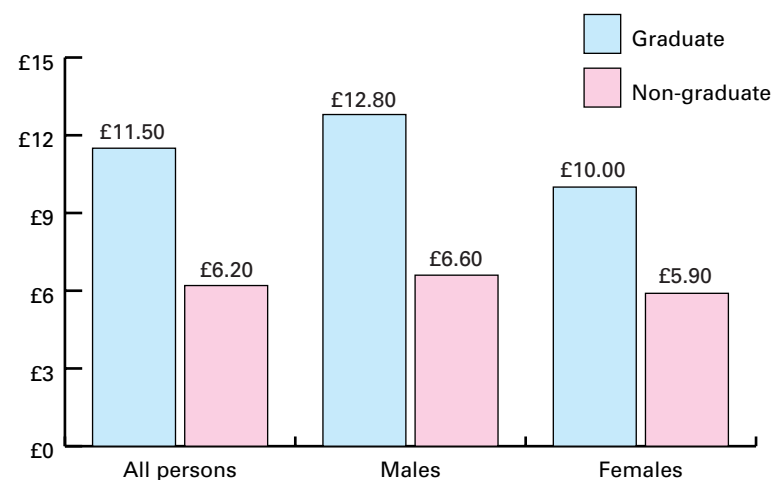


Figure 10 Gross hourly pay of graduates and non-graduates, Spring 2000



Does Taking a Part-time Job affect Student Performance?

Duncan McVicar, Northern Ireland Economic Research Centre

Recent research conducted by NIERC has found that, although working part-time for a few hours per week during full-time study in post-16 education (Years 12 and 13) does not affect examination results, working longer hours (15+ hours per week) can be detrimental.¹ This article summarises the findings of this research and discusses how policy makers might improve educational performance by reducing incentives for post-16 students to work long hours.

Around 80% of 16 year olds in NI stay on in some form of post-compulsory education, either to study for academic examinations (e.g. AS or A-Levels) or vocational qualifications (e.g. GNVQs).² Of these, between 35% and 45% also work in part-time jobs during their studies, according to data from the NI Status 0 Survey.³ Although these figures are consistent with estimates from previous research for NI and with Labour Force Survey estimates, they are considerably lower than corresponding figures for Great Britain (GB), where some recent estimates range from 60-70%. In part this may reflect a slacker labour market in NI than in parts of GB.

- Students with unemployed fathers are less likely to have part-time jobs.
- Students from families where the father's current or most recent job was managerial, professional or related are more likely to have part-time jobs.

Taken together, these results suggest that it is not students from the lower end of the academic ability range and from less advantaged family backgrounds that generally have part-time jobs, but those with better qualifications and from more advantaged family backgrounds.

HOURS WORKED

The distribution of hours worked for those students with part-time jobs is shown in **Figure 1**. Most students work between 0-15 hours per week, although a significant minority works longer hours.

WHICH STUDENTS HAVE PART-TIME JOBS?

Part-time jobs are not spread evenly across the population of post-16 students in NI. Other things being equal...

- Female students are more likely than male students to have part-time jobs.
- Students with good GCSE results from school are more likely to have part-time jobs.

PART-TIME JOBS AND EXAMINATION PERFORMANCE

What of the effect of part-time jobs on examination performance? Theory here is inconclusive. From one perspective, part-time work complements education and smoothes the transition from school to work. Values

1 See McVicar, D. and McKee, B. (2001). 'Part-time Work during Post-compulsory Education and Examination Performance: Help or Hindrance?' Working Paper No. 63, Northern Ireland Economic Research Centre, Belfast. www.qub.ac.uk/nierc

2 Figure for 1997/98. Source: Compendium of Northern Ireland Education Statistics. Department of Education, Bangor, NI.

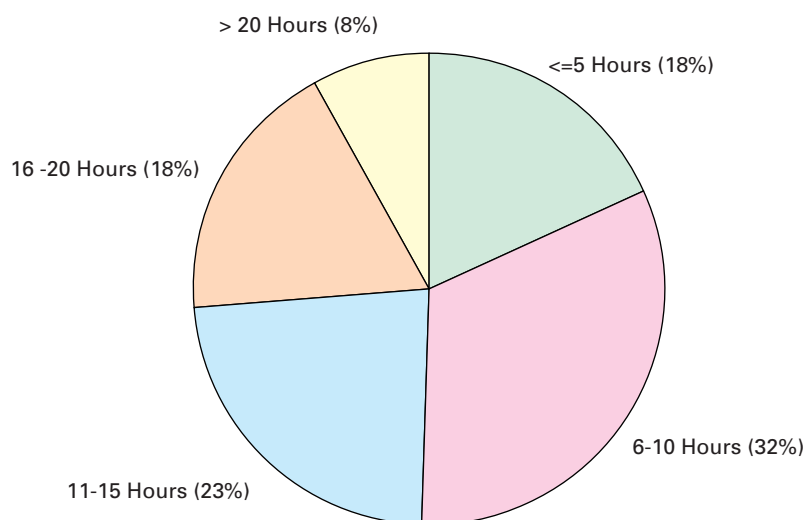
3 The sample used in this paper is all young people from the Status 0 Survey that have a spell in sixth form or other further education and have information entered in the relevant part-time employment questions of the questionnaire (n=428, weighted n=450). Most of the sample in this study is therefore aged 16-18. For information on the Northern Ireland Status 0 Survey see McVicar, D. (ed) (2000). 'Young People and Social

Exclusion in Northern Ireland: Status 0 Four Years On.' Department for Employment and Learning (formerly DHFETE), Belfast. Also available to download on www.qub.ac.uk/nierc.

Does Taking a Part-time Job affect Student Performance?

Duncan McVicar, Northern Ireland Economic Research Centre

Figure 1: Part-time Workers – Hours per Week



Source: Status 0 Survey.

are shared between school and the workplace and similar skills are required and rewarded. Part-time work might give pupils/students more maturity and help with scheduling and organising study time. An alternative perspective argues that, given time is limited, part-time work displaces educational activities and is therefore detrimental to educational performance. For instance, part-time work might lead to less time for homework, skipping classes and tired students. Where theory is inconclusive, empirical evidence takes on more importance.

In order to control for other factors that might affect examination performance

we estimate an econometric model for examination performance called a bivariate semi-ordered probit. In particular, this model allows us to control for the fact that the students that have part-time jobs (often those with better qualifications from school and more advantaged family backgrounds) might be expected to perform better in examinations than those that do not, regardless of any actual effect of part-time jobs. Examination performance is measured by NVQ Level or equivalent attained.

The most important observed factors determining examination performance are qualifications obtained in

school up to age 16, the type of school attended up to age 16 and family background. Having a part-time job per se has no significant effect on examination performance for the young people in our sample. Having a part-time job and working long hours (15+ hours per week), does however, affect examination performance, with these students likely to perform significantly worse in examinations, and gain lower-level qualifications, than those that either do not work part-time or work fewer hours. Around a seventh of all students in sixth forms and further education (FE) colleges in NI may be harming their long-term career prospects by working too many hours in part-time jobs.

POLICY IMPLICATIONS

The research has clear implications for policy in NI. If qualification targets for 2002 and beyond are to be met, policy should discourage young people in full-time post-16 education from working in paid employment for more than 15 hours per week. Some researchers suggest that introducing Educational Maintenance Allowances (EMAs) for students in sixth forms and FE colleges, currently being piloted in parts of England but not yet in NI, might go some way towards ensuring this. If

Does Taking a Part-time Job affect Student Performance?

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these are targeted only at young people from low-income families, however, they may not have much effect on the extent of part-time work since it is generally not these young people that have part-time jobs.⁴

Another policy that might influence levels of part-time work is the (partial) reintroduction of maintenance grants and the abolition of tuition fees for those attending university. Currently, many of those in sixth forms and FE colleges will be going on to university and could be working to save money to help them through higher education. Other measures, such as tightening up timetables to reduce the amount of 'free time' or giving students and parents clear advice on the recommended maximum number of hours to work per week, might also help young people perform better in post-16 education.



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⁴ Of course, the primary role of such targeted EMAs would be to encourage young people from lower-income families to stay on in education in the first place, rather than to discourage part-time jobs during education.

Status 0: Young People and Social Exclusion in NI – Report on a Conference held in December 2000

Duncan McVicar, Northern Ireland Economic Research Centre

Status 0 – young people not involved in employment, education, or training, and thus at risk of social exclusion – has been a subject of major interest to the Department for Employment and Learning for a number of years and previous issues of this Bulletin have contained a number of articles detailing the findings of a major research programme, the result of collaboration between the Department, the Northern Ireland Economic Research Centre (NIERC), and the University of Ulster.

In 2000, a further Status 0 Report¹ – resulting from extended research which followed up 1993 school leavers who had been the subject of the original Status 0 work – was published. Given the interest in the subject area – heightened by the importance of social inclusion/exclusion within the NI Executive's policy priorities – this Report looks back on a major Conference held on Status 0 in Belfast in December 2000, drawing out some of the main themes of the day. The Conference brought together researchers from across the UK and the RoI and from different disciplines with policy makers, professionals, business and the voluntary sector to discuss the evidence on social exclusion of young people, what is being done to reduce social exclusion and what more might be done. It enabled communication and understanding between these different groups, dissemination of research to policy makers and practitioners, and greater awareness of policy makers' and practitioners' positions and concerns on the part of the researchers.

This article offers summaries of the main papers which were given at the Conference, together with a brief outline of the the discussion session

which followed – a chance for the audience to say their piece and to address questions to the researchers and policy makers.

In the unfortunate absence of the Minister, Dr Seán Farren (who was engaged in the visit of President Clinton), Alan Shannon, Permanent Secretary (DEL) gave the opening address, followed by Terry Morahan (Research and Evaluation Branch, DEL) who gave the background to the research and to the Conference, stressing the importance of the topic.

FIRST SESSION: "WHAT IS THE EVIDENCE?"

Duncan McVicar (NIERC), Joan Payne (Policy Studies Institute) and Damian Hannan (Economic and Social Research Institute) presented quantitative survey-based evidence on joblessness – the primary cause and symptom of social exclusion – among young people in NI, England and Wales (E&W) and the Republic of Ireland (RoI) respectively. Joblessness is a reality for many young people across Britain and Ireland, including 5-10% of under-18s, despite strong economic performance in recent years. All three studies emphasised education and qualifications obtained at school as the key influence on the chances

1 McVicar, D (ed) "Young People and Social Exclusion in Northern Ireland: 'Status 0' Four Years On" Available from NIERC or the Department for Employment and Learning

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of young people becoming jobless. The studies also showed how disadvantages in education often go hand in hand with disadvantaged social backgrounds – another key influence on chances of joblessness – and that those young people facing such multiple disadvantages were the most likely to become jobless.

In addition to these common themes, each presentation emphasised a number of particular points. Joan Payne stressed the link between joblessness post-school and truancy during school and the importance of improving retention in government supported training. Damian Hannan discussed the nature of Rol policy interventions and warned of the dangers of too much diversification in curricula and examinations for vocational education and training, and, given recent structural change in the economy, of introducing too many vocational programmes with no occupational outlets. Duncan McVicar showed levels of joblessness in NI, particularly long-term joblessness, to be increasing with age over the 16-20 year old age range. Most of those who fell into Status 0 at 16 and 17 did not escape prolonged periods of joblessness at 18+. However many of those who became jobless at ages 18 or 19

started off in school, further education, training or employment at age 16 and later fell into Status 0. He stressed the need for policy to take a holistic approach to tackling joblessness among young people, and argued that New TSN, if strengthened, could provide a suitable template for such an approach.

Richard Loudon (University of Ulster) and Howard Williamson (University of Cardiff) discussed young people's experience of social exclusion, based on extensive in-depth interviews with excluded young people in NI and Wales and also, in Howard Williamson's case, on personal experience of extensive work as a youth worker. Both speakers discussed how *some* young people seemed intent on remaining 'disengaged' and often displayed considerable skills in working benefit systems and the informal economy (including crime) to their advantage. Howard Williamson stressed the importance of being able to respond quickly and effectively, however, if and when such a young person wants help to 're-engage'. Both speakers stressed how at times like this a single supportive and respectful relationship with one key worker can make all the difference. In some cases, such a relationship is all a young person has to

support these efforts "hanging by a thread".

Another common theme from both Richard Loudon and Howard Williamson was the need for co-ordination of policy and between agencies on the ground if interventions are to be effective. Such co-ordination is still insufficiently developed. As in the statistical research, both argued the link between social exclusion and poor school experiences was very strong. Richard Loudon discussed disadvantaged young people's mixed attitudes towards New Deal – many were positive about the scheme despite expecting to be back 'on the dole' when their placement ended, and despite a preference for 'proper jobs' not schemes. Some, particularly the most disadvantaged, were unable to make the commitment required by the scheme and as a result lost benefits and were driven further into exclusion.

Status 0: Young People and Social Exclusion in NI – Report on a Conference held in December 2000

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SECOND SESSION: WHAT IS BEING DONE AND WHAT IS BEING PLANNED?

Presentations were given by both the Department of Education (DE - John Birch) and the Department for Employment and Learning (Tom Scott). Areas discussed included “education other than at school” (EOTAS)², the Careers Service, Jobskills, further education, the Basic Skills Unit, Lifelong Learning and New Deal.

John Birch outlined the nature of education and training provision for those young people aged 14-16 not in school in NI. Positive outcomes include improved motivation, achievement of qualifications, improved basic skills and improved chances of employment or re-engagement with mainstream education. Problems include lack of funding, lack of opportunity for staff development, lack of effective multi-agency work in this area and the lack of a core curriculum for EOTAS. Some young people are also not covered by school or EOTAS projects. DE is examining ways of providing a core curriculum for EOTAS while increasing flexibility at Key Stage 4 overall, and ways of strengthening its New TSN Action Plan.

Tom Scott outlined recent developments within DEL.

He pointed out that the Department was committed to using research evidence positively to inform practice. For example, evidence from the Adult Literacy Survey had demonstrated problems in basic skills for adults, and the Department’s response has been to develop a strategy on Lifelong Learning, including the introduction of Individual Learning Accounts. The Department has also sponsored the setting up of a Basic Skills Unit to provide amongst other things, advice on a new basic skills curriculum. The Status 0 research demonstrates the need to engage school students early, and to this end the Department jointly with the Department of Education commissioned a review of careers education under a Review Group chaired by Professor Sean Fulton of QUB. This group is placing particular emphasis on the theme of social exclusion in careers work. The Department is also placing emphasis on how to attract young people at risk of dropping out: for this reason it was sponsoring initiatives such as the BYTES project within Jobskills provision: this project has, for example, a “drop-in” facility and uses IT provision creatively in an attempt to encourage the personal development of young people.

Views from business and

from the voluntary sector were presented by Mike Mills (Business in the Community) and Seamus McAleavy (NI Council for Voluntary Action). Both speakers again emphasised the need for a co-ordinated partnership approach to tackling social exclusion of young people, involving government departments, agencies, police, the youth service, the voluntary sector and business. Mike Mills discussed the benefits to business of tackling social exclusion of young people including the availability of better potential employees and economic stability, and the contribution business can make in terms of mentoring, careers advice, employability initiatives and providing role models. Seamus McAleavy discussed the relationship between social exclusion and multiple disadvantages, as had many of the speakers from the morning session. He also discussed the effects of not performing well in the Transfer Procedure at age 11 and how for some young people this contributed to feelings of failure and disengagement from education from an early age.

² EOTAS Report available from Department of Education, Rathgael House

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THIRD SESSION: QUESTION AND ANSWER

Panel: John Birch, Damian Hannan, Richard Loudon, Joan Payne, Tom Scott, Howard Williamson.

Chair: Michael Anyadike-Danes (NIERC)

Despite being at the end of the day most of the audience remained for the question and answer session. There was time for five questions. Two questions raised issues (social skills deficit and disability) that had not been discussed by the researchers in the morning session. One question asked for examples of good practice in interventions to help prevent social exclusion. A fourth asked whether guidance would be forthcoming from ministers on how to tackle social exclusion and how this could be done without being discriminatory. A final questioner welcomed the introduction of cross-professional teams to help young people but asked why such teams are not set up to intervene at an earlier age.

CONCLUDING REMARKS

Any attempt to distil the proceedings of a whole (and very full) day into a few pages of text is going to necessitate skipping over a great deal of detail. Nevertheless, this Summary

hopefully goes some way towards describing the encouraging level of consensus on many of the issues surrounding social exclusion of young people, the need to tackle social exclusion of young people, and even some of the ways in which this might be achieved.

Two common themes stood out in particular. They were:

- An agreement of the critical role of school, social background and social skills in the social exclusion of young people.
- An agreement of the need for early intervention, effective intervention and co-ordinated intervention.

Summing up the day, Peter Tyler (University of Cambridge) argued that the depth of applied research on social exclusion of young people offered government a considerable resource for evidence-based policy making. A critical question still to be addressed, however, is whether the benefits of strong economic performance 'trickle down' to young people on the margin. In particular, to what extent has the lot of NI's marginalised young people improved along with the strong economic performance over the 1990s? In summing up the

morning session Michael Anyadike-Danes called for the NI Government Departments to support research on the most recent cohort of NI school leavers to examine this question.

New Deal Basic Skills Curriculum Project Summary Report

Basic Skills Tutors & edited by Stephanie Kirk of the Basic Skills Unit

PROJECT SPECIFICATION

Background and Rationale

It is important that continuous efforts are made to improve the level of basic skills in NI. The New Deal sector has an important role to play in addressing the basic skills needs of the unemployed.

- The findings of the International Adult Literacy Survey confirms that poor basic skills is a significant problem for the economy of NI and is seen as a barrier towards economic progress and social inclusion. The report showed that 36% of unemployed people were identified as being in the bottom quartile for functional literacy. This figure will impact on the New Deal Programme as a lack of basic skills is a significant barrier to employment.
- Feedback from the New Deal Consortia meeting in November 1999 suggested that a low level of basic skills was a major issue for New Deal clients in NI in meeting effectively their training needs.

Improved basic skills are the crucial access point for many of the population, therefore it is vital that this

project looks at what is required to provide the relevant support for the New Deal sector.

BASIC SKILLS WORKING GROUP

In December 1999 the Training and Employment Agency set up a Basic Skills Working Group to review basic skills within New Deal. The Group comprised Agency staff and representatives from the Basic Skills Unit (BSU), Education and Training Inspectorate (ETI), New Deal Providers and the New Deal Task Force. Through this Working Group the New Deal Basic Skills Curriculum Project was set up. The aims and objectives of the Project were as follows:

PROJECT AIMS AND OBJECTIVES

Aims

- To inform the development of the curriculum framework within NI with regard to motivation of the learner, learner progression, staff development needs and resource implications.
- To support tutors in their delivery of basic skills within New Deal.

Objectives

- To identify key issues in New Deal in delivering basic skills.
- To identify good practice in providing basic skills to New Deal clients.

Outcomes

- To present a report detailing issues and good practice around basic skills delivery within New Deal.
- To participate in the dissemination of the findings of the report.

The New Deal Basic Skills Curriculum Project team comprised representatives from the Education and Training Inspectorate (ETI), Basic Skills Unit (BSU), New Deal Branch and basic skills tutors from the following organisations.

Graham Training,
Lisburn/Banbridge
Springvale Training, Belfast
Hugh J O'Boyle Training Ltd,
Downpatrick
Worknet Training
Loughview Training,
Glengormley
East Down Institute of
Further and Higher
Education, Downpatrick



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STAGES OF THE PROJECT

The Curriculum Project team met over a 5-month period focusing on the following areas of basic skills delivery within New Deal:

Motivation
New Deal Structures
Teaching and Learning
Tutor Training
Resources
Assessment
Accreditation

The end result was the "New Deal Basic Skills Curriculum Report" which outlines the views of the tutors involved in the Curriculum Project with regard to delivering basic skills within New Deal. Any statements within this report therefore do not necessarily reflect the views of the Basic Skills Unit or New Deal Branch in general. Some of the conclusions/recommendations suggested by the tutors are detailed below.

CONCLUSIONS/RECOMMENDATIONS

- Sustaining motivation is an integral part of the planning, delivering and evaluation of any New Deal basic skills programme. Offering financial incentives may be one way of motivating clients to progress in basic skills.
 - It is essential that resources are relevant to each individual as effective use of resources can motivate New Deal clients, re-inverse learning and help build self-esteem.
 - Issues around client confidentiality within New Deal need to be resolved particularly when the teaching and learning process is affected by such issues.
 - Tutors must be allowed sufficient non-contact time to prepare for basic skills sessions, select materials, monitor progress and reflect on the learning process and teaching practice.
 - The profile of basic skills needs to be raised. Promoting awareness of basic skills issues among employers is important so that they can encourage their staff to undertake basic skills training. **All** staff within
- New Deal providers should have an awareness of basic skills issues.
- Both written and verbal communication is crucial. Information must be shared and good relationships developed between New Deal Personal Advisors, Training Organisations and the Department.
 - There is a requirement for a standardised assessment tool which will meet the needs of the learners, providers and the Department.
 - There is pressure on both New Deal clients and tutors to have accreditation completed within certain timescales. This often detracts from a client's reasons and motivations for undertaking basic skills training. Accreditation is only part of the process and should not be the sole focus of basic skills training.

New Deal Basic Skills Curriculum Project Summary Report

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THE WAY FORWARD

The Basic Skills Working Group is currently looking at issues already highlighted by the Curriculum Project team such as a standard assessment tool. Already a "Toolkit" has been developed to raise New Deal Personal Advisers' (NDPAs) awareness of basic skills issues and assist in the identification of clients with basic skills needs. An interim evaluation of the "Toolkit" has shown that awareness of basic skills issues has been raised with over 90% of NDPAs now feeling more confident in identifying and discussing basic skills needs with clients.

The Group is also considering wider circulation of the full New Deal Basic Skills Curriculum Project report and the recommendations contained in it.

Copies of the full report are available from;

Joanne Rooney
New Deal Branch
Room 102
Adelaide House
39/49 Adelaide Street
Belfast
BT2 8FD



JobClubs - A Review

By Deloitte & Touche

JobClubs were introduced in 1989 as a means of providing those who were unemployed for more than 6 months, with the skills necessary to conduct their own intensive job search campaign. They aim to bring unemployed people together under the guidance of a skilled and positive-thinking leader, to overcome problems in identifying and applying for jobs. The leader's role is to build confidence, show how jobs can be found and provide the resources needed to conduct an intensive search for work. JobClubs target those who have been unemployed continuously for at least 6 months.

JOBCLUBS PROVIDE:

- Training, including CV preparation, help with speculative job applications, preparing application forms, and advice on coping with interviews.
- A Resource Centre, equipped with a photocopier, telephones, stationery, a word processor; and
- Support, to the individual through group support and directly from the JobClub leader.

At the time of the Review all but one of the ten existing JobClubs were operated by external agencies. Of the external JobClubs, two were in North Belfast, two in East Belfast and five in West Belfast. Internal JobClubs are run by the Department.

Deloitte & Touche were commissioned to review the appropriateness, effectiveness and efficiency of the Department for Employment and Learning (DEL) support of JobClubs. The purpose of this review was not to evaluate the operation of individual JobClubs, but to comment on their overall performance against current Government policy, recent economic changes and likely changes to Government policy.

THE JOBCLUB SERVICE AND GOVERNMENT POLICY

At the time of the Review, the service provided by JobClubs was not being undertaken by any other statutory or non-statutory provider in NI. It is complementary to the existing training and employment programmes. Whilst JobClubs do not overlap with the New Deal programmes, New Deal does include substantial one-to-one intervention during its Gateway period. This includes job-search instruction. Rather than focus on all long-term unemployed people, an appropriate client focus for JobClubs could in principal, be those unemployed clients who are not catered for under existing statutory provision, in particular New Deal. In practice JobClubs focus on those JSA claimants under 25 who have been unemployed up to 6 months or JSA claimants over 24 who have been unemployed for up to 18 months.

Medium term policy developments (revised JSA process, 'ONE' and the Modernising Government Agenda) may include provision for job search skills for individuals. However, they will not equip individuals with the necessary skills. The rationale for JobClubs will therefore still be valid under

JobClubs - A Review

By Deloitte & Touche

the revised JSA process, ONE and the Modernising Government Agenda. The challenge (and opportunity) for JobClubs is how they tie into the proposed changes.

This review identified that the JobClub concept is broadly consistent with both current and likely welfare to work policy. A key differentiating factor of JobClubs is that they provide a service to a client group which is not served within the existing DEL provision. On this basis, we recommended that DEL should continue its funding of JobClubs.

RECOMMENDATIONS

In order to enhance the service delivered by JobClubs, the following recommendations were made:

- **JobClub Objectives** - Key to the successful and focused operation of JobClubs is an understanding of :
 - Who are the target clients? – we identified that early intervention for those most in need is appropriate. Given that New Deal clients are already extensively catered for, it would be appropriate to relax the restrictions on those entitled to attend JobClubs, which are

currently linked to the length of time a member has been unemployed. This should not directly affect the operation of JobClubs as, in practice, anyone who wants to attend does so. It will, however, allow the JobClubs to market their services to those who have been unemployed for less than 3 months and therefore could indirectly affect the numbers attending;

- What are the JobClubs trying to achieve with clients? – it was identified that the objectives set for the JobClubs (“best possible job in the shortest possible time”) were not always practical and were sometimes at odds with the current performance measures. We recommended that a common objective be developed by the JobClub leaders and DEL.
- How is effectiveness to be measured? – it was recommended that having developed common objectives, appropriate performance measures should be devised. These should encompass the

objectives of the process, reflect operational activities, and provide meaningful statistics. There should be provision for an annual review of service provision at each JobClub by DEL.

- **Programme Structure** - the JobClubs were found to be using a variety of delivery models. We therefore recommended that DEL develop some operational guidelines to assist JobClub leaders to deliver their programme. These guidelines should also identify the number of clients that should be catered for at any one time. Having developed a standardised structure, it will then be possible to assess the likely resource requirements and on this basis review the current funding provision.
- **Location** - it was found that the current distribution of JobClubs reflected historical growth rather than need or any central planning. Given the value that JobClubs represent, it was recommended that they should be provided across NI on the basis of need. In order to assess this need, we recommended that DEL developed a framework setting out a basis for the number and location of

JobClubs - A Review

By Deloitte & Touche

JobClubs. This would then be regularly reassessed to take account of changing micro-economic conditions, in the catchment areas.

- **Client Assessment** - we recommended that DEL work with JobClub leaders to design an initial assessment pro forma for clients. This would set basic literacy/numeracy requirements to enter the JobClub and form the basis for tailoring the training/coaching to suit the individual. Potential clients who did not meet these standards would be referred to more appropriate training and development.
- **Training and Support for JobClub Leaders** - There are currently no minimum standards or qualifications for JobClub leaders. We recommended that these standards are set, and current JobClub leaders are trained where necessary and that a network for JobClub leaders is set up for mutual peer support.
- **Vacancy Information exchange with DEL** - Many of the JobClubs provide an informal vacancy information service. The current

system of faxed information from local JobCentres is inadequate and therefore we recommended that DEL explore ways of improving information dissemination on an electronic basis, for example, by enabling browser access to the DEL central vacancy system.

- **Branding** – A significant number of clients said that they felt JobClubs had an “image problem” associated with the name. We recommended that it could be appropriate to consider re-branding the JobClub name. This could coincide with a re-launch of the programme and a marketing drive.

It was recognised that JobClubs were doing valuable work. With the implementation of these recommendations, their effectiveness could be further enhanced, and they could have a significant impact on developing the job-search skills of groups of unemployed people across NI.

We are aware that these recommendations, where DEL believes them to be implementable, are being acted upon by the Department.

For more information please contact Philip Heaton on 028 9032 2861

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* Since this review was undertaken and reported on, the Department has relaunched JobClubs, drawing where appropriate, upon the consultants' recommendations

The Premiere Evaluation

Seamus McGuinness (NIERC) & Peter Boyd (KPMG)

Introduction

A KPMG/NIERC team recently conducted an evaluation of the Premiere graduate training programme. The study involved a comprehensive survey of 149 graduates who received training [from a DEL - approved training provider] between June 1997 - February 1998 and a control group of 50 applicants to the programme in 1997 who, whilst meeting the admissions criteria, were unsuccessful in gaining a place owing to excessive course demand. The central aim of the evaluation was to assess the extent to which participation in Premiere improved the employment prospects of successful trainees, relative to those of the control group.

BACKGROUND AND CONTEXT TO THE STUDY

The UK's graduate labour market has been changing rapidly with Higher Education provision expanding substantially over the course of the last two decades - between 1990 and 1995 alone there was a 50% increase in the numbers obtaining primary degrees. The policy of expansion is rarely challenged, and to a large extent, this is due to a general acceptance of Reich's thesis 'Training Policy for Competitiveness - Future Skill Demand and Supply (1995)' across a range of institutions. Consequently, the 'post-Reichian consensus', that international competitiveness can most effectively be enhanced through improvements in the skill levels of a workforce, has emerged as a central tenet of UK policy. At present, it is the Government's objective to ensure that half of all young people will have benefited from some form of higher education by the age of 30.

Nevertheless, there is evidence to suggest that graduate demand has not been increasing at a rate adequate to absorb either recent or future increases in supply and that the incidence of graduate under-employment, i.e. graduates in non-graduate jobs, is

becoming increasingly common. Recent UK studies estimate the level of graduate under-employment to lie between 11% and 40%. It also appears that the problem of graduate under-employment (or under-utilisation) is not evenly spread across the graduate population, being more heavily concentrated amongst qualifiers from Arts, Business and Management, Social Science and Physical Science backgrounds. Conversely, students from Law, Education, Computing and Engineering backgrounds appear to experience substantially less difficulty in finding graduate level jobs. Given this context, the KPMG/NIERC evaluation sought to establish the effectiveness of Premiere as a vehicle for reducing the incidence of graduate under-employment in NI.

THE IMPACT OF TRAINING ON LABOUR MARKET OUTCOMES

In determining the labour market outcomes resulting from training the analysis was restricted to the 120 students who successfully completed Premiere and were in full-time employment at the time of the survey. Over 90 per cent of the cohort found jobs within six months of leaving the programme. Approximately three-quarters of the sample have

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The Premiere Evaluation

Seamus McGuinness (NIERC) & Peter Boyd (KPMG)

remained in the first position taken up following training whilst a quarter moved onto a second job. In terms of the sectoral composition of employment, approximately 30 per cent work within the Finance / ICT industries with a further 20 per cent taking up posts in Manufacturing industries. The remaining 50 per cent are relatively evenly spread throughout the economy.

UNDER-UTILISATION ASSESSED USING THE STANDARD OCCUPATIONAL CLASSIFICATION FRAMEWORK

Respondents were asked to give a title for jobs taken following training and responses were categorised in line with the SOC 90 classification system. The SOC 90 system contains 9 broad occupational aggregates, with what are considered to be traditional graduate occupations concentrated within SOC groups one through to three. In determining the proportion of Premiere leavers currently employed in graduate occupations, both their initial and current employment statuses are considered.

Exactly 76 per cent of those providing first job titles were classified within the traditional graduate SOC groupings (1 to 3). The remaining 24 per cent of the cohort were employed in

what would normally be considered non-graduate positions (SOC groups 4 to 9). Almost 15 per cent of the cohort were employed within Clerical / Secretarial posts whilst a further tenth had taken up non-professional positions within the retail sector. Considering that just over a quarter of NI domiciled students entering the local labour market in 1998 were employed in non-graduate positions six months following graduation, Premiere's SOC outcomes appear quite usual. However, such a comparison is not valid because, relative to the total student population, Premiere had a much higher concentration of students from academic disciplines with poorer employment prospects and as such one might have expected its non-professional share to be much higher than average.

To get a clearer picture, the comparison was restricted to the proportions entering non-graduate occupations

from various academic disciplines. However, it should be noted that some of the smaller educational aggregates have been omitted due to sampling difficulties (**Table 1**). It was found that the proportion of Premiere participants from non-business backgrounds entering non-professional SOC groups were significantly lower than their counterparts entering the labour market directly from university. Notably though, the experience of participating students holding business degrees, was little different to that of university entrants. Thus, according to this simple measure at least, the training initiative appears to improve the employability of participating students compared to that of their counterparts who seek employment immediately following university. However, given that Premiere appears to have no effect on persons already holding a university business degree, it is probably reasonable to

Table 1: Entrants to Non-Graduate Occupations by Educational Background (%)

FACULTY	PREMIERE	N	97/98 NI UNIVERSITY ENTRANTS	N
Sci & Related	21	14	46	417
Social Sciences	16	31	48	354
Business & Admin	40	25	41	437
Arts	24	24	48	630
Other	17	18	9	2,181
Total	24	112	25	4,019

The Premiere Evaluation

Seamus McGuinness (NIERC) & Peter Boyd (KPMG)

conclude that the benefits associated with programme participation differs significantly by academic background.

ECONOMETRIC ANALYSIS

The lower numbers in non-graduate positions (measured by either SOC or self-assessment) than might have been anticipated, implies that participation on the programme does have some positive impact on employment outcomes. However, success is not assured for all leavers and significant differences appear to exist in the benefits associated with programme participation. To gain a clearer insight into the differing labour market experiences of Premiere leavers, an econometric model was estimated which sought to determine factors important in explaining the incidence of under-employment. In order to generate an explicit measure of under-employment, respondents were asked to estimate the entry requirements of jobs taken since entering the labour market. The model was estimated separately for **first** and **current** employment. Finally, the data set contained information on both Premiere qualifiers and the control group, thus enabling us to assess the extent to which Premiere participation reduces the

incidence of under-employment relative to those not entering the programme.

The results from the first job equation demonstrated that the likelihood of under-employment would be lower, the higher the ability level of the graduate. Under-employment will also be reduced if the participant entered the labour market through the efforts of his/her training provider. The model also indicates that the possession of a conventional postgraduate qualification has a significant impact in reducing graduate under-employment. However, the most striking aspect of the regression analysis was the non-significance of the term controlling for Premiere participation, indicating that this type of post-graduate training in itself does not have a direct impact on the quality of employment and that only those students obtaining jobs directly from the programme are significantly better off. The findings imply that students participating in Premiere but failing to enter the labour market through it (i.e. through programme placement or Premiere's recruitment agency) are more likely to be under-employed relative to those who obtain a conventional post-graduate qualification. The equation, modelling under-utilisation in current

employment, was almost identical to that for the first job, with the exception of the ability coefficient which is no longer significant indicating that in the longer-term the advantage attached to innate ability diminishes with respect to job quality.

SUMMARY AND CONCLUSIONS

The proportion of Premiere leavers entering the non-professional SOC groups is lower than that of their counterparts entering the labour market directly from university. However, it is clear from our analysis that participation in Premiere does not, of itself, guarantee an improved labour market outcome. There is a positive impact only if participants obtain jobs through their placement or, through the training provider's recruitment agency. This implies that those who found employment through the programme gained a detectable advantage from being on it. Moreover those who did not find a job through the programme (either placement or recruitment) recorded worse labour market outcomes than their counterparts who went into the labour market from a conventional university postgraduate programme. Apparently, Premiere's success lies in its ability to place students in graduate level posts.

The Premiere Evaluation

Seamus McGuinness (NIERC) & Peter Boyd (KPMG)

These conclusions raise issues around the value of the programme's training element. However, the relative success of Arts and Social Science (A&SS) graduates participating on the programme, compared to those from a Business Studies background, suggests there is some indirect benefit from the training element. The differential success rate of A&SS graduates might be explained by a combination of two factors. Firstly, the A&SS students now have an additional set of skills, and whilst possession of these skills in themselves may not be important, they do tend to improve the candidates' appeal to employers. And second, employers may not be able to perceive the difference between a Business Studies graduate direct from university and a Business Studies graduate who has completed a business studies conversion course thus implying that there is no indirect benefit derived by these students.

There is evidence to suggest that there are some advantages to be gained by students from diversifying their skill base on leaving university implying that there is scope for real returns to additional training. However, instead of more Business and Management training, it might be preferable to provide participants with

additional skills in other disciplines where surpluses are less of a problem, as this should tend to raise the probability that the training element will have a direct impact on improving labour market outcomes.

The evaluation is currently helping to inform the Department's review of its management development policy, in particular its interventions relating to improving graduates' employability.

Readers who may require elaboration or further details, should contact NIERC directly.

Evaluation of DEL Funded Management Development Programmes

By Deloitte & Touche

Management Development Programmes (MDPs) aim to stimulate economic development by changing the behaviour of individual managers through active participation in 'on-the-job' development activity or a 'skills development' programme. Since 1991, the Department for Employment and Learning (DEL) has supported management development programmes (MDPs), by providing advice on programme design and funding for programme development and by subsidising the cost of participants fees. Between 1997 and 2000, 457 funded places were provided on six different MDPs provided by the Management Institute at the University of Ulster and the Institute of Managers in Ireland (IMI). The cost to DEL of supporting these MDPs in 2000/01 was approximately £440,000.

DEL commissioned Deloitte & Touche in December 2000 to assist with future planning by conducting an evaluation that determined:

- If the currently funded provision met the needs of industry; and
- If DEL should continue to fund the MDPs in the future.

The evaluation drew on a range of data sources, including:

- monitoring statistics collected by the MDP programme managers;
- discussions with the Management Institute at the University of Ulster/Irish Management Institute Programme, managers (These institutions run the programme for DEL);
- a survey of MDP graduates (146 replies received);
- consultations with key contacts, including DEL and LEDU staff; and
- 3 focus groups with 23 MDP graduates;
- a review of existing relevant research and literature;

- interviews with 30 employers - some of whom had managers completing the MDPs;

The conclusions of the evaluation are summarised below.

ARE THE ORIGINAL OBJECTIVES FOR SUPPORT OF THE MDP'S STILL VALID?

The original objectives for intervention were as follows:

- **Public benefit** – the number of people in managerial occupations has grown rapidly in NI and small firms comprise a large share of NI employment. However, there is often a low level of managerial competence in small firms and they may have difficulties in accessing managerial training;
- **Market Failure** – Gaps exist in managerial training provision and where such gaps are hindering business development there is a clear rationale for intervention;
- **Co-ordination** – DEL has an important role in assisting the systematic development of this human resource;

Evaluation of DEL Funded Management Development Programmes

By Deloitte & Touche

- **Risk Management** – technology changes present potential benefits and challenges to NI businesses. Intervention may offset the risk that local businesses fail to capitalise on potential benefits.

The evaluation identified that there were elements of the original objectives and rationale for Government intervention that:

- Remain valid – there is recognition in the Programme for Government that intervention to increase the supply of Management Development is for the **public benefit**;
- are unclear – the evaluation found conflicting data in relation to **market failure**. Some companies reported cost of training to be a major barrier, (in some cases prohibitive) to undertaking management development activities, suggesting that without government support, participation would fall. However, financial support for MDPs per student place has actually decreased and experience with other programmes from which DEL has withdrawn funding does not suggest any significant reduction in participation;

- are valid, but have not been achieved – clearly in terms of realising the public benefit, there needs to be **co-ordination** in marketing. However, the current roles of those involved in DEL funded MDPs and the structures for delivery are less than optimal;
- are not currently valid, but may become so – whilst one rationale for intervention was **risk management** in particular in relation to the impact of technology, the full impact of technological changes on management have not been realised to date.

IS THERE A CASE FOR GOVERNMENT INTERVENTION?

Given that the elements of the objectives and original rationale for intervention remain valid and also, the broader objectives of the Programme for Government, there does appear to be a valid case for intervention. However, to date the priority has been on the development of managerial skills generally across the manufacturing and tradeable services sector with only a weak link to the immediate skill needs of companies or individual sectors. Operationally this has meant that target clients have come from across the NI economy. The validity for

intervention would be more apparent if the DEL funding was used more strategically.

IF THERE WERE NO FUNDING OF THE MDPs, WOULD THE PROVIDERS CONTINUE WITH THEM?

An issue for this evaluation to consider was whether the providers i.e. the Management Institute and the IMI would continue with the programmes in the absence of government funding and, more importantly, to what extent would the needs of the wider economy be met. The consultation process identified that both providers have developed considerable course momentum (through the staff, coursework, marketing literature and supporting materials) and, if no funding were available, they may try to continue delivering the MDPs. But both would be likely to increase fees without government support. This would lead to a change in the customer base to:

- Organisations most able to pay (larger organisations); and
- organisations that have already undertaken MDPs previously and recognise the benefits.

Evaluation of DEL Funded Management Development Programmes

By Deloitte & Touche

From a public benefit viewpoint, those organisations that most need management development, which includes a wide range of SMEs, would be likely to remain unserved.

DO THESE PROGRAMMES MEET THE MANAGEMENT DEVELOPMENT NEEDS OF INDUSTRY?

Needs were considered at two levels, namely participants (the individuals and companies they work for) and the manufacturing and tradeable services sector.

The graduate postal survey, focus groups, and employer interviews revealed high levels of **participant** satisfaction. Graduates and employers felt that the programmes added value both to the individual and to the company by developing core management skills, building confidence and developing networks with other participants. While cost was a significant barrier for some participants, the continued re-use of the MDPs by employers indicates that they perceived the courses delivering value for money. It was therefore concluded that in terms of course participants, the current provision is more than satisfactory.

The evaluation identified that the current provision

did not meet the needs of **employers** in the target sector (manufacturing and tradeable services) in a focused manner in terms of:

- Sectoral definition – “manufacturing and tradeable services companies” has been loosely interpreted;
- programme provision – the MDPs provided seem to reflect the ideas of the providers rather than an over-riding strategic objective. Consequently there is no proactive process for incorporating future management development needs;
- equity - recruitment has reflected company awareness of MDPs rather than any other strategic priority; and
- level of provision - the evaluation did not identify an underlying rationale for the number of funded MDP places offered.

The strategic focus of current delivery of DEL funding has been weak - the priority has been on the development of managerial skills generally with only a weak link to the immediate skill needs of companies or the manufacturing and tradeable services sector.

HAS THE MARKET FOR THESE PROGRAMMES CHANGED?

There has been a significant expansion in the number of people employed in managerial and administrative occupations - between 1991-1997 the number employed in this sector increased by 33,000. There have also been significant drivers for organisational change, including:

- The impact of ICT on organisations, the way they conduct their business and the way management harnesses the knowledge of the staff;
- political and legislative changes;
- the impact of increasing globalisation of both the largest organisations and the markets in which SMEs operate;
- greater employee empowerment; and
- social changes, such as work-life balances, the demand for part-time employment and female participation in the labour market.

These have and are continuing to place greater strain on management.

Evaluation of DEL Funded Management Development Programmes

By Deloitte & Touche

In this context it is worth noting that:

- The total numbers of people undertaking DEL funded MDPs as part of this funding has increased by 50% in the last 4 years (without significant budgetary increases);
- two new MDPs have been provided in 2000 for the first time (Genus and Impact) as part of the overall funded provision; and
- existing MDPs are not static and have developed new course content.

IS THERE EVIDENCE OF SIMILAR PROVISION ELSEWHERE?

From a “buyer’s” (i.e. employer’s) perspective it is interesting to note that given the existing MDP provision (both Government funded and that provided on a purely commercial basis), a DEL sponsored survey identified that only 40% of companies felt well catered for in terms of MDP provision. Of those that felt badly catered for, 44% said that there were no or too few specialist providers in NI, 40% felt that there was a lack of provision of information and 31% said that there was insufficient financial support.

AS DEL PROVIDES FUNDING FOR THE UNIVERSITY OF ULSTER, SHOULD IT ALSO BE FUNDING MDPS DELIVERED BY THEM?

The evaluation found that there was no duplicate funding to the University by DEL with respect to the MDPs and the provision of funds from government relating to higher education. University funding is on the basis of full time equivalent students and the MDP students are not classified on this basis.

WHAT IS THE LEVEL OF AWARENESS OF THE PROGRAMMES AND HOW ARE THEY PERCEIVED BY INDUSTRY?

There is a lack of awareness of the MDPs. Previous feedback undertaken by DEL identified that only 40% of companies felt well catered for in terms of management development activities. A large proportion of those who felt badly catered for said that there was a lack of information about the MDPs.

CONCLUSIONS & RECOMMENDATIONS

This review identified that the rationale developed for DEL’s support of MDPs is still broadly applicable - the MDPs offered are not currently provided by the private sector at a comparable cost and were

they to be provided at the market cost, it is not apparent that companies would participate. This is particularly true of SMEs which are the target group for the programmes. Evidence from employer interviews, focus groups, and the postal survey all suggested that the MDP courses did achieve development of managerial skills in the majority of their participants, i.e. the broad programme objectives were met. Perhaps the strongest evidence was the continued re-use of the MDPs by employers which indicated that the MDPs were considered by them to be value for money.

This evaluation therefore concluded that:

- In terms of quality of delivery, the current funded provision has been widely praised by course participants;
- the six MDPs funded by DEL have met the unfulfilled needs of industry in NI regarding management development;
- in the medium term it appears unlikely that these needs will be met without Government funding; and
- on this basis DEL funding of the six MDPs or equivalent should continue.

Evaluation of DEL Funded Management Development Programmes

By Deloitte & Touche

On the basis of the evaluation, the following recommendations for future delivery of MDPs were made:

- **Target Market** - DEL should develop focused strategic objectives for supporting each MDP provided and in so doing clearly identify the target market (including characteristics of target companies) and a time period for achieving the objectives.
- **Contract Management** - DEL should test the market place for MDP providers through an open tender process. This would also allow DEL to identify other possible providers, to seek innovative solutions to possible provision, and to compare costs of provision across providers in a rigorous fashion. It would also enable alignment of the contracts for provision of the MDPs.
- **Support & Mentoring** - The evaluation identified that some graduates (on a range of programmes) felt that there was a lack of support and mentoring outside the formal teaching environment. To be most effective, external management development needs to be linked to the daily management tasks

individuals undertake. While this is likely to have cost implications, DEL should explore as part of the contract tendering process, options for supporting course participants in their work place.

- **Demonstrating Value** - A key issue in marketing management development is demonstrating to employers the value of MDPs. It is therefore desirable to establish a clearer relationship between the MDPs, their outputs and the impact on graduates of the MDPs business. We recommend that DEL discuss this issue with potential MDP providers.
- **Graduate Follow-up** - The evaluation found that post-course follow-up was rated as poor by 25% of the postal survey respondents. Management development is an ongoing activity and like any learning process, reinforcement of key lessons will increase the ongoing impact of the programme. There are a number of options which would address this, including a formal follow-up element for example one year after programme completion, looking specifically at the lessons learnt; an

informal follow-up element for each programme; and a supported network for MDP graduates, with say quarterly meetings. A formalised network would also allow for the long-term benefits of the MDPs to be evaluated.

For further information contact Philip Heaton on 028 9032 2861

Equality Monitoring in DEL

Dave Rogers, Christine Thompson, Linda Bradley: DEL

This article brings together for the first time equality monitoring information for the whole Department for Employment and Learning, building on previous Bulletin articles which reported on the Training and Employment Agency (T&EA) only.

Government has a responsibility to ensure that its programmes and services are delivered on the basis of equality of opportunity. Monitoring of uptake of these programmes and services is one way in which Government can keep a check of its own performance, and publication of monitoring results enables public scrutiny.

Since 1993 the Training and Employment Agency has monitored the uptake of its main programmes and services in terms of gender, community background, and disability. The results of this monitoring have been published in previous issues of the Labour Market Bulletin. The article in last year's bulletin outlined the changes in monitoring following on from the introduction of the Northern Ireland Act (1998). Section 75 of the Act places a statutory obligation on all public authorities, in carrying out their functions, to have due regard to the need to promote equality of opportunity:

- Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- between men and woman generally;

- between persons with a disability and persons without; and
- between persons with dependants and persons without.

Following the introduction of the Act, the Department reviewed its monitoring arrangements and the key findings of this Review are summarised later in this article. The most important implication of Section 75 for monitoring is the effective expansion of the monitoring dimensions from the original gender, community background, and disability. In addition to these, the Department now monitors its main programmes and services for ethnic origin, age, marital status, and dependants status. Figures for Departmental programmes are collated quarterly by Research and Evaluation Branch and Higher Education (HE) and Further Education (FE) figures are produced by Tertiary Education Statistics & Research Branch. The dimensions of sexual orientation and political opinion are not monitored – this issue is discussed later in the article.

The purpose of the monitoring system is to ensure that all of the Section 75 groups mentioned above are appropriately represented in the Department's programmes

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Table 1: Occupancy and Eligible Group Figures¹

Programme	% Female		% Catholic ^{2, 3}		% Disabled ⁴	
	Occupancy	Eligible	Occupancy	Eligible	Occupancy	Eligible
Job Brokerage ⁵	42%	37%	[52%]	[57%]	N/K	14%
Employment Support	34%	49%	[43%]	[48%]	100%	100%
Rapid Advancement Programme	34%	N/K	[56%]	N/K	N/K	N/K
IFI Wider Horizons	40%	44%	[67%]	[53%]	N/K	N/K
Enterprise Ulster	47%	62%	[59%]	[54%]	4%	32%
Jobskills ⁶	29%	40-60%	[57%]	[67%]	4%	N/K
Jobskills Modern Apprenticeship	23%	60%	[52%]	[54%]	0%	N/K
New Deal for Disabled People	40%	43%	[57%]	[44%]	100%	85%
New Deal 18-24	31%	N/K	[61%]	N/K	5%	N/K
New Deal 25+	15%	N/K	[61%]	[57%]	4%	N/K
New Deal 50+ ⁷	25%	37%	[47%]	[47%]	5%	79%
Open Learning	66%	52%	[51%]	[53%]	8%	68%
ILAs	65%	52%	[51%]	[43%]	4%	13%
Worktrack	76%	65%	[61%]	[55%]	1%	36%
Job Bridge	53%	53%	[87%]	[53%]	5%	28%
Bridge to Employment	40%	59%	[33%]	[52%]	0%	22%
The Walsh Visa Programme	19%	50%	[69%]	[47%]	1%	8%
Higher Education (HE) ⁸	61%	N/A	[58%]	N/A	4%	N/A
Further Education (FE) ⁸	59%	N/A	[53%]	N/A	5%	N/A

Notes

- 1 The occupancy figures are as @ 31 March 2001 for all DEL training and employment programmes and as @ 01 December 2000 and 01 November 2000 for HE and FE respectively.
- 2 Percentages for community background (religion) 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%].
- 3 For HE, information on religion is only collected for NI domiciled students studying in NI Institutions.
- 4 Disability in HE and FE is defined on the basis of a student's own self-assessment while those on a DEL training or employment scheme are given a definition of disability and asked to determine if they are disabled under this definition.
- 5 Eligible Group figures for Job Brokerage include only those who are either 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.
- 6 Excludes Jobskills Modern Apprenticeships.
- 7 Eligible group figures for New Deal 50+ include only those of working age. Although the programme is available to those over working age the up-take is small.
- 8 HE enrolments at FE colleges are included in the FE figures.

and services. In order to ensure this happens, it is necessary to know if programme occupancy is aligned with what would be expected given the composition of the eligible group (the total number of people eligible to participate

in the programme or service). The breakdown of the eligible population was taken from the 1999 Labour Force Survey (most recent annual data available). Not all eligible group figures are available as the data are taken from a sample survey

and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error.

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MONITORING RESULTS

Table 1 shows the occupancy on all of the Department's programmes and services and shows the available eligible group data for gender, community background and disability. For information on other dimensions see the Department's website www.delni.gov.uk

For HE and FE the question on religion is not compulsory. In addition, in HE, it is only requested for NI domiciled students studying in NI. This results in a high percentage non-response in both the HE and FE sectors (38% in HE and 32% in FE).

The figures for occupancy should broadly reflect those for the eligible population. If there is a large difference between these figures, further investigation might be appropriate.

Jobskills Modern Apprenticeship, have a low percentage of female participants (23%) compared to the eligible population of 60%. This may be due to the nature of the programme and to high participation rates in FE and HE by females.

On Bridge to Employment 33% of participants are from the Catholic community compared to 52% within the eligible population; and in Job Bridge 87% of participants are from the

Catholic community compared to 53% within the eligible population.

Disability is an issue as several programmes have a low participation rate of disabled people compared to what might be expected given the composition of the eligible group. In particular Enterprise Ulster, New Deal 50+, Open Learning, Worktrack, Job Bridge and Bridge to Employment appear to have low levels of uptake by disabled people.

The percentage of disabled people in the eligible group for New Deal for Disabled raises some issues as only those claiming incapacity or sickness related benefits are eligible, and it would be expected that all of this group would also consider themselves disabled under the Disability Discrimination Act definition of disability.¹ This shows that people's perceptions of their own disability may not be consistent between survey responses and monitoring forms and could explain the low percentage of disabled people on some of the Department's programmes and services.

RESULTS FROM THE DEPARTMENT'S REVIEW OF MONITORING ARRANGEMENTS

In order to meet duties under Section 75 the Department introduced

its Equality Scheme in June 2000. Following from this the Department undertook to carry out a review of its current monitoring arrangements by March 2001. This review has now been completed and a number of issues have been raised.

The main areas of attention are the gaps in dimensions monitored; consistency with the Section 75 definitions; and differences in categories used.

Gaps in Dimensions Monitored

The majority of the Department's major programmes and services now monitor participation for community background (religion); ethnic origin; age; marital status; gender; disability; and dependants status. The key gap is that the Department, common with other Departments and Agencies, does not monitor for political opinion or sexual orientation for any of its programmes or services. This issue is discussed in more detail later in the article.

Some of the Department's programmes and services do not monitor for all of the Section 75 dimensions listed above. **Table 2** shows which dimensions are not monitored for on all programmes.

1 Under the Disability Discrimination Act (DDA) a person has a disability if he/she has a 'physical or mental impairment which has a substantial and long-term adverse effect on his/her ability to carry out normal day to day activities'.

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Table 2. Summary of Gaps in Dimensions Monitored

Dimensions	Programme
Ethnic Origin	Rapid Advancement Programme IFI Wider Horizons
Disability	Job Brokerage Rapid Advancement Programme IFI / Wider Horizons
Dependants	Open / Flexible Learning Rapid Advancement Programme IFI Wider Horizons New Deal for Disabled Walsh Visa Jobskills Modern Apprenticeship Jobskills Higher Education
Marital Status	Rapid Advancement Programme IFI Wider Horizons Higher Education

The Department is looking at how it can best cover the gaps identified above taking into consideration the restrictions of the current IT systems and the additional costs that would be imposed.

Consistency of definitions used with Section 75

Section 75 gives specific wording of the relevant dimensions. For example, Section 75 specifically refers to “religious belief”, rather than any other definition of religion or community background. In two instances, the Department does not always use the wording contained in the Act for monitoring purposes: specifically, community

background is used rather than religious belief in Departmental programmes (HE and FE monitor directly for religion); and ethnic origin is used rather than racial group. These categories were being used in advance of the introduction of Section 75, and the current view of the Department is that they should continue to be used as acceptable proxies. Any change would have to take into account the dislocation and confusion that may be engendered by such an exercise, and the change itself. This issue will be considered over the coming year by DEL’s Board’s Equality Sub-Group.

Differences in categories used

Each of the Section 75 dimensions listed above can be broken down into categories, for example, gender is broken down into male and female. These categories are sometimes implicit in the Act – gender being a good example. However there are some dimensions for which categorisation is not as clear-cut. For example, as monitoring was introduced at various stages on different computer systems within the Department, not all categorisations used are the same. For example on ethnic origin, some programmes are monitored using the published categories, but some include ‘mixed ethnic group’ or ‘other ethnic group’ while others don’t. Marital status is also an issue as some programmes monitor for ‘living with partner’ while other do not and some also chose to group together categories such as ‘divorced’ and ‘separated’. Similarly, some systems collect religion while others use community background as a proxy. This issue will be examined over the coming year with a view towards moving to a more consistent usage, where appropriate.

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POLITICAL OPINION AND SEXUAL ORIENTATION: THE SOCIAL OMNIBUS SURVEY

We noted above that, in common with practice elsewhere in Government, at present none of the Department's programmes or services is monitored for political opinion or sexual orientation. The Equality Commission, in their Guide to the Statutory Duties, cites sexual orientation and disability as being sensitive and confidential issues for monitoring, and political opinion could be seen in the same light. In the DEL Equality Scheme it states that when carrying out the review of monitoring arrangements, account will be taken of resource implications, the readiness of the public to supply information, and the availability and value of proxy measures. Thus public attitudes to the collection of monitoring data are very relevant to this issue.

As a first step to gauge general public opinion on the collection of monitoring information by the Department, particularly the two dimensions of sexual orientation and political opinion, the Department commissioned two questions in the Social Omnibus Survey². The survey is run by Research and Evaluation Services and has a sample of around 1,000 adults. Half the sample

of working age were asked a general question about public attitudes to whether Government should carry out equality monitoring on each of the Section 75 equality dimensions (see **Table 3**). The other half of the sample of working age were asked more directly if respondents would be prepared to supply monitoring information to Government on each of the Section 75 dimensions if requested (see **Figure 1**). The rationale for splitting the sample in this way is to ensure that answers to one question could not influence how the other would be answered. Some caution should be exercised when considering the results, as the total number of respondents for each question was in the region of 300 – 350 and thus there

will be a degree of sampling error.

At least 60% of those asked agreed that Government should monitor participation on programmes by religion, gender, marital status, age, disability and whether or not people have dependants. A majority (52%) also agreed that Government should monitor participation on its programmes by racial group, although a substantial minority (more than 40%) disagreed.

The only two remaining dimensions are political opinion and sexual orientation. 64% and 53% respectively felt that Government should not monitor the political opinion or sexual orientation of participants on training programmes. Thus there

Table 3: Opinions about monitoring

Question: "Government currently monitors many of its programmes and services in order to ensure equality of opportunity. For example, participants on Government training programmes are asked to give information about their gender, age, disabilities etc. for monitoring purposes. It is not compulsory for participants to provide this information." Respondents were asked if they agreed or disagreed for each of the Section 75 dimensions.

	Agree	Disagree	Don't know
Religion	60.4%	34.9%	4.7%
Political opinion	32.5%	63.6%	3.8%
Racial group	51.5%	42.0%	6.5%
Gender	71.9%	24.0%	4.1%
Marital status	61.5%	35.8%	2.7%
Age	69.8%	26.6%	3.6%
Disability	72.8%	21.6%	5.6%
Dependants	67.5%	26.6%	5.9%
Sexual orientation	37.6%	53.3%	9.2%

Total in sample = 338

² Other results from the Social Omnibus Survey are detailed in Chapter 6 of this issue of the Bulletin

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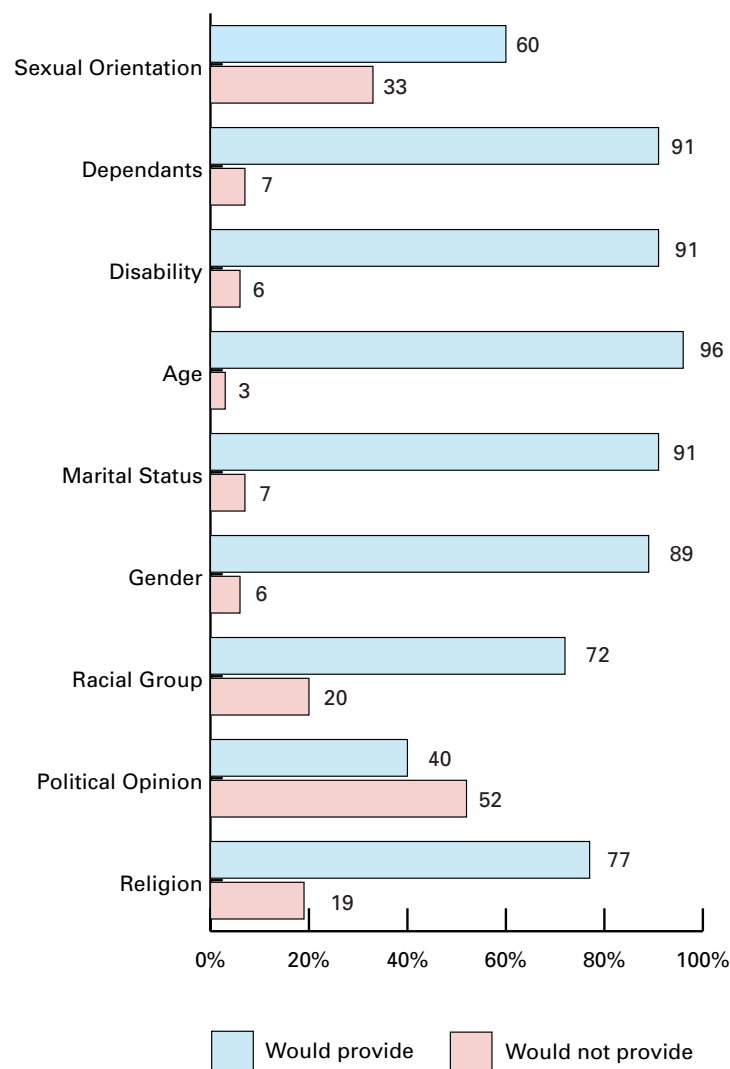
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Figure 1: Willingness to provide monitoring information

Question: "Government currently monitors many of its programmes and services in order to ensure equality of opportunity. For example, participants on Government training programmes are asked to give information about their gender, age, disabilities etc. for monitoring purposes. It is not compulsory for participants to provide this information."

"For example, if you were applying to join a Government programme, how likely would you be to provide the following information about yourself for the purposes of monitoring equality of opportunity?"

[Possible responses – would definitely provide; would probably provide; would probably not provide; would definitely not provide; don't know]



Total in sample = 353

does appear to be a degree of public unease about extending monitoring – perhaps the fairly narrow margin of those approving of monitoring by race (and, to a lesser extent, religion) should also provide food for thought.

(Figure 1 conflates "would definitely provide" and "would probably provide" into "would provide" and "would definitely not provide" and "would probably not provide" into "would not provide").

By and large, the results reflect the current position – where we are aware of it. For example, some 77% of respondents said that they would be willing to provide information on their religion for monitoring purposes. This is in line with the response that DEL gets for the monitoring of its major programmes. At least 70% of those asked said they would definitely or would probably provide information on their religion, racial group, gender, marital status, age, disability and whether or not they have dependants.

Political opinion also remains contentious as only 40% said they would provide this information if they were asked. This could mean that if the Department were to include a question on political opinion in its monitoring forms it is likely

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that there would be a high refusal rate and a risk that other information normally gained from the monitoring form could be lost.

Perhaps the most surprising results were for sexual orientation. 60% of those asked said that they would provide monitoring information on their sexual orientation if asked. This would indicate that although people do not feel that it is necessary to monitor for sexual orientation, if they were asked to provide the information a majority of people would. It will be necessary to tease out what may lie behind these responses before any movement could be taken on monitoring sexual orientation, especially in the light of the fact that the majority of respondents do not think that monitoring in this context is appropriate.



New Deal Evaluations – A Progress Report

Dave Rogers and Eoin McFadden, Research and Evaluation Branch, DEL

The first phase of the evaluation of the New Deals for Unemployed People in NI is approaching completion. Over the coming months, a substantive set of publications from the evaluation programme will be released. This article gives details of the publication schedule and some indication of the findings of the research where this is possible at this stage. The article also gives an indication of where future research and evaluation effort will be focussed.

Previous articles in the Labour Market Bulletin have outlined the shape of the evaluation effort covering the New Deal for 18-24 Year Olds and the New Deal Pilot for 25+ in NI: readers are referred to the most recent previous article for details¹.

CURRENT EVALUATION PROJECTS

The findings of five research projects will be published over the next six months:

Quantitative Work with Individuals.

As in GB, a cohort approach has been adopted, with individuals entering both New Deal in the period May-August 1999 included in the cohort. This work has been contracted out to the consultancies KPMG and Economic Research and Evaluation, with interviews carried out by a local survey firm, Research and Evaluation Services (RES). Initial interviews took place with 1,600 New Deal participants around 6/7 months after entry to New Deal, ie in early 2000. These interviews collected data on previous labour market experience; jobsearch patterns; aspirations of New Deal participants; experiences of the first few months of New Deal and so on. The interim findings from this initial stage were reported in last year's Bulletin and have been published².

The initial survey has been followed by a second round of interviews ("Stage 2") with as many of the same sample as were able to be contacted some 9/12 months later – ie the period November 2000 – April

2001. By this time most of the participants had left the programme and the survey collected information on their experiences of the programme and subsequent labour market activity, for example jobsearch and employment including wage levels and job satisfaction.

The overall response rate for Stage 2 was just under 60%, yielding 930 interviews. The response rate for the participants on the New Deal for 18-24 Year Olds (55%) was lower than that for those on the New Deal Pilot for 25+ (67%), perhaps unsurprising given the more mobile nature of the younger age group. Analysis of the questionnaire data is ongoing, and at time of writing (September 2001) it is not possible to give any further details, but it is planned to publish the Final Stage 2 Report in February 2002.

Qualitative Work with Individuals and Case Studies.

In-depth qualitative research, allied with a case study approach, is an integral part of the evaluation of New Deal. This project is being carried out by the consultancy firm PricewaterhouseCoopers (PwC). Interviews have been held with 145 New Deal participants, and 50 of these were interviewed twice to



¹ See Rogers, D (2000) "New Deal Evaluations – Interim Findings" Labour Market Bulletin 14 (November 2000) Chapter 25. The Bulletin and other New Deal publications are available from Research and Evaluation Branch, DEL

² New Deal for People Aged 18-24; Survey of Participants, Stage 1 Report and New Deal Pilot for 25+; Survey of Participants, Stage 1 Report; KPMG, ERE (October 2001)

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build in a longitudinal element to the study. The interviews with individuals took place in eight case study areas which will be used to examine the delivery of New Deal. Apart from New Deal participants, the research covered other key players in the New Deal process: personal advisers; delivery consortia; and employers. The first wave of interviews covering 95 participants and 5 case study areas took place in late spring 2000; the second and final wave occurred in November 2000 – January 2001. The Key findings are summarised below.

QUALITATIVE AND CASE STUDY EVALUATION OF NEW DEAL – KEY FINDINGS

The Final Report for this project will be published in November 2001 – around the same time this Bulletin will appear. The key findings of this research project could be summed up as follows: New Deal works well with motivated participants, especially those with positive previous experiences in the labour market, and particularly in areas of NI where local labour market conditions are relatively buoyant. There were many examples of good practice, and the programme worked better with younger participants. The role of the New Deal Personal Adviser emerged

as a significant factor in the successful delivery of the programme.

On the downside, New Deal had only limited impact on those participants who were poorly motivated, had “bad” labour market histories, and faced multiple barriers to employment. Many of the older long-term unemployed fell into this category, and in general the programme worked less well for the 25+ group than did the New Deal for 18-24 year olds.

- **Impact of New Deal depends on previous labour market experience;** the impact of New Deal on participants is inextricably linked to their previous labour market experiences and, related to this, their overall attitude and approach to the Programme. Generally, people who entered the Programme with a broadly positive approach, tended to benefit significantly from it. Conversely, the benefits of the Programme were less evident for those who were sceptical about the Programme, and those who had previously had negative experiences of employment or Government labour market interventions;

- **Greater impact amongst young people;** related to this, younger people generally seemed to be more receptive to the Programme, and as a result tended to benefit more from it than older people;
- **Outcomes affected by local labour market conditions;** the impact of New Deal on participants was directly related to the economic conditions in local labour markets. For example, many of those who were interviewed in the qualitative research, and who found employment after New Deal, were from parts of NI in which local economic conditions were relatively buoyant. Conversely, in areas of high unemployment there was less evidence of participants progressing into employment and, related to this, the expectations and aspirations of participants in relation to the Programme were relatively muted;
- **Limited impact amongst participants with ‘multiple barriers to employment’;** some particular difficulties were experienced by participants who could be described as having ‘multiple barriers to employment’, including health and/or social

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- problems (e.g. mental ill-health, drugs & alcohol-related problems);
- **Relatively minor differences in terms of gender and religion;** the qualitative evidence suggests that there were no significant and systematic differences by either gender or religion, in terms of experiences and / or outcomes of the Programme;
 - **Good evidence of skills acquisition on New Deal;** there is clear qualitative evidence, both from participants and providers, that New Deal participants have benefited from the acquisition of a range of employment-related skills. Generally speaking, these can be classified into three groups, namely interpersonal skills, generic vocational skills, specific work-related skills;
 - **Some evidence of experiences exceeding expectations;** participant's experiences of the Programme varied. However the greater number of those interviewed found that New Deal exceeded their expectations in terms of the impact that it would have on them (acquisition of skills, confidence, optimism etc). Generally, younger people tended to be significantly more positive about the Programme than older people;
 - **Disappointment with the Programme amongst certain groups;** some participants, however, were disappointed with the Programme (especially if they expected to gain employment, but did not) and some with low expectations remained sceptical of its value throughout the New Deal process (usually the less motivated participants with multiple barriers to employment);
 - **Limited employer involvement;** the extent of employer involvement in the Programme was rather limited. In particular, many participants were concerned that there were too few employers actively involved in the Programme. There was also concern that the employers who were involved, were not necessarily the best employers operating in the local area;
 - **Some evidence of inappropriate 'job matching';** in some cases participants were being directed towards jobs for which they were not entirely suited. For example, there were instances where participants whose skills and aspirations favoured administrative work, were given manual jobs;
 - **Positive impact on self esteem, confidence and wellbeing;** there is evidence that participation on New Deal has led to the improved health and well being amongst some participants, both in terms of physical and mental health. This is related to the improved self esteem and confidence levels amongst participants. A number have reported that their weight loss, motivation to keep fit, and improved mental health have been a direct result of their participation on New Deal; and
 - **Detrimental impact on self confidence for some participants;** for some participants, New Deal had a detrimental impact on confidence levels. For example, some older participants were very reluctant to attend Core Gateway in order to undertake computer-related skills training. The main problem was that classes were often dominated by younger, more computer literate participants, who tended to set a pace of learning that was too fast for

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many of the older people. As a result, some older participants felt humiliated and became rather de-motivated.

Analysis of Claimant Count Data (1).

The Statistics Research Branch of the Department of Enterprise, Trade and Investment (DETI) maintain a longitudinal database of all Jobseekers' Allowance (JSA) claimants since 1994. From this, they are able to carry out a range of analyses including the propensity of individuals or groups to re-claim JSA, and analyses of the duration of claim for particular sections of the unemployment register. These data are particularly useful in the New Deal context as being in receipt of JSA is necessary for entry to New Deal, and all of those who are in the New Deal target group should join the programme. DETI have already carried out some initial analyses of the New Deal target groups which were reported on last year. Together with Research and Evaluation Branch in DEL, they are developing these analyses further and a joint publication is planned for February 2002.

- **Analysis of Claimant Count Data (2).**

The Northern Ireland Economic Research Centre (NIERC) have also

been commissioned by DEL to carry out a complementary analysis to the above also using data from DETI's longitudinal database. The research will assess the effects of the New Deal for 18-24 Year Olds over its first three years of operation in terms of unemployment duration among young people. Work on the project commenced in September 2001 and will be published in February 2002.

Evaluation of New Deal Innovation Funds.

The New Deal Innovation Funds were launched in 1999 as a way of developing initiatives to complement New Deal by providing additional assistance to those with multiple barriers to employment. Six projects were selected which offered a range of services including enhanced gateway provision, mentoring, and outreach for participants who were difficult to attract to New Deal or who found it difficult to find or maintain placements on New Deal options. In September 2000 Williamson Consulting was commissioned to undertake an evaluation of the Innovation Fund and a report of the finding of the evaluation has recently been published³.

The projects were found to have met with varying degrees of success with several suffering from a lower than anticipated flow of participants and two 'enhanced gateway' projects being overtaken to some extent by the introduction of extended provision within New Deal itself (known as "Core Gateway"). Key lessons learned included:-

- The need to be greater understanding and use made of the current flexibilities in available New Deal.
- The local ownership of the projects and in particular the use of local groups for outreach work and mentoring did help to address the needs of participants who faced multiple barriers to employment.
- The employment of mentors to liaise directly with employers increased the percentage of participants gaining high quality placements.

FUTURE EVALUATION PROJECTS

New Deal changed in 2001. The initial New Deal Pilot for 25+ was redesigned, and, within the constraints imposed by a UK-wide programme, some of the emerging findings from the evaluation of the programme were taken into

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account – for example the Intensive Activity Period was adapted and expanded to be re-launched as the Preparation for Employment Programme (PEP). Further work will be needed to evaluate whether these changes have sufficiently enhanced the programme. Similarly, the New Deal for 18-24 Year Olds will be re-launched in April of 2002, and consideration will have to be given to extending research here as well. Other possible projects include

Survey of New Deal Leavers.

This is designed to enhance data which is derived from DEL's database of New Deal participants (CMS). It will give more information on the extent to which New Deal participants move into jobs; the sustainability of any employment obtained; and further labour market progression. Also, the survey will pick up for the first time those who have been through the New Deal cycle on more than one occasion, and will yield valuable data on this very important group.

Evaluation of other New Deals.

For example the New Deal for 50plus and the New Deal for Disabled People. DEL are already working with the Department for Social Development (DSD) in an

evaluation of New Deal for Lone Parents, which is run by DSD.

Analysis of Information from the T&EA's New Deal database.

This has proved problematic over the past year due to data and programming problems. At the time of writing, these problems appear to be subject to a fairly swift resolution, allowing analysis to take place early in the New Year.

New Deal Innovation Funds, Phase 2.

Funding has been obtained for a further round of Innovation Funds which will require evaluation.

ACKNOWLEDGEMENTS

The authors would like to thank the researchers who have helped develop the evaluation of New Deal to date, and to members of the New Deal Evaluation Steering Group and Research and Evaluation Branch in DEL for their support. Thanks also go to all of those – participants, New Deal Personal Advisers, other DEL staff; employers, consortium members and others who have contributed to the research.



Work-Life Balance Baseline Study

Stephanie Morrow and Wendy Henderson, PricewaterhouseCoopers

What is Work-Life Balance?

Work-Life Balance is about employers identifying with their workforce how both the organisation and its employees can benefit from a different and more imaginative approach to working practices - an approach that enables employees to achieve and maintain a better balance between their work and other aspects of their lives.

Finding ways to accommodate employees' lives outside work can make a real, positive difference and create a win/win situation. In helping their employees achieve this balance, businesses can benefit from finding it easier to recruit, retain, and motivate their staff. In addition employers could find it easier to reduce stress, sick-leave, staff turnover, and absenteeism and to increase loyalty and productivity.

The scope of Work-Life Balance is much broader than "family friendly" initiatives, which although open to both men and women, have largely been perceived as a "women with children issue". Work-Life Balance is not just about women juggling a home and family with a career. For some individuals the problem is not having enough work, whether because they are unemployed, because they are working part-time but want to work full-time, or because they would like opportunities to work overtime. Other individuals need more time for their life outside work, whether to raise children, to care for an elderly, sick, or disabled person, to improve their skills, to volunteer for community projects, or to pursue other interests. For other individuals the issue may not be how much time

to spend at work but when and where to work. Thus Work-Life Balance is about adopting working arrangements so that **everyone** - regardless of gender, family circumstances, disability status - can find a balance that enables them more easily to combine work with their other responsibilities or aspirations.

Therefore the aim of Work-Life Balance is to offer a wider range of options so that individuals can have more control and the freedom to choose what they believe is best for them within the constraints of business environment within which they work. These options can include, for example, access to flexitime, part-time working, compressed working hours, job sharing, term-time working, parental leave, care leave, workplace childcare provision, workplace counselling, home-working, study leave and career break schemes.

THE CAMPAIGN FOR WORK-LIFE BALANCE IN NI

In Spring 2000 the UK Government launched the national Work-Life Balance campaign. At a national level the Government is committed to encouraging businesses to develop practices which go beyond the 'legal minimum' and is

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determined to provide a business case that will demonstrate the benefits to employers of adopting Work-Life Balance practices.

In NI, as in the rest of the UK, the campaign is about Government working in partnership with the business community. The Department for Employment and Learning (DEL) has formed a partnership with Business in the Community to manage the Work-Life Balance campaign in NI from 2000 to 2003. Business in the Community is a movement of companies across the UK and Ireland committed to continually improving their positive impact on society. Business in the Community, through its Opportunity Now campaign, works with employers committed to equality and has undertaken considerable work to date to encourage employers to adopt a range of more flexible and family-friendly working arrangements. Thus involvement in the Work-Life Balance campaign in NI takes this one step further by targeting both men and women and accepting that everyone has a life outside work, regardless of their responsibilities.

The key themes of the Work-Life Balance campaign in NI are illustrated in **Figure 1**.

Figure 1: Key Themes of the Work-Life Balance Campaign in NI

Personal choice - individuals should be free to decide for themselves, in consultation with their employer, what balance they wish to strike between work and other aspects of their lives.

Fully inclusive - this is an issue for all employers and employees irrespective of their family or personal circumstances.

Benefits everyone - employers, employees, families, and the wider community.

Re-affirms the value of work - work is important, necessary and, for many, enjoyable. There is no one right balance, but there is a place for both work and other activities.

WHAT WERE PRICEWATERHOUSECOOPERS ASKED TO DO?

PricewaterhouseCoopers were commissioned to undertake a Baseline Study of Work-Life Balance policy and practice in NI by DEL, which comprised two main research elements namely:

- **Employer survey:** the employer survey was conducted first and was a telephone survey, encompassing 'depth' telephone interviews with 500 employers in NI. Quotas were established for the survey by industrial sector, region and size of employer based on the breakdown of the NI working population. In essence, given that Work-Life Balance policies and practices impact on individuals in employment, the survey aimed to be representative of the NI workforce rather than the population of NI employers.¹ Issues explored with each employer included attitudes, available policies, uptake, barriers and the costs and benefits of Work-Life Balance; and
- **Employee survey;** employees were surveyed via two routes, namely a *street route* and an ***employer-facilitated self-completion route***. The rationale for this was to avoid the potential bias which the *employer-facilitated self-completion route* could have involved. There was a key risk identified that only employers who had a pre-disposition towards Work-Life Balance would

¹ The employer survey results were weighted to be fully representative of the NI working population to compensate for the fact that a small number of the survey targets were slightly 'off quota'. The employee street survey was completed 'on quota' and therefore is presented unweighted.

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have agreed to the involvement of their employees in the interview process for the baseline study. Thus the *street survey* was implemented as a control group which was fully representative of the characteristics of the NI working population. The *employer-facilitated self-completion route* was used to enable direct comparisons to be drawn between employers who participated in the employer survey and the views of their employees at the level of each individual organisation, and provided useful case study material for the Baseline Study. The number of interviews completed via the *street route* was 823, whilst 648 completed questionnaires were returned via the employer facilitated self-completion route. The response levels and the co-operation of employees during the course of the study provides an indication of the strong level of interest in Work-Life Balance in the NI workforce.

It is important to note that a large-scale Work-Life Balance Baseline Study has also recently been completed in 2000 in Great Britain commissioned by the then Department for Education and Employment

(DfEE), involving research with 2,500 employers and 7,500 employees across England, Scotland and Wales. This enabled a direct comparison of some of the findings from the NI baseline study with Work-Life Balance policy and practice in the rest of the UK.

ATTITUDES TO WORK-LIFE BALANCE

Table 1 illustrates the respective attitudes of employers and employees to Work-Life Balance in NI and demonstrates that in general attitudes to Work-Life Balance amongst both employers and employees were positive. There is widespread recognition of the breadth of the concept of Work-Life Balance i.e. that it is much more than a “women with children” issue. However recognition of this was higher within employers compared to employees suggesting that the breadth of the concept of Work-Life Balance may require broader communication at the employee level.

Perceptions were evident about the equity of implementing Work-Life Balance with 29% of employers and 34% employees identifying that Work-Life Balance policies can be unfair to some employees. In addition there was divergent views

between employers and employees relating to the impact of the uptake of Work-Life Balance policies on career progression and promotion. Employees reported significantly higher levels of concern on this issue than employers. In addition a greater proportion of male employees relative to female employees indicated that uptake of Work-Life Balance policies could impact on their promotion prospects.

A significant percentage of employers (31%) did not believe that they had a responsibility in enabling their employees to achieve a Work-Life Balance or were unclear where the responsibility rested. Furthermore, as illustrated in **Figure 2** below, 31% of employees interviewed in the street survey did not perceive that their employer believed that it was important whether staff in their organisation had a Work-Life Balance or not – suggesting that there is scope for some improvement in the attitudes of employers.

From a sectoral perspective employers in the public services sector, compared to employers in either the production² or private services sector demonstrated more positive attitudes to Work-Life Balance and greater willingness to potentially

² The production sector comprises the sub-sectors of agriculture; mining and quarrying; manufacturing; electricity, gas and water; and construction.

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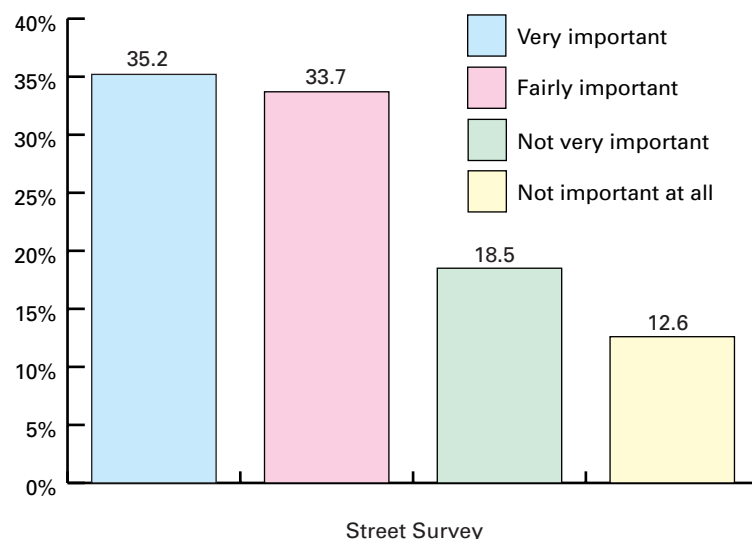
Table 1: Attitudes to Work-Life Balance

		Agree strongly	Agree	Neither agree or disagree	Disagree	Disagree strongly
People work best when they can balance their work with other aspects of their lives	Employers	53%	41%	3%	1%	2%
	Employees	58%	35%	5%	2%	1%
Work-Life Balance is only for women	Employers	1%	3%	5%	42%	49%
	Employees	2%	8%	13%	38%	40%
Policies that help staff balance work and other interests are often unfair to some employees	Employers	6%	24%	30%	29%	12%
	Employees	10%	27%	28%	27%	7%
Those who participate in Work-Life Balance practices are less likely to gain promotion	Employers	2%	9%	17%	50%	22%
	Employees	7%	18%	27%	36%	12%
It's not an employers responsibility to help people balance their work with other aspects of their life	Employers	3%	14%	14%	43%	26%
	Employees	9%	14%	10%	30%	38%

Note: numbers in bold reflect the highest percentage in each category

Figure 2: An Employee Perspective on Employers Attitudes

How important or unimportant is it to your employer that the staff working in your organisation have a balance between work and the rest of their lives?



accept responsibility to enable their employees to achieve a Work-Life Balance.

In addition, larger employers (>250 employees) in general demonstrated relatively more positive attitudes to Work-Life Balance, better understanding of the concept and greater willingness to accept responsibility to enable their employees to achieve a Work-Life Balance, compared to small or medium-sized employers.

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WORKING PATTERNS

Seventy-five percent of employers interviewed defined the standard working week in their organisation as 9 to 5, five days a week. The hours worked by employees interviewed in the street survey broadly correlated with this finding in that almost 50% of them worked between 36-40 hours a week. However almost 20% of employees worked more than 40 hours a week. A greater percentage of employees in higher socio-economic groups and salary bands worked more than 40 hours a week.

In terms of additional hours, almost 50% of the employees interviewed did not work additional hours over and above their standard weekly hours. The incidence of working over and above standard weekly hours was higher within male employees, within employees in higher socio-economic groupings and salary bands, and within employees in the production sector. Thirty-three percent of employees reported working regularly at night and/or weekends. The incidence of working at night/weekends was higher within male employees, within employees in the young (16-24) and older (60+) age bands, and within employees in higher socio-economic groupings and

salary bands. Almost 50% of employees reported that their employer would be more likely to award overtime pay rather than Time Off in Lieu (TOIL) for additional hours of work. A high proportion of employees (40%) reported that they did not receive any "reward" for extra hours worked.

AVAILABILITY AND UPTAKE OF WORK-LIFE BALANCE POLICIES

Table 2 summarises the baseline position of Work-Life Balance in NI. It illustrates the percentage of employers who reported offering each of the 20 Work-Life Balance policies incorporated in the study. For ease of analysis these twenty policies were grouped into five areas to facilitate comparison of the results with the GB Work-Life Balance Baseline study. From an employee perspective it also illustrates the percentage of employees interviewed in the street survey that had actually taken up the Work-Life Balance policies in the last year.

Generally, the baseline availability of all twenty Work-Life Balance policies was good and compares favorably with baseline availability reported in the GB study. Over 60% of employers interviewed offered part-time working,

emergency leave, bereavement leave, study leave, unpaid parental leave and enhanced maternity leave. "Flexitime", job sharing, term-time working, unpaid career breaks, leave or reduced hours to care for others, paid paternity leave, phased return from maternity leave and enhanced maternity leave were offered by between 40-60% of employers. The newer Work-Life Balance policies of compressed working hours and annualised hours were starting to emerge and were offered by 21% and 14% of employers respectively. Finally the availability of both childcare vouchers / subsidy and on-site childcare facilities was negligible.

The availability of all Work-Life Balance policies was significantly higher in the public services sector, compared to either the production or private services sectors. However within the private services sector some sub-sectors displayed greater levels of availability of Work-Life Balance policies than others. These included for example the hotels and restaurants and transport, storage and communications sub-sector.

The size of employer was a major factor driving the availability of Work-Life Balance policies. All Work-Life Balance policies were

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Table 2: Baseline Availability and Uptake of Work-Life Balance Policies in NI

	Percentage of Employers offering each Work-Life Balance policy Source: Employer Survey (Base 500)	Percentage of Employees who had taken up each of the Work-Life Balance policies in the last year. Source: Employee Street Survey (Base 823)
Flexible Working Arrangements		
“Flexitime”	43%	27%
Part-Time Working Hours	74%	27%
Job Sharing	44%	3%
Compressed Working Hours	21%	3%
Annualised Hours	14%	3%
Working from Home/ Tele-Communting	22%	5%
Other Forms of Leave (other than annual leave and public holidays)		
Term-Time Working	31%	2%
Unpaid Career Breaks	43%	2%
Emergency Leave	94%	16%
Bereavement Leave	91%	11%
Leave or Reduced Hours to Care for Others	58%	5%
Study Leave	65%	6%
Maternal/Paternal Leave and Subsidy Policies		
Paid Paternity Leave	56%	2%
Unpaid Parental Leave	62%	1%
Enhanced Maternity Leave	66%	Less than 1%
Phased Return from Maternity Leave	47%	1%
Adoptive Leave	49%	Less than 1%
Childcare vouchers/subsidy	2%	Less than 1%
Workplace Facilities		
On-site childcare	4%	Less than 1%
Workplace Counselling or Stress Management Advice	43%	4%

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much more widely available within large sized employers (>250 employees) relative to small and medium-sized employers.

The vast majority of employers offered equitable access to Work-Life Balance policies for all employees and did not set access criteria. Of those who set criteria grade and length of service were the most commonly applied criteria.

UPTAKE OF WORK-LIFE BALANCE POLICIES

The extent of uptake of Work-Life Balance policies in NI was low even within the public services sector where availability of policies is widespread. From both the employer and employee dimension only two policies exhibited a significant degree of uptake – namely “flexitime” and part-time working hours. Almost 60% of employers reported high uptake of “flexitime” within their organisation whilst 33% reported high uptake of part-time working hours. Similarly from an employee perspective only “flexitime” and part-time working were taken up by more than 25% of employees who participated in the street survey. The uptake of all other Work-Life Balance policies was considerably less than this.

The low levels of uptake are not likely to suggest that the demand for various Work-Life Balance policies was low given the positive attitudes displayed by employees to the concept and the importance attributed by employees to achieving a Work-Life Balance. In considering the demand for Work-Life Balance it is also important to remember that work is important, necessary and for many individuals enjoyable – working on a flexible/reduced hours basis or taking up policies such as career breaks is not for everyone. Nevertheless the low levels of uptake that did exist are likely to suggest that barriers exist to the uptake of Work-Life Balance policies or indeed that awareness of some of the available policies at the employee level is not widespread.

DEVELOPING AND MANAGING WORK-LIFE BALANCE POLICY

The main drivers for the introduction of Work-Life Balance policies from the perspective of employers were to improve staff morale, reduce staff absenteeism and in order to respond to demand from staff. It was also evidenced through the case studies that an important benefit of introducing Work-Life Balance policies within organisations was to

improve recruitment particularly in sectors experiencing skill shortages.

The main barrier identified to the development of Work-Life Balance policies by employers, was staff cover for periods of absence, followed by cost and inflexible working environment. In general barriers were higher for small employers compared to large employers and in some instances were higher within the production sector (e.g. the barrier of an inflexible working environment).

Forty-four percent of employers interviewed developed their Work-Life Policies without any external assistance and 56% of employers reported that they involved their employees “a lot” in developing Work-Life Balance policies. The importance of informal communication (word of mouth and through management) as a communication mechanism was highlighted by both employers and employees. The main formal mechanisms in place to communicate Work-Life Balance policies with the employers interviewed were the induction process and the use of circulars to staff.

In terms of monitoring the impact of Work-Life Balance policies absentee rates were

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the most commonly used indicator applied. Importantly, 21% of employers interviewed did not have any formal monitoring mechanisms in place to assess the impact of Work-Life Balance policies.

THE COSTS AND BENEFITS OF WORK-LIFE BALANCE

Generally the implementation of Work-Life Balance policies has to date not impacted dramatically in terms of resources required and associated costs to the employers interviewed. Nevertheless 57% of employers believed that financial costs have increased. Furthermore a slightly higher proportion of employers in the public services sector and large employers indicated increased financial costs.

The two benefits that were anticipated most by employers as a result of the implementation of Work-Life Balance policies were increased loyalty within the workforce and improved staff morale/job satisfaction.

In terms of actual benefits realised to date many employers interviewed thought that it was too early to assess the extent of benefits at this stage. Nevertheless over 50% of the employers indicated that to date they had actually realised good or very good

improvements in staff morale/job satisfaction and loyalty within the workforce. These employers further anticipated that these qualitative benefits would in the longer term contribute to measurable quantitative benefits, in particular, reduced staff turnover and absenteeism.

Study of Obstacles to Cross-Border Mobility between the North and South of Ireland

Philip McDonagh - PricewaterhouseCoopers, Robert Watt - Indecon

In January 2001, PricewaterhouseCoopers (PwC) and Indecon International Economic Consultants were appointed by the North/South Ministerial Council (NSMC) to undertake a study to identify the obstacles to mobility of persons across the border. The objectives of the study were as follows:

To identify the obstacles to the mobility of persons, in either direction, between North and South on the island of Ireland;

To assess the obstacles to the mobility of persons in a number of key areas; and

To consider and recommend ways in which the barriers might be eliminated or overcome by the public and private sectors, as appropriate, in both jurisdictions.

The definition of “persons” was to include workers, the self-employed, students, the unemployed, and others not economically active such as retired persons.

The requirement for such a study, was based on a commitment identified in the NI Executive Programme for Government to address issues regarding barriers to mobility. This commitment was further supported by the Irish Government. It is perceived that removing such barriers will assist in improving economic efficiency by allowing individuals to avail of job and lifestyle opportunities on an all Ireland basis and in doing so assist both parts of Ireland to enhance competitiveness.

HOW DID WE CONDUCT THE STUDY?

In order to address the overall aims of the study, our approach involved a wide range of research techniques. A list of the key research tasks undertaken are listed below and involved:

- **A Scoping Workshop** – which was attended by 37 key stakeholders and involved an initial brainstorm of the main areas where obstacles to mobility occur, what work had already been undertaken and what were likely to be the most fruitful areas for solutions.

- **Statistical and other secondary research** – which involved a review of all the statistical evidence available on the scale of mobility between North and South as well as an extensive review of a number of documents including various reports on selected aspects of mobility.
- **The Placing of a Public Advertisement** – this was placed in the major national and local newspapers and invited individuals and organisations to express interest in making a submission to the study. Over 300 requests were received and all were sent a Base Information Return for completion.
- **Circulation of Base Information Return (BIR)** – A Base Information Return was sent to all those who had expressed interest in response to the public advertisement. In addition it was proactively mailed to a number of target groups including Government Departments, representative bodies, employer representatives, trade unions and other interested parties. Contact was made with over 100 bodies and organisations.

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- **Interview Programme North and South with Representative Bodies, Relevant Government Departments and Agencies** which included the Pensions Board in Dublin, the General Consumer Council for NI, Irish Congress of Trade Unions, InterTradelreland and the EURES Cross Border Employment Service.
- **Survey of Banks and Recruitment Agencies** - 16 recruitment agencies completed the survey including 5 in the North and 16 in the South with 5 operating both North and South. Contact was also made with representatives from the banks and telecommunications companies, North and South, given the interest in the various banking and telecommunications obstacles identified.
- **Individual Case Studies** - The level of interest in participating in the individual case studies was such that 19 individual case studies were completed covering a range of different scenarios including cross-border workers commuting on a daily basis, unemployed individuals living in border regions, students as well as employed/retired

individuals who had made a permanent move to live in the other jurisdiction.

- **Company Case Studies** - 9 in-depth interviews were conducted with the Managing Director/ Operations Director and/or Human Resources Director/Manager of a variety of organisations from various business sectors including manufacturing, software, construction, professional and financial services, health and social care and food processing.
- **Expert Working Papers** - These were prepared by specialists to inform the study on technical issues and to set out the current situation in the areas of taxation and social security; employment law and recruitment practice; and education and training.
- **Public Meetings** - Two public meetings were organised by the NSMC to allow individuals and organisations in border areas to discuss their views on obstacles and solutions to mobility issues.

WHAT IS THE CONTEXT FOR REDUCING OBSTACLES TO MOBILITY?

The European Context for reducing obstacles to Mobility

The study takes place in the context of the aspirations of the European Union to promote freedom of movement throughout the Member States. This aspiration received a new impetus at the Stockholm European Council in March 2001, where the importance of encouraging greater mobility of labour within the Union as a means of supporting the strategic goal of becoming “the most competitive and dynamic knowledge-based economy in the world”, was further underlined.

Increasing the mobility of workers within the European Union by minimising the obstacles to mobility has been a policy of high priority for all EU institutions since its inception. However, despite over thirty years of policy initiatives to encourage the mobility of persons within Member States, and concerted efforts to break down obstacles to mobility, mobility in the EU is much lower when compared to other Federal States such as the United States or Australia. A recent OECD study¹ estimated that only 1.5% of the total EU population has opted to

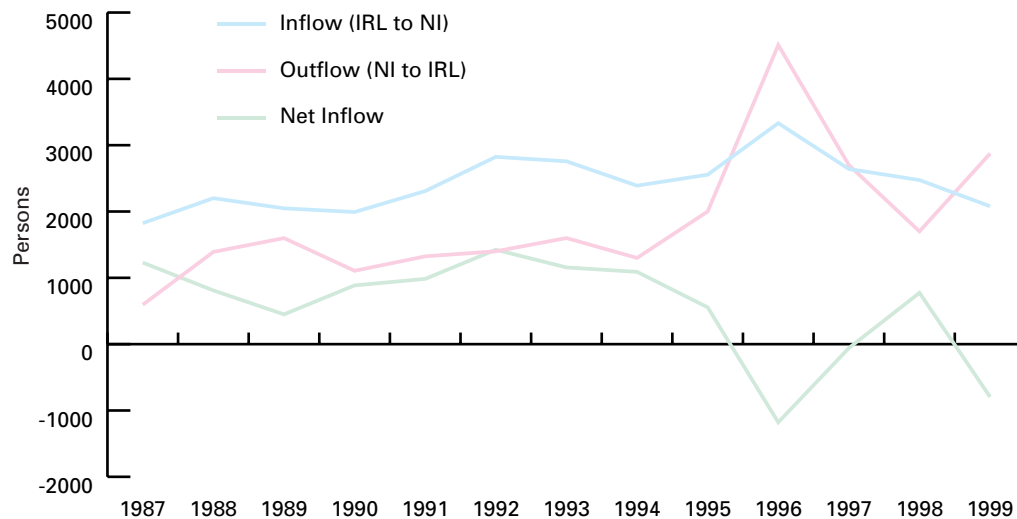


1 OECD(1999):EMU Facts, Challenges and Policies

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Figure 1: Migration Flows between the North and South between 1987-1999



settle in another country compared with inter-state migration rates of 3% in the USA. In terms of cross-border workers, the most recent estimate came from a Commission Working Paper prepared in 1997², which estimated that there was on average a total of 380,000 cross-border workers in Western Europe over the period 1990-1995 which accounts for only 0.26% of the total working population.

The low level of labour market mobility within the EU, although indicative of linguistic and cultural factors, also reflects barriers that could be addressed by European-wide action. In fact, many of the obstacles to mobility evident across European Borders such as problems regarding the recognition of qualifications

and the differing tax regimes, were found to be similar to those experienced between the North and South of Ireland.

WHAT IS THE SCALE OF MOBILITY WITHIN THE ISLAND OF IRELAND?

Ireland's economic and political context has traditionally not encouraged high levels of migration within the island of Ireland. In the early 1990s, as illustrated in **Figure 1** above, more people migrated North than South. However, by the mid 1990s there was an upward trend in migration to the South and for a few years it actually exceeded northward migration, reflecting the favourable economic conditions in the South at the time.

In terms of workers commuting cross-border, estimates suggest that about 2,000 – 2,500 were commuting cross-border from the North to the South to work between 1996 and 1997. The latest available data for 2000 suggests that there are now over 9,000. The number of cross border workers travelling in the other direction, South to North, is not readily available, although anecdotal evidence suggested that in the mid-1990s there were almost 9,000 workers commuting from the South to work in the North. In terms of student mobility, in 1999/2000 there were 3,782 students from the South studying in the North, considerably more than the 1,008 students from the North studying in the South.

² European Commission, Directorate General for Research (1997), Frontier Workers in the European Union, Working Paper

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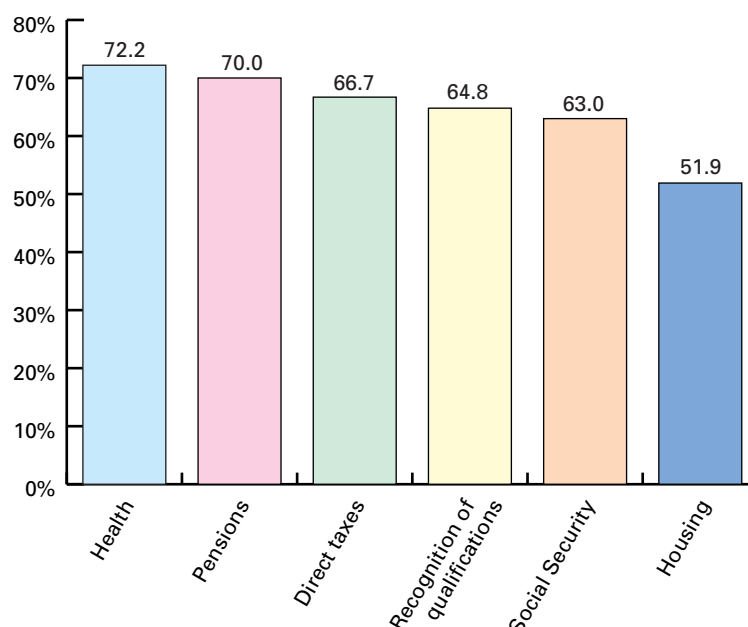
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WHAT BARRIERS TO MOBILITY ARE CONSIDERED THE MOST IMPORTANT WITHIN THE ISLAND OF IRELAND?

As part of our research programme, a questionnaire was issued to a range of individuals and groups. Respondents were asked to rank in terms of importance a number of potential barriers. The purpose of the exercise was to assess the relative importance of a range of different obstacles which are known to adversely affect mobility. These ranged from taxation and social welfare issues to recognition of qualifications and the provision of services such as health, telecommunications and banking. **Figure 2** illustrates the top six barriers for the main survey respondents.

Those issues of particular concern to individuals were identified as direct taxes, social security, pensions, health, and recognition of qualifications. As well as surveys of individuals - recruitment agencies, representative organisations and Government Departments were also involved in the survey exercise. The most important obstacles identified by recruitment agencies were housing and direct taxes with childcare and health also being regarded as significant. Representative organisations indicated that direct taxation, pensions,

Figure 2 Relative Importance of Potential Barriers



health, childcare and recognition of qualifications are seen as the key issues, while for Government Departments, the most important of the potential barriers to mobility were direct taxes, indirect taxes, pensions, employment law, and housing.

These survey results provided a useful indicator of the relative importance of potential obstacles. Direct taxation was seen as a relatively important obstacle to mobility in each of the four surveys. Pensions and health were classified as being amongst the greatest potential obstacles to mobility in three of the four surveys. Also seen as relatively important across our surveys are childcare,

housing and recognition of qualifications.

EXAMPLES OF OBSTACLES TO MOBILITY ENCOUNTERED ON ALL IRELAND BASIS

The main obstacles to mobility encountered on an all Ireland basis were categorised as follows:

- Taxation, Social Security and Pensions
- Health and Childcare
- Education, Training and Employment Legislation and Recruitment Practice
- Financial Services
- Transport, Infrastructure and Communications

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Table 1 opposite provides a brief summary of some of the different obstacles to mobility identified through our study. We have not attempted in this paper to describe in detail each individual obstacle identified, instead we have taken an example from each to illustrate how the obstacle might impact on an individuals mobility.

EXAMPLE OF AN OBSTACLE RELATING TO TAXATION, SOCIAL SECURITY AND PENSIONS

One individual, consulted as part of the individual case studies, informed us of the problems he encountered trying to transfer his public sector pension, accumulated in the South, into his Northern public sector scheme. The individual was unable to transfer his service/contributions into his Northern pension scheme as there is currently no transferability between jurisdictions, even though the Scheme rules and regulations between the Northern/UK and Southern schemes appear similar. The non-transferability of pension contributions represented a serious obstacle to the individual concerned and would ultimately shape any future decision he made regarding which part of the island to retire.

EXAMPLE OF AN OBSTACLE RELATING TO HEALTH AND CHILDCARE

The cost differential of accessing healthcare North and South emerged as one of the obstacles accorded highest priority by individuals who completed the Base Information Returns. It also emerged very strongly in two of the company case studies. The obstacle arises because of the nature of the mixed public/private healthcare system in the south where only low-income groups are eligible for the full range of services free of charge. Consequently approximately 67% of the population in the South are not covered by medical cards and therefore have to pay for primary care services (IR£20 for a GP visit and IR£30 for the services of a Doctor-On-Call) and are entitled to a bed in a public ward of a hospital, but are subject to a daily charge of IR£26 a night). As these services are provided free of charge in the North, this represents an added expense to take into consideration when considering moving South to pursue an employment opportunity.

EXAMPLE OF AN OBSTACLE RELATING TO EDUCATION/TRAINING AND EMPLOYMENT LEGISLATION AND RECRUITMENT PRACTICE

Problems relating to transferability between Northern and Southern vocational schemes such as the Southern apprenticeship scheme and the Northern NVQ were raised as significant obstacles to mobility. For example, individuals who are undertaking the Southern apprenticeship system who move to work in the Northern jurisdiction cannot easily slot into the Northern NVQ system. This also works in reverse and was highlighted in one of the company case studies conducted with a construction company where employees who transferred as part of a company restructuring from North to South had to restart some of their training.

EXAMPLE OF AN OBSTACLE RELATING TO FINANCIAL SERVICES

Problems relating to working and being paid in the currency of one jurisdiction yet owning property and having a mortgage in the other jurisdiction arose as a significant obstacle in one of the individual case studies. The individual had a sterling mortgage yet was paid in Irish Pounds. The individual

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Table 1: Examples of Obstacles to Mobility within the Island of Ireland

Category of Obstacle	Examples of Obstacles Identified
Taxation, Social Security and Pension	<ul style="list-style-type: none"> Southern Vehicle Registration Tax (VRT) – added expense as no similar tax applicable in the North Different personal taxation rates Impending differences in tax years Perceived lack of information on social security benefits and what a crossborder worker is entitled to in each jurisdiction; The tax treatment of pension contributions and the transferability of pension between the two jurisdictions.
Health and Childcare	<ul style="list-style-type: none"> Cost differential of accessing healthcare Access to health services for frontier workers Different registration/accreditation of nursing, medical and PAMs staff Childcare infrastructure differentials including the inadequate amount of childcare provision in the South
Education/Training and Employment Legislation and Recruitment Practice	<ul style="list-style-type: none"> Problems relating to the non-recognition of certain qualifications Poor transferability between similar training courses North and South Lack of recognition of periods of service in the two public sectors North and South Perceived lack of information on training allowances/grants/ admission criteria for cross border students
Financial Services	<ul style="list-style-type: none"> Currency Fluctuations and the impact of the introduction of Euro Expensive bank charges for cross-border transactions and problems regarding access to loans and mortgages in either jurisdiction if you are a crossborder worker
Transport, Infrastructure, Communications and Vehicle Importation	<ul style="list-style-type: none"> Poor Cross border road network Lack of Rural transport services Mobile phone tariffs (cost of “roaming”) and classification as an international call Vehicle insurance and differential fuel costs

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was unable to get a mortgage from an Irish provider as the property was in the North. As a result the individual is now exposed to Irish pound/sterling currency fluctuations in balancing his salary with his sterling mortgage payments.

roaming tariffs or the higher banking charges associated with cross border transactions whereas the non transferability of pension contributions and the non recognition of qualifications would represent very real obstacles to mobility.

EXAMPLE OF AN OBSTACLE RELATING TO TRANSPORT, INFRASTRUCTURE AND COMMUNICATIONS

Problems associated with the different tariffs and charging policies of the mobile phone providers were commonly expressed as an obstacle to cross-border mobility. One employer with employees travelling on both sides of the border has resorted to providing staff with two mobile phones for use in each jurisdiction. This is done to avoid paying the exorbitant roaming tariffs charged by most operators.

The identification of the obstacles impacting on cross border mobility is only the first part of this study. Recommendations on how the obstacles identified might be eliminated or overcome by the public and private sectors, represents the next stage in the process. Possible solutions range from simple suggestions such as increasing awareness of the differences between the two parts of the island by better access to information on such issues as taxation and social security, to more complex solutions which would involve legislative changes.

WHAT CAN BE DONE TO REDUCE THESE OBSTACLES?

Our study identified a wide range of obstacles that may ultimately shape an individual's decision to pursue an employment opportunity in another jurisdiction. The study found that individuals face a combination of obstacles, some of which represent "hassles" as opposed to real obstacles. Hassle factors might include mobile phone

The recommendations identified by this study are currently under consideration by the NSMC and consequently no decisions regarding their possible implementation has yet been made.

Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

The Inter Departmental Business Register (IDBR) contains information on VAT traders and PAYE employers in a statistical register comprising approximately two million UK businesses (approximately 66,000 of these enterprises are in NI). IDBR section in Statistics Research Branch, DETI maintains the NI element of the register so that it can be used as the sampling frame for Government surveys to businesses.

The register holds information on companies, sole proprietors, partnerships, public corporations/nationalised bodies, central government departments, local authorities and non-profit making organisations. The IDBR provides 99% coverage of the economy. All sectors are covered, although no extensive analysis is available for agriculture. Areas not covered include some very small businesses (such as self-employed persons, businesses without employees and those which have a low turnover) and some non-profit making organisations.

Table 1 shows that NI is a small business economy, where 89% of businesses have less than 10 employees, compared with only 2.1% having 50 or more. However most employees work in large businesses – 42.9% work in a business that has 500 or more employees, just 0.2% of all businesses in NI.

It is clear to see the public sector's importance as a major employer in NI - almost one out of every three employees works in the public sector (including both central and local Government).

Table 1 Businesses¹ and employees in NI at April 2001

(a) Private and public sector

Sizeband	0 ¹	1-9	10-19	20-49	50-99	100-199	200-249	250-499	500+	Total
Businesses	28,605	30,225	3,710	2,180	685	355	70	135	135	66,095
Employees	*	92,010	49,460	65,335	46,075	49,235	15,445	46,245	272,985	636,790

¹ This sizeband includes sole proprietors and partnerships, holding companies and those companies that are not yet trading, for example, if a factory is under construction.

(b) Private sector

Sizeband	0 ¹	1-9	10-19	20-49	50-99	100-199	200-249	250-499	500+	Total
Businesses	28,600	30,205	3,690	2,120	655	315	65	115	75	65,835
Employees	*	91,900	49,160	63,410	43,970	43,500	*	38,410	96,490	440,985

(c) Public sector

Sizeband	0 ¹	1-9	10-19	20-49	50-99	100-199	200-249	250-499	500+	Total
Businesses	0	25	20	60	30	40	5	25	55	260
Employees	*	110	300	1,925	2,110	5,730	*	7,835	176,495	195,805

¹ Includes VAT registered businesses and those businesses which are VAT exempt but which operate PAYE schemes.

Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

Table 2 : Businesses and employees in NI by broad industry group, 2000

SIC(92) Section	Businesses	% of total	Employees	% of total
A Agriculture, Hunting and Forestry	17,630	33.3	5,775	1.7
B Fishing	220	0.4	225	0.1
C Mining and Quarrying	90	0.2	1,460	0.4
D Manufacturing	3,800	7.2	95,130	27.8
E Electricity, Gas and Water Supply	15	0.0	*	*
F Construction	6,510	12.3	28,135	8.2
G Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	12,085	22.8	75,500	22.1
H Hotels and Restaurants	2,700	5.1	27,445	8.0
I Transport, Storage and Communication	1,990	3.8	12,235	3.6
J Financial Intermediation	185	0.3	5,750	1.7
K Real Estate, Renting and Business Activities	5,445	10.3	32,870	9.6
L Public Administration and Defence; Compulsory Social Security	20	0.0	*	*
M Education	125	0.2	8,455	2.5
N Health and Social Work	255	0.5	6,390	1.9
O Other Community Services, Social and Personal Service Activities	1,890	3.6	18,435	5.4
Total	52,955		342,355	

In 2000, one third of businesses registered for VAT in NI were in agriculture. These businesses employed 1.7% of private sector employees. A further 22.8% of businesses registered for VAT were in the wholesale and retail industries, employing over one fifth of private sector employees. The manufacturing sector employed 27.8% of private sector employees.

Table 3 shows the number of businesses by broad industry group in each of the District Council Areas (DCA) in NI. Agriculture dominates the economy in rural and border DCAs with services and retail businesses predominant in urban DCAs such as Belfast and Derry.

Note: Each business is allocated to a DCA based on the address where it is registered for VAT (normally the head office, if the business has a number of work sites). Thus a business with its head office in

Belfast is included in the figures for Belfast, even though it may have work sites in other DCAs – for example, banks. Similarly, businesses that have their UK headquarters in GB will be included only in the region where their head office is based. Therefore many multi-national businesses are excluded from these tables.

Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

Table 3: Number of VAT-based enterprises by broad industry group and District Council, 2000

District Council	Agriculture (incl. fishing)	Production	Construction	Motor Trades	Wholesale	Retail	Hotel & Catering	Transport	Post & Telecom	Finance	Property & Business	Education	Health	Public Admin & other services	Total
Antrim	570	110	205	70	80	150	75	115	20	0	130	5	10	50	1,585
Ards	590	190	270	100	155	315	125	55	5	10	200	0	10	90	2,120
Armagh	1,270	155	225	110	160	230	105	145	5	5	120	5	10	55	2,600
Ballymena	935	135	290	105	110	280	105	60	5	5	175	5	5	45	2,255
Ballymoney	570	70	160	60	45	115	35	40	5	0	60	0	5	15	1,170
Banbridge	780	100	250	65	90	160	65	65	5	0	100	0	10	40	1,730
Belfast	30	505	515	205	600	1,180	440	190	30	70	1,745	35	50	465	6,065
Carrickfergus	70	65	80	30	35	95	40	15	5	0	75	5	0	35	555
Castlereagh	95	100	180	50	115	165	45	40	10	5	140	5	15	50	1,010
Coleraine	595	125	200	85	95	235	130	40	5	10	175	5	10	65	1,775
Cookstown	915	140	225	95	70	145	70	70	0	0	80	0	5	20	1,835
Craigavon	465	225	275	130	150	310	110	95	5	5	230	5	10	95	2,110
Derry	395	185	285	85	135	320	140	55	5	5	255	5	5	90	1,965
Down	800	125	380	95	115	280	145	40	5	5	180	5	5	75	2,255
Dungannon	1,330	235	265	100	110	250	100	95	5	5	130	5	10	45	2,680
Fermanagh	1,965	130	255	130	100	305	125	55	10	5	125	5	20	70	3,305
Larne	390	50	95	35	45	120	55	55	0	5	80	0	0	40	965
Limavady	440	60	190	35	35	115	60	25	0	0	55	0	5	20	1,040
Lisburn	645	285	450	155	290	310	125	125	10	15	330	5	10	145	2,905
Magherafelt	810	160	345	75	65	150	65	70	5	5	100	5	5	25	1,885
Moyle	405	20	90	25	30	70	50	15	0	0	15	0	5	10	735
Newry & Mourne	1,170	255	460	135	195	350	160	165	10	10	210	5	15	90	3,235
Newtownabbey	185	150	205	115	170	230	75	95	5	5	215	10	10	80	1,555
North Down	65	130	165	60	125	230	110	30	5	10	330	10	15	120	1,405
Omagh	1,510	120	280	95	85	215	75	30	5	5	140	5	10	35	2,615
Strabane	860	85	170	65	50	175	70	35	0	0	55	0	5	30	1,595
N. Ireland	17,850	3,905	6,510	2,315	3,255	6,510	2,700	1,815	170	185	5,445	125	255	1,905	52,955

Source: Size Analysis of United Kingdom Businesses (Business Monitor PA1003), 2000

Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

Figure 1 shows the relative importance of the broad industry groups (expressed as a percentage of the total VAT registered businesses in the DCA) in each of the DCAs in NI.

Figure 1 (a) VAT registered businesses within the agricultural sector, 2000

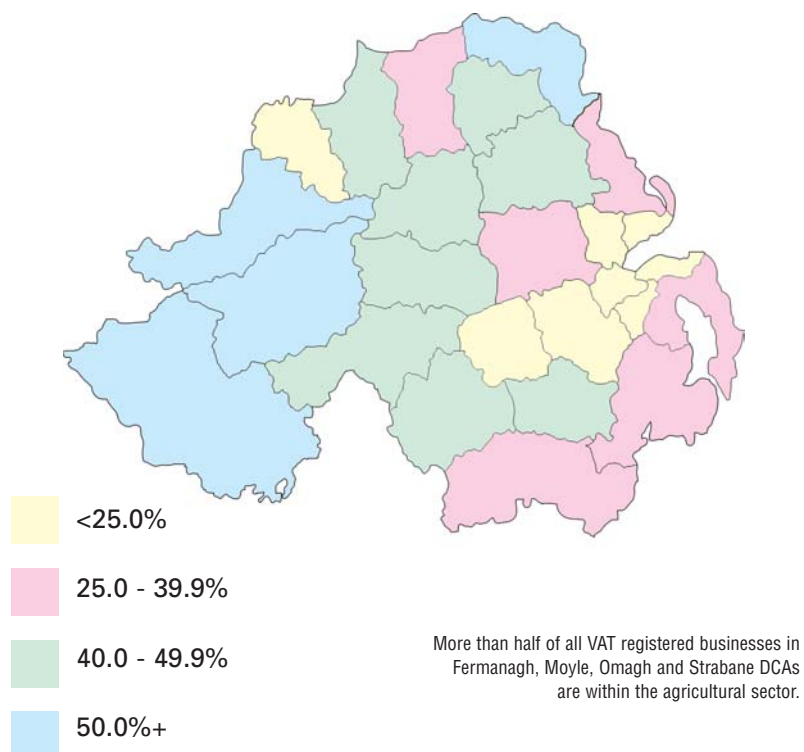
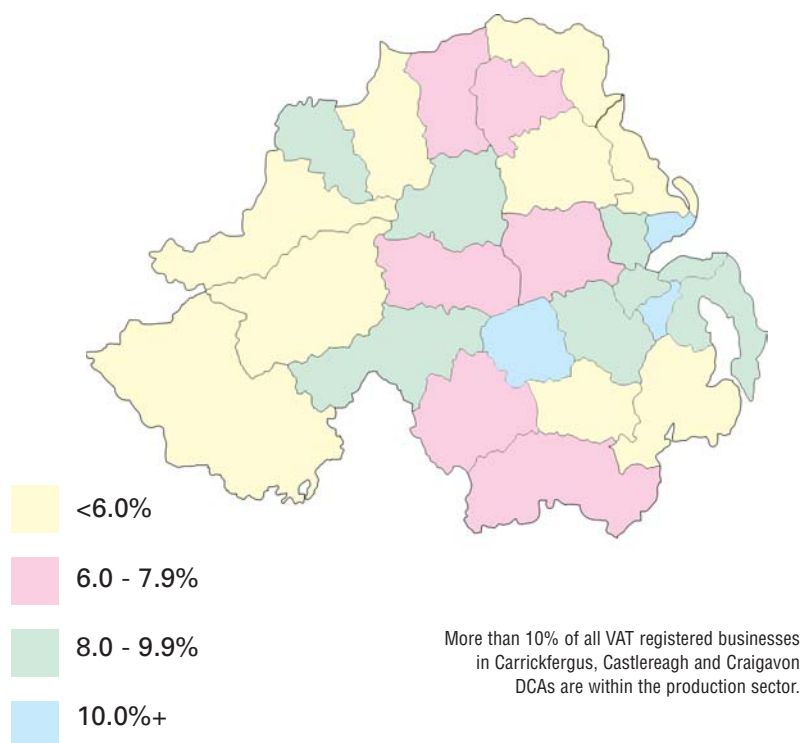


Figure 1 (b) VAT registered businesses within the production sector, 2000



Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

Figure 1 (c) VAT registered businesses within the construction sector, 2000

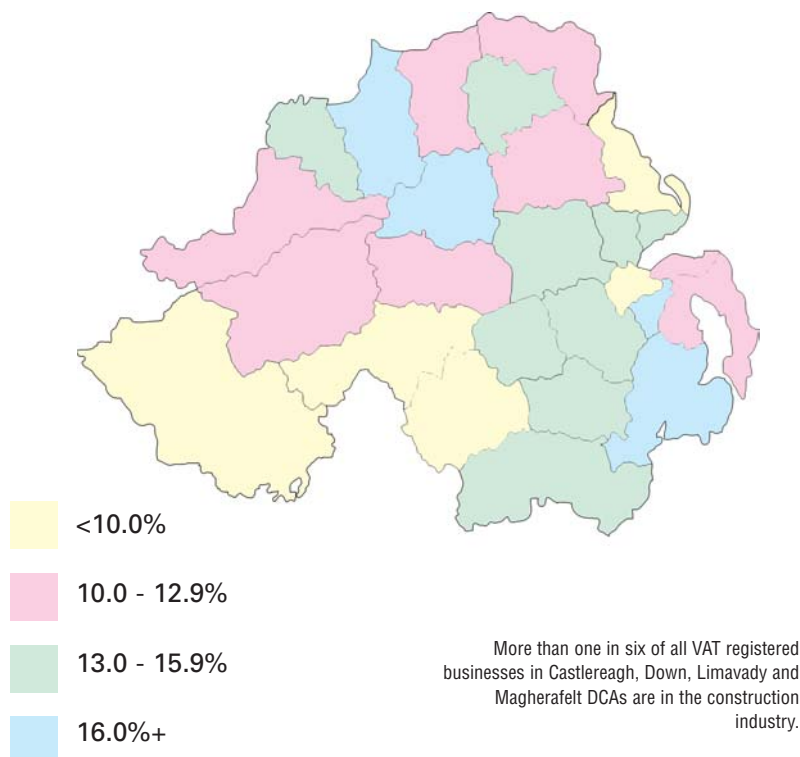
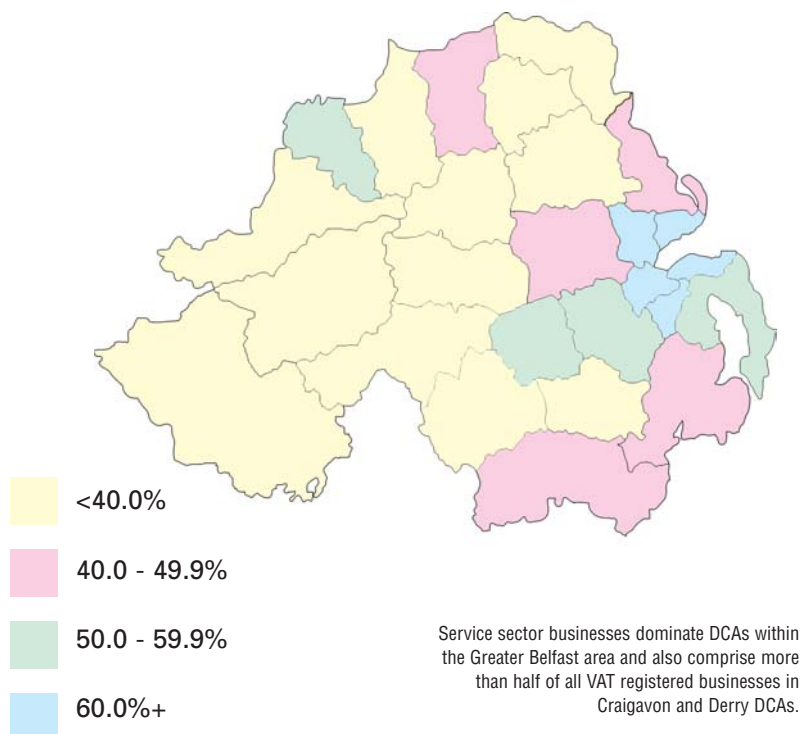


Figure 1 (d) VAT registered businesses within the service sector, 2000



Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

BUSINESS SURVIVAL RATES

DTI's Small Business Service Research and Evaluation Unit annually publish business 'survival rates' that show the percentage of businesses that are still trading (i.e. remaining registered for VAT) a certain number of years after they first registered for VAT. These rates are not 'actual' survival rates, as some businesses registering may already have been in existence but below the VAT threshold, while some businesses de-registering may remain in business but with a turnover below the

VAT threshold. The figures, therefore, tend to over-estimate survival rates because they do not include over one million of the smallest businesses (throughout the UK) with the lowest survival rates. Those that are no longer trading should not be presumed to be failures. Some will have closed for other reasons - the owner may have retired; the business may have been taken over, it might simply have fully exploited the available market; or it may have completed a time-limited task (for example a company formed by the

organisers of an exhibition or a trade fair).

Table 4 below shows that NI has consistently been the best performing region of the UK in terms of business survival rates since 1993.

Table 4 Percentage of businesses surviving three years from initial VAT registration

Region	Year of registration				Change 1993-1996
	1993	1994	1995	1996	
North East	55.9	55.5	59.4	61.4	5.5
North West	57.1	57.1	59.9	60.1	2.9
Yorks & The Humber	58.3	58.3	61.1	60.8	2.5
East Midlands	60.4	59.0	62.0	61.2	0.8
West Midlands	59.0	59.0	60.3	61.3	2.3
East of England	61.6	61.4	64.3	65.3	3.7
London	59.3	57.9	59.4	59.5	0.2
South East	61.3	61.8	65.5	66.2	4.9
South West	61.1	61.5	64.8	65.0	3.9
England	59.7	59.4	62.0	62.4	2.7
Wales	58.7	60.5	62.6	63.1	4.4
Scotland	60.6	59.2	62.0	61.2	0.6
Northern Ireland	65.0	69.6	71.2	70.1	5.1
United Kingdom	59.9	59.6	62.3	62.5	2.7

Source: DTI Small Business Service Research and Evaluation Unit



Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

Table 5 Foreign owned businesses operating in NI

Country	1997		1998 ¹		1999		2000	
	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees
Republic of Ireland	109	15,740	123	15,405	139	15,135	165	16,505
USA	112	16,145	111	17,235	124	15,875	146	22,220
France	30	3,930	23	2,650	27	4,035	36	5,580
Netherlands (incl. Netherlands Antilles)	25	2,220	30	2,010	29	1,600	26	1,265
Germany	22	1,075	22	955	24	1,000	26	1,205
Japan	12	*	15	*	15	*	14	*
Denmark	8	*	12	*	5	*	12	*
South Korea	8	*	8	*	8	*	7	*
Switzerland	7	*	5	*	10	*	7	*
Canada	7	*	9	*	9	*	10	*
Australia	7	*	6	*	4	*	5	*
Sweden	5	*	2	*	2	*	3	*
Belgium	4	*	5	*	6	*	3	*
Finland	3	*	3	*	4	*	5	*
Hong Kong	2	*	0	*	0	*	0	*
Luxembourg	2	*	0	*	0	*	1	*
Italy	1	*	1	*	2	*	0	*
Norway	1	*	1	*	2	*	9	*
Portugal	1	*	1	*	1	*	4	*
Malaysia	1	*	1	*	1	*	0	*
Liechtenstein	1	*	0	*	0	*	0	*
Channel Islands	0	*	5	*	4	*	5	*
of which, Jersey	0	*	0	*	3	*	4	*
of which, Guernsey	0	*	0	*	1	*	1	*
Isle of Man	0	*	4	*	3	*	3	*
South Africa	0	*	2	*	3	*	3	*
Bermuda	0	*	0	*	2	*	0	*
Austria	0	*	0	*	1	*	1	*
Bahamas	0	*	0	*	1	*	1	*
Taiwan	0	*	0	*	1	*	1	*
Total	368	55,850	389	57,465	427	57,835	497	69,170

¹ Figures from 1998 are not directly comparable with earlier years as Dun and Bradstreet introduced a new (and improved) system for collecting information on the country of ownership of businesses during that year.

Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

FOREIGN OWNED BUSINESSES IN NI

The market information company Dun and Bradstreet supply ONS with information on foreign owned businesses operating in the United Kingdom annually. This information is then loaded onto the IDBR. Statistics Research Branch, DETI supplement this with information from two sources: (i) the Industrial Development Board's (IDB) list of client companies (a list which gives details of businesses which have received financial assistance from IDB) and (ii) a list of publicly traded US companies with subsidiaries, affiliates or branch offices employing more than ten people in NI, published by the Investor Responsibility

Research Center, Washington D.C. (The IRRC is an independent, non-profit making research firm).

Table 5 shows the number of foreign owned businesses and the employees within them operating in NI over the last few years. In 2000, there were approximately 500 foreign owned businesses in NI employing almost 69,200 people. Foreign owned businesses are therefore a key player in employing local people as they employ approximately 10.8% of all employees in NI (expressed as a percentage of the total unadjusted employee jobs at December 2000); 24 countries had businesses operating in NI with the RoI and USA owning more than

100 businesses. These two countries accounted for 56% of employees in foreign owned businesses.

Table 6 shows that the majority of foreign owned companies in NI are in the manufacturing and wholesale and retail sectors.

Note: As the number of businesses is drawn from a number of sources, the actual numbers are given and are not disclosive. However the employee figures are taken from the IDBR and are thus subject to the usual confidentiality constraints.

Table 6: Number of foreign owned businesses by broad industry group, 2000

SIC(92) Section	Businesses	%	Employees	%
A Agriculture, hunting and forestry	3	0.6	*	*
C Mining and quarrying	4	0.8	*	*
D Manufacturing	166	33.4	42,130	60.9
E Electricity, gas and water supply	4	0.8	*	*
F Construction	24	4.8	1,080	1.6
G Wholesale and retail trade	153	30.8	9,645	13.9
H Hotels and restaurants	6	1.2	*	*
I Transport, storage and communication	35	7.0	1,965	2.8
J Financial intermediation	28	5.6	5,850	8.5
K Real estate, renting and business activities	68	13.7	4,495	6.5
N Health and social work	3	0.6	*	*
O Other community, social & personal service activities	3	0.6	*	*
Total	497		69,170	

Information on NI Businesses from the Inter Departmental Business Register

Statistics Research Branch, Department of Enterprise, Trade & Investment

Figure 2: Foreign owned businesses by District Council, 2000



Notes:

Figures in the tables have been rounded to the nearest five and thus may not add to totals. Similarly, percentages may not always add to 100 due to rounding.

Where there are *less than 20 businesses* in a particular table cell, the employee figure has been suppressed

to avoid disclosure (this is the ONS suppression criteria).

An asterisk (*) denotes that the figure is not shown due to there being either no businesses or employees in that particular cell or due to confidentiality constraints. A confidentiality constraint is where measures are taken such as rounding and

suppression of figures (as outlined above) to avoid disclosure of information on individual businesses.

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FROM INITIAL EDUCATION TO WORKING LIFE

This important review of the transition from initial education to working life, from dependent youth to independent adulthood, was the result of work carried out by the Education Committee of the Organisation for Economic Co-operation and Development (OECD). Fourteen OECD committees participated including the UK (but not Rol).

The review stemmed from countries desire to gain a better understanding both of how young people's transitions changed during the 1990s, and of the types of national policies and programmes associated with successful transition outcomes.

It is a very comprehensive study; topics include the impact of apprenticeships on good labour outcomes; the value of student's holiday jobs (positive: see NIERC Study on this topic in this Bulletin) and also more formal work experience programmes.

There are some serious areas of concern for the UK which in general did not score well. For example of all OECD countries in only four do 20% or more of young people drop out of education within a year of compulsory schooling – they

were Spain, Hungary, Mexico and the UK. Many of these would be at risk of entering Status 'O' (see article in this Bulletin). On the other hand the UK scored quite well on having low youth unemployment rates – in part due to the absence of employment protection legislation which leads to a more flexible labour market and less of an "insider", "outsider" problem.

Highly recommended!

Available from:
OECD
2 Rue Andre Parcol
74775 Paris CEDEX 16
FRANCE
ISBN 92-64-17631-4
FF240

For background information and reports see also www.oecd.org/els/edu/index.htm

SKILLSBASE WEBSITE

The DfEE (now Department for Education and Skills) Skillsbase website is an excellent resource, which draws together skills-relevant data from a wide variety of sources. The site includes data and narrative covering subjects such as macro-economic indicators and workforce projections (see Chapter 12 of this Bulletin), National Skills Task Force research,

National Training Organisation (NTO) Skills Foresight and Skills Dialogues.

Reports and data can be accessed in pdf format, downloaded or hard copies can be ordered from the contacts supplied. While the information is presented from the National Skills Task Force perspective (largely England), much of the data has a UK coverage or includes regional elements and may be useful as a primary source or as contextual data.

Skillsbase can be accessed at <http://www.skillsbase.dfee.gov.uk>

Other sites providing skills relevant information are available for Wales <http://www.futureskillswales.com>, Scotland <http://www.sconto.org.uk/lmi> site and the Republic of Ireland <http://www.forfas.ie/futureskills>.

NATIONAL SURVEY OF VACANCIES IN THE PRIVATE NON-AGRICULTURAL SECTOR 1999/2000. A REPORT PREPARED FOR FAS AND FORFAS

This report presents the results of a Republic of Ireland national survey of vacancies commissioned by the Expert Group on Future Skills Needs. The report details the results from a survey of 1,200 private



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sector companies carried out in late 1999/early 2000 and follows on from an earlier survey carried out in late 1998/early 1999. This allows for comparisons on trends, levels etc over the period 1998/99 to 1999/2000. The survey focuses on issues such as the incidence of vacancies, difficult to fill vacancies, the impact of vacancies, retention difficulties, changing skill levels and training activity.

The continued impact of the growth of the Celtic Tiger economy on the labour market is clearly shown (the 1998/99 to 1999/2000 period preceded the current slowdown in the 'technology' sector). In the 12 months preceding the survey it is estimated that employment grew by over 8%; 31% of firms reported that they had at least one vacancy (compared to 27% in 1998/99) with one quarter reporting a difficult to fill vacancy (as in 1998/99) and 19% reporting retention difficulties (17% in 1998/99). The design of the survey allows for some regional analysis and in aggregate terms the data suggest that the difficulties in recruiting and retaining staff in the Dublin area had become more widespread.

While there are differences in methodology and, for example, sectoral definitions

this survey provides data that allows broad comparisons between the labour markets in RoI, NI and GB.

Copies of the report priced at IR£8.00 (IR£4.00 for students) are available from:

The Economic and Social Research Institute
4 Burlington Road
Dublin 4
www.esri.ie

"EMPLOYABILITY" AND ITS RELEVANCE FOR THE MANAGEMENT OF THE LIVE REGISTER

by Alan Barrett, Christopher T. Whelan and J. J. Sexton – Economic and Social Research Institute, Policy Research Series Number 40, May 2001

The RoI has witnessed remarkable economic growth over the past decade, with rising GDP and employment levels. Whilst unemployment has also fallen sharply over that period, in late 2000 there were still more than 140,000 people on the "live register" – ie people claiming unemployment-related benefits. This research paper attempts to uncover the extent to which individuals on the register have employability difficulties which, even in a time of full employment,

hinder their movement into jobs.

The research conceptualises employability within a framework that considers the characteristics of the individuals concerned; contextual factors, such as family, geography, and social; and labour demand at the level of the firm and at the macro level.

The Report identified a number of factors which appear to be associated with reduced employability. The key ones were age; previous labour market history; lack of education; rurality; housing tenure (in urban areas); having children (for women); literacy, and access to transport (in rural areas). Interestingly, health did not appear to be associated with difficulties in making a transition to employment from the register, but the authors themselves are circumspect on this issue and point to contradictory findings and to the fact that many individuals with health difficulties may not be on the register in the first place but experience other types of "unemployment".

Finally, the authors discuss possible policy responses and practical uses of this information: using the characteristics to make early identification of those on the register who are likely to



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experience employability difficulties and thus allowing early intervention.

Available from
The Economic and Social
Research Institute
4 Burlington Road
Dublin 4
Republic of Ireland

ISBN 0 7070 0197 8
Price IR£12.00; €15.24

“AN EVALUATION OF THE BACK TO WORK ALLOWANCE SCHEME AND THE AREA ALLOWANCE SCHEME” – DEPARTMENT OF SOCIAL COMMUNITY AND FAMILY AFFAIRS, REPUBLIC OF IRELAND

The Back to Work Allowance Scheme (BTWAS) and associated schemes were introduced in the Republic of Ireland in the early 1990s – still a time of high unemployment in the state – in order to smooth the financial transition from welfare into work. It achieved this through allowing certain benefit recipients who were out of work for extended periods of time the opportunity to retain a proportion of their benefits – reducing over time – when they entered and kept work.

The detailed evaluation evidence presented in the Report suggests that around 60% of BTWAS participants were in employment in some 3-5 years after they

entered the scheme, with 29% unemployed. The employment rate was higher for those who entered the scheme as self-employed participants (nearly 70% in work). The evaluation suggested that deadweight was quite high at around 70%. The Report also gives a significant amount of material from surveys of participants and of employers who had taken on workers under the scheme.

Available From:
The Stationery Office
Government Publications
Sale Office
Sun Alliance House
Molesworth Street
DUBLIN 2
Price IR£10 (€12.70)
ISBN 0 7076 9015 3

CENTRE PIECE – THE MAGAZINE OF THE CENTRE FOR ECONOMIC PERFORMANCE

The CentrePiece magazine is published three times a year by the Centre for Economic Performance at the London School of Economics. As well as a regular editorial article, the magazine presents articles from a varied range of contributors, providing in depth comment and analysis on current economic issues in the United Kingdom and the rest of the world. Many articles focus on labour market issues.

The magazine is aimed at a broad readership with an interest in economic issues, and is presented in a glossy, contemporary style. A website for the magazine (www.centrepiece-magazine.com) provides an overview of the current edition, and also provides access to new articles, available free online.

Available from:-

The Centre for Economic
Performance,
The London School of
Economics and Political
Science
Houghton Street
London WC2A 2AE

Tel: 020 7955 7673
Fax: 020 7955 7595
E-mail:
centrepiece@lse.ac.uk

Homepage:
www.centrepiece-magazine.com

SOCIAL TRENDS

This annual Report by the Office of National Statistics is an excellent, extensive, and accessible compendium of a whole series of social statistics over space and time.

First published in 1970 it contains over 300 tables and charts as well as in depth articles eg in the 2000 Edition. “A Hundred Years of Social Change”.



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Available from:
The Stationery Office
16 Arthur Street
BELFAST
BT1 4GD
ISSN: 0306 7742
See also www.ons.gov.uk

REGIONAL TRENDS

This annual Report by the Office of National Statistics contains a wide range of demographic, social, and economic statistics covering most aspects of life in the 12 UK Regions. It is very well presented - in Tables, Charts, Diagrams and Maps and accompanying commentary.

It starts with separate regional profiles of each region - including of course NI and also includes some EU data. Topics of particular relevance to the work of DEL include Education and Training, Labour Market and Income and Lifestyles. Here for example it was comforting to learn that NI people are easily the biggest contributors to charitable causes in the UK!

Available from:
The Stationery Office
16 Arthur Street
BELFAST
BT1 4GD
ISSN: 0261 - 1783
See also
www.statistics.gov.uk

ECONOMIC TRENDS

This monthly Report by the Office of National Statistics is primarily a series of data on key economic indicators such as GDP, price changes and financial statistics.

In addition there is an overview of the National and International economies, and several in depth articles on measurement issues - but only for the highly specialist reader.

Available from:
The Stationery Office
16 Arthur Street
BELFAST
BT1 4GD
ISSN: 0013 - 0400
See also
www.statistics.gov.uk



LABOUR MARKET SEMINARS: 2001 SERIES

Together with the Employment Service, Research and Evaluation Branch ran a series of five Labour Market Seminars across NI in October (postponed from the Spring due to the FM problems) with a typical programme as below.

They were run in the morning followed by a lunch. They were well attended and feedback was very positive. Accordingly we have planned a further Series for 2002 which will follow a similar format.

The Seminars present an opportunity to learn about our current state of knowledge of the NI Labour Market with some reference to your local labour market. The content will in part be a summary of the previous Seminar, an update of the current situation, and latest forecasts; in addition research reports will be presented and in particular the results of our new Skills Monitoring and Forecasting Systems.

There is no charge to attend the Seminar.

If you were invited to the Series in 2001, you will be asked again to the 2002 Series – if not and you wish to attend the new Series, please contact either:

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Siobhan is Regional Operations Manager of the Eastern Region – Ards, Ballymena, Belfast, Carrickfergus, Castlereagh, Down, Larne, Lisburn, Newtownabbey and North Down District Council Areas. Daragh is Regional Operations Manager of the Western Region – Antrim, Armagh, Ballymoney, Banbridge, Coleraine, Cookstown, Craigavon, Derry, Dungannon, Fermanagh, Limavady, Magherafelt, Moyle, Newry & Mourne, Omagh and Strabane District Council Areas.

SEMINAR ON LOCAL LABOUR MARKETS IN NI (2001 SERIES)

09.00am

Coffee/Tea and Registration

09.30am

Introduction by local Regional/District Manager

09.35am

A Brief Overview of the NI Labour Market and local employment issues.
(Terry Morahan, Research & Evaluation Branch DEL)

10.10am

Recent Redundancy Studies.
(Terry Morahan)

10.20am

Results of the NI Large-Scale Recruitment Study (Ian Shuttleworth and Darren McKinstry, C-STAR, QUB)

11.00am

Break

11.30am

Skills Monitoring and Forecasting
(Mark Livingstone, Skills Unit, REB, DEL)

12.15pm

Questions and comments from the audience

12.30pm

Close: Lunch



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Each Bulletin opens with an Editorial, followed by updated Labour Market Statistics. Starting with Bulletin No 8, a "Further Reading" Section contains various labour market publication reviews.

ISSUE NO 1 OCTOBER 1990

School-Leavers; Labour Force Projections; Skills Supply and Demand; Employment Services for Employers and Jobseekers.

ISSUE NO 2 MAY 1991

European Skill Shortages; National Vocational Qualifications; Employment Growth and Unemployment Change in the 1990s; Training Centre Network

ISSUE NO 3 NOVEMBER 1991

Labour Market Database; School-Leavers; Consultancy and Advisory Service.

ISSUE NO 4 MAY 1992

Recent External Migration Patterns for NI; Recent Developments with National Vocational Qualifications; World Class Targets in NI; European Training Programmes

ISSUE NO 5 NOVEMBER 1992

Economic Success and Apprentice Training in Germany; Labour Force Projections; Management Skills – A Key Determinant of Small Firm Growth; The Training and Employment Agency's Business Support Division.

ISSUE NO 6 MAY 1993

5th Form Destinations; Women and Training; Young People on the Youth Training Programme; Who Uses Open Learning Access Centres.

ISSUE NO 7 NOVEMBER 1993

Training and Employment Agency Regions; Labour Market Profile; General National Vocational Qualifications; School-Leavers; Post School Destinations; The Example of 1991 School-Leavers.

ISSUE NO 8 FEBRUARY 1995

Employment and Unemployment in NI: A comparison with EU Trends; Advertised Vacancies in NI; After 5th Form What Next?



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ISSUE NO 9 NOVEMBER 1995

Peace, Political Stability and the NI Labour Market; NI Social Omnibus Survey; Labour Force Projections; Labour Costs; National Targets for Education and Training; Monitoring Equality of Opportunity.

ISSUE NO 10 OCTOBER 1996

The NI Social Omnibus Survey; The Fastest Improving Regional Economy in the UK; Export Growth; The Key to Expanding Manufacturing Employment; Company Development Programme; Results of the Skills Study – Stage 1; The National Information System for Vocational Qualifications; Long-Term Unemployment in NI; Young People on the Margin in NI.

ISSUE NO 11 OCTOBER 1997

The NI Labour Market at a Glance; Claimant Unemployment; The Fastest Improving Regional Economy in the UK; NI Social Omnibus Survey; Local Labour Market Reports; Hidden Labour Reserves in NI; Recruitment Difficulties in Craigavon; Trends in Earnings; Targeting Social Needs; Equality Monitoring Update from the T & EA; Graduates and the Labour

Market in NI; Evaluation of Open Learning Access Centres.

ISSUE NO 12 OCTOBER 1998

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ISSUE NO 13 OCTOBER 1999

Labour Market at a Glance; Labour Market Statistics; Hours Worked – A NI Series; Fastest Improving Regional Economy; NI Social Omnibus Survey; Skill Needs in NI; The Work of the NI Skills Task Force/Skills Unit; The Large Scale Labour Recruitment Study; Work to Workers, Does it Work; Killyleagh Yarns and Saracens (Coats Viyella) Closures; What

Happened to the Ex-Mackie Workers; Brain Drain or Brain Gain? Bridge to Employment – an Evaluation; Why Invest Public Money in Management Training; Jobskills Quality Management Systems – an Evaluation; New Management Standards; Playcare – an Evaluation; Employment Support for People with Disabilities – an Evaluation; The New Deals – Brief Guide; New Deal Evaluations – a Progress Report; Religion in the Labour Market; Disability Research; Equality Monitoring Statistics; Status 'O' Four Years On; What is the Inter-Departmental Business Register?; Labour Market Evaluation Methodology.

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



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Copies of the Labour Market Bulletin can be obtained by contacting:

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The Bulletin is also available
from our Website at:
www.delni.gov.uk



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Notes



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- 6** The 2001 NI Social Omnibus Survey
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