

# Labour Market Bulletin



INVESTOR IN PEOPLE

Training & Employment Agency



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## As the song (almost) goes "What a Difference a Year Makes".

A lot happened on the European front. In January the European Monetary Union was launched - but since then the Euro has been weak losing over 10% of its value. The relatively stronger pound is causing difficulties for our exporters reducing the growth of manufacturing output and leading to a small fall in manufacturing employment. The radical changes envisaged in 'Agenda 2000' were diluted, NI lost Objective 1 Status, albeit with a generous winding down adjustment allowed. And, of course, the EU Commission was replaced.

In the UK the minimum wage was introduced in April and the New Deal was widened to include several other groups, in particular to all those over 25 who had been unemployed for 18 months or more. Interest rates have been reduced - they have declined in the past year from 7.5% to 5.25% and are at their lowest level for over 20 years.

As for NI the key influence on the economy of political stability remains uncertain. As a result, at time of writing, the Agency remains an Agency and is not part of a wider "Department of Higher and Further Education Training and Employment" with its own Minister. Nor is there yet an Assembly in position to give its views on the new "Strategy 2010" produced by the Strategy Review Steering Group. Nevertheless in general the NI labour market has continued to perform well especially when the difficulties

in overseas markets and the slow down in the UK economy are taken into account.

Around this world of change and uncertainty this Editor is relieved that the next issue of the Bulletin is not due out until well after the Y2K bug is out of the way !

Are we entering a new "Golden Economic Age" in the UK? In simple terms a measure of this is the Misery Index - the sum of unemployment and inflation which in round terms is currently 8% (6% + 2%). The 'Star' economy by this measure among the large economies is undoubtedly the USA at 6% (4% + 2%) with many smaller economies such as the Netherlands at 5% (3% + 2%) and Republic of Ireland at 8% (6% + 2%) also doing very well.

In the last "Golden Economic Age" of the 1960s the UK had full employment and low inflation. Then came the Bronze Age of the 70s with the oil price shocks and high unemployment often over 10% and inflation averaging 13% (peaking at 27%) - a Misery Index of almost 40! The Silver Age of the 80s saw both these measures falling with inflation averaging 7% and unemployment below 10%. A better measure would include the employment rate and growth in GDP. The employment rate is the percentage of the working age population in employment: it is 73% in the USA, and 74% in the UK, 66% in NI and only 62% in the EU; RoI is 58% but rising rapidly. Annual GDP growth in recent years has been only 2% in the UK and the EU and 3% in NI

but a heady 8% in RoI.

Now the UK economy has experienced the largest run of uninterrupted growth since WWII with inflation just over 2% and unemployment just over 6%. Indeed using the official EU Harmonised Index of Consumer Prices, inflation is only 1.5%. In NI we now have the lowest unemployment rate since 1979. It is all too easy to forget that unemployment was as high as 18% in 1983 - it is now 7%.

This good news makes it all the more imperative and practical to make further reductions in the numbers of the disadvantaged - the long term unemployed, the lower skilled etc. In this context the new TSN (Targeting Social Need) plans will guide our actions. As currently proposed there will be a welcome greater emphasis on people rather than areas. Nevertheless it was heartening to see another independent audit of the NI Departments and Agencies on Targeting Social Need once again place T&EA as "top of the class" - even if there was a hint that we could still do better!

Finally on the Research and Evaluation Branch front the big news was the setting up of the Skills Task Force and its full backing to an Action Plan for the Skills Unit - see article in this Bulletin.

### Terry Morahan

Editor - Labour Market  
Bulletin

Head - Research & Evaluation  
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# The Northern Ireland Labour Market "At a Glance"

Statistics Research Branch, Department of Economic Development



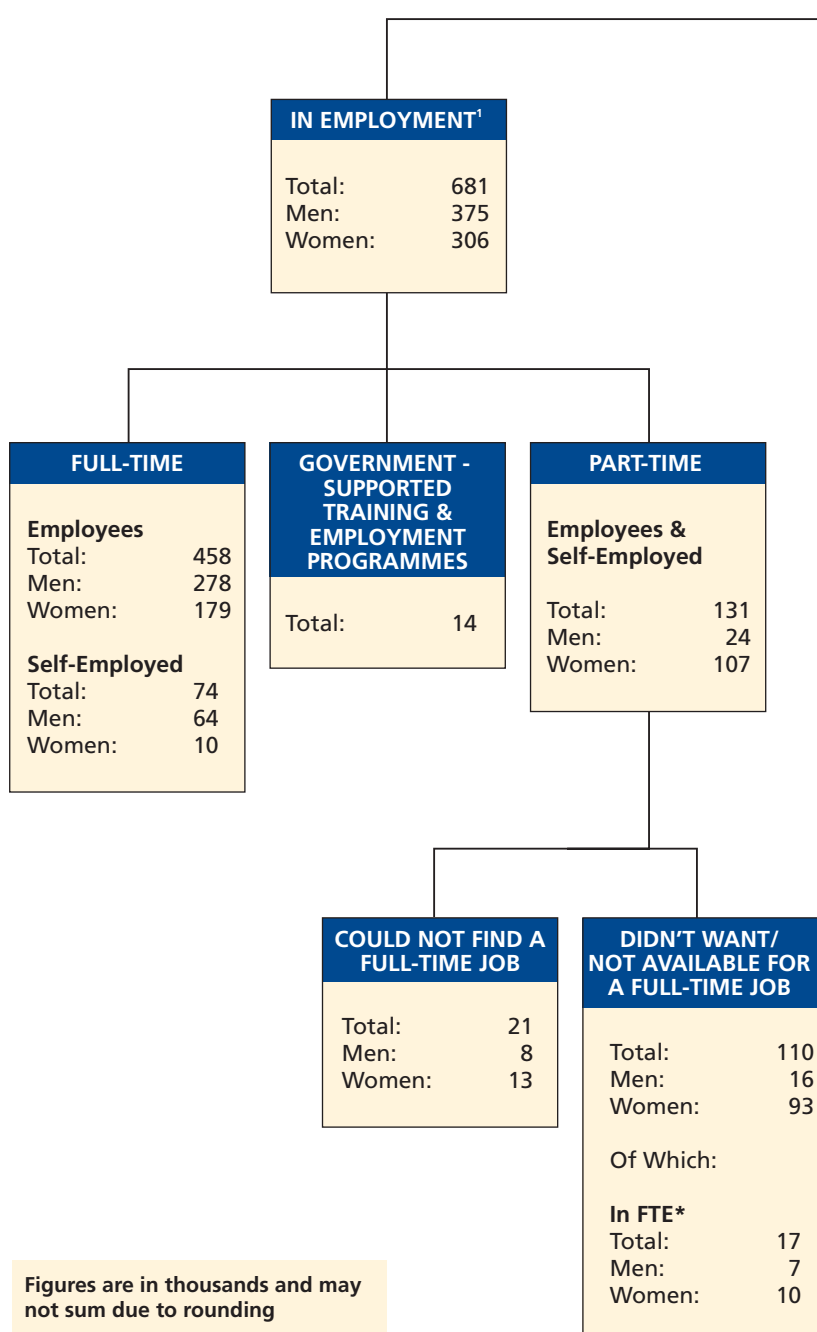
The Labour Force Survey (LFS) is a quarterly sample survey whereby some 4,100 individuals aged 16 and over are asked about their personal circumstances and work. It is the largest regular household survey in Northern Ireland and provides a rich source of information about the labour force using internationally 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.

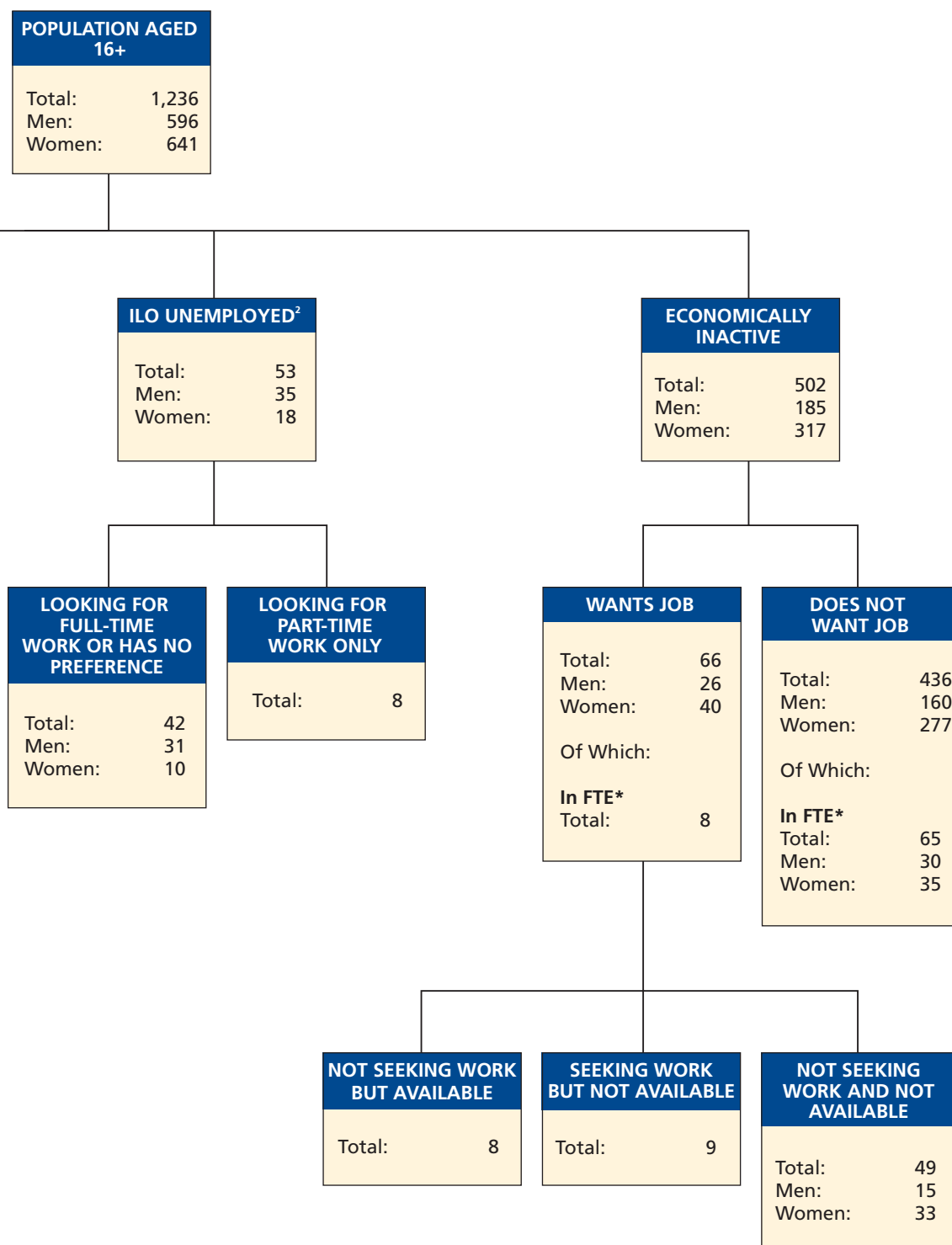
Individuals are classified into one of the following categories: in employment, unemployed or economically inactive.

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 1999.

Labour market position of people aged 16 and over (000's), Spring 1999



Figures are in thousands and may not sum due to rounding



\*FTE = Full-Time Education

1 Includes a small number of unpaid family workers.

2 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.

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 Statistics

Statistics Research Branch, Department of Economic Development

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This article outlines current trends in the Northern Ireland 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 Northern Ireland and it uses concepts and definitions which are consistent with International Labour Organisation (ILO) guidelines. At the time of writing the latest available LFS estimates related to the 3 month period March to May 1999 and these are provided throughout.

## Summary

Table 1 provides a summary of the NI labour market position at March-May 1999 and an indication of change over the year. The figures show that there has been a growth in employment of 6,000, while both the numbers of unemployed and economically inactive were similar to the previous year's levels.

## Employment

The total number of persons in employment at March-May 1999 was 681,000. Of these 458,000 (67%) were full-time employees, 125,000 (18%) were part-time employees, 80,000 (12%) were self-employed and 14,000 (2%) were on government employment and training programmes. (A small number - less than 1% - were doing unpaid family work.)

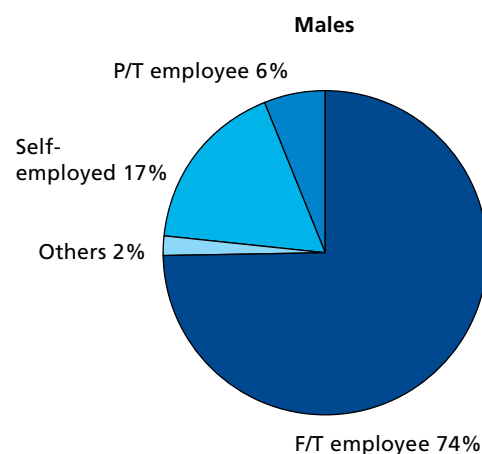


Figure 1 shows how the relative size of these categories differs for men and women. While self-employment accounts for 17% of the total number of male jobs, it makes up just 5% of female employment. Another feature of the NI labour market is the significant contribution which part-time jobs make to female employment: 33% of all females in employment are part-time employees compared with just 6% of males.

Table 1. Summary of Labour Market Statistics March to May 1999

	Level	Sampling <sup>2</sup> variability of level +/-	Change over year	Sampling <sup>2</sup> variability of change +/-
ILO employment	681,000	22,000	6,000	28,000
ILO unemployment	53,000	8,000	0	11,000
Economically active	734,000	21,000	6,000	27,000
Economically inactive	502,000	21,000	1,000	27,000
of which: not want a job	436,000	21,000	-27,000	17,000
want a job	66,000	10,000	28,000	7,000
ILO unemployment rate	7.2%	1.0%	-0.1pp <sup>1</sup>	1.3%
Economic activity rate	59.4%	1.5%	0.1pp <sup>1</sup>	1.4%
Economic inactivity rate	40.6%	1.5%	-0.1pp <sup>1</sup>	1.4%

<sup>1</sup> pp percentage points

<sup>2</sup> 95% confidence interval

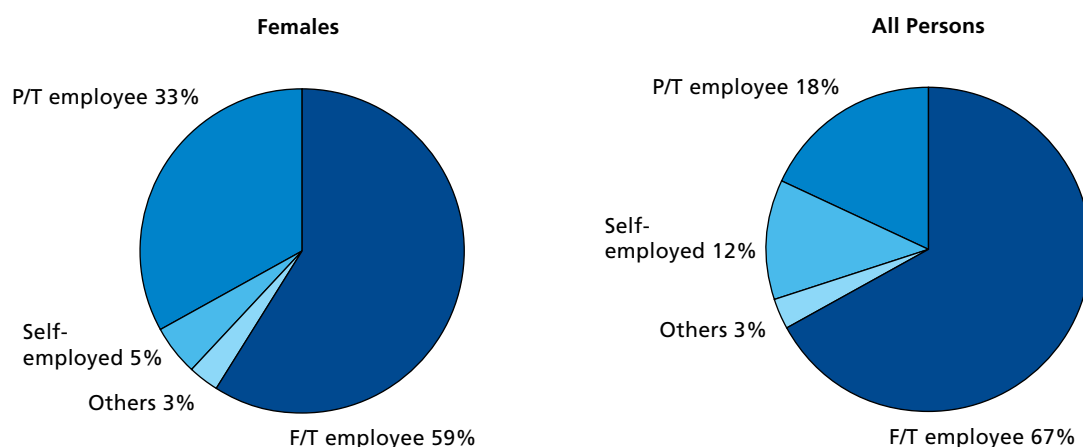
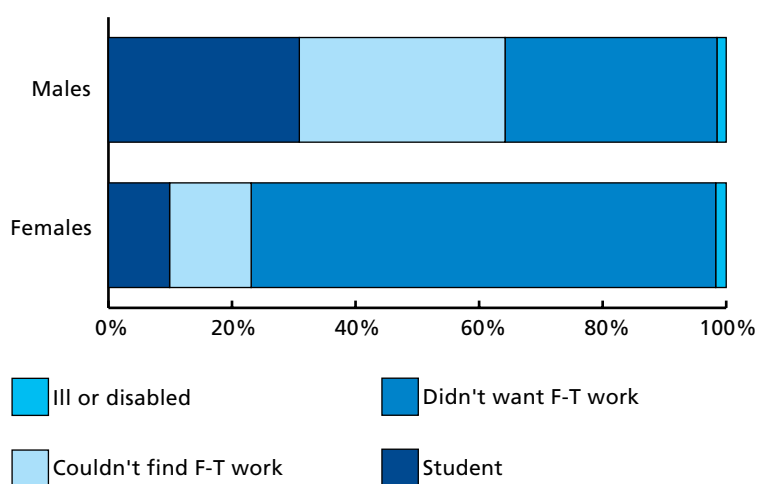


Figure 1 Categories of Employment

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



### 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 (64%) 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 (75%).

Fig 2 Reasons for Employees Working Part-time



## 2

### Hours Worked

The LFS asks all those in employment for the actual number of hours which they worked in the week preceding their interview. During the period March-May 1999 an average of 23.7 million hours were worked each week by persons employed in Northern Ireland. As Figure 3 shows there is a notable difference between men and women in terms of the hours they work each week. This may be explained by the fact that there are more men than women in employment; and a higher proportion of women are in part-time work. There is also a marked difference between the average hours worked by employees and the self-employed, with employees working on average 38.3 hours per week and the self-employed 47.3 hours per week. [For a more detailed discussion of hours worked see Chapter 3 entitled "Hours Worked in Northern Ireland : 1984-1998".]

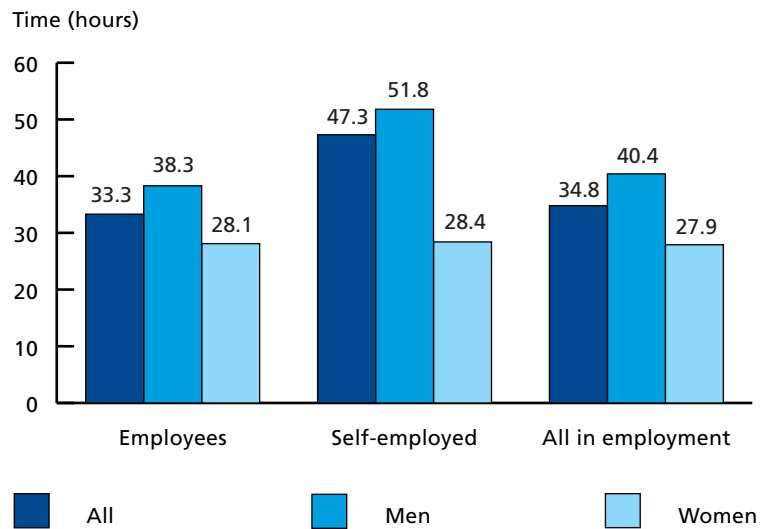


Fig 3 Average Actual Weekly Hours

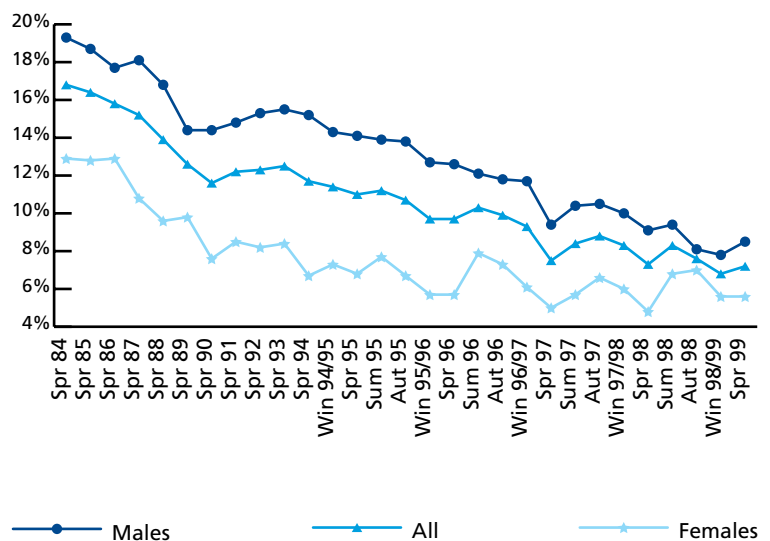


Fig 4 Unemployment Rates

### 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 1999 there were 53,000 persons ILO unemployed in Northern Ireland, 7.2% of the total

workforce. Figure 4 shows that ILO unemployment rates have been on a downward trend for a number of years. The unemployment rate for males is considerably higher than that for females and this differential has remained relatively constant over time.

### Duration of Unemployment

In the period March-May 1999, 28,000 (54%) of the ILO unemployed had been out of work and seeking employment for one year or more. A much greater proportion of unemployed males than unemployed females are in this category, 64% compared to 33%. Over a half (53%) of unemployed

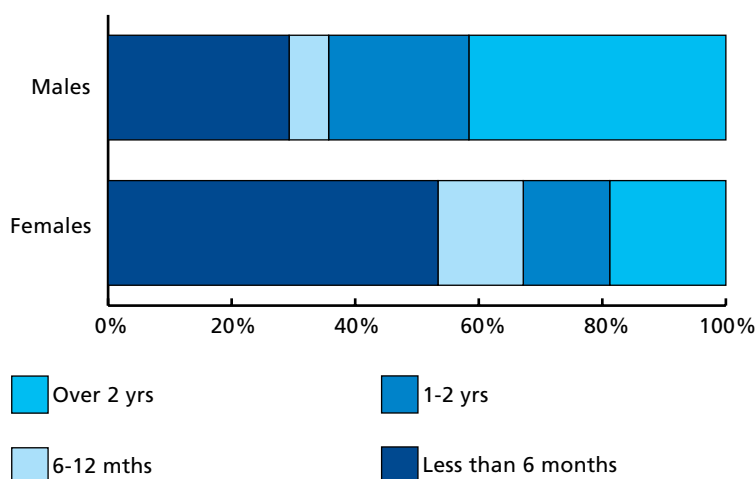


Fig 5 Duration of Unemployment

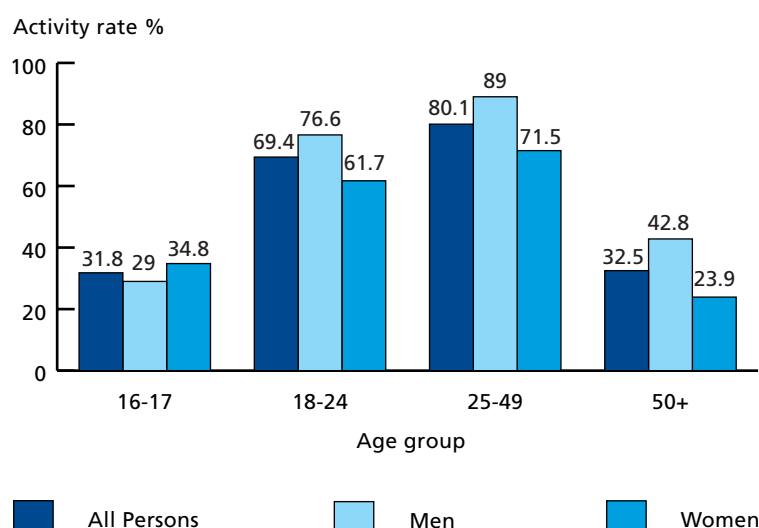


Fig 6 Economic Activity Rates by Age

females have been unemployed for less than 6 months, compared with 29% of unemployed males.

## Economic Activity

The economically active (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 1999, there were 734,000 economically active people in Northern Ireland - an overall activity rate of 59.4%.

## Activity Rates

Figure 6 shows how economic activity rates vary with age. Overall 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.

## Qualification Levels

Figure 7 shows the qualification levels of the workforce at March-May 1999, with separate estimates for the employed and unemployed. Overall 53% of the economically active were qualified to GCE 'A' level or above, while 20% had no formal qualifications. Comparing the position of the employed and unemployed it can be seen that - 38% of the unemployed have no qualifications compared with 19% of those in employment.

## 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 1999 there were 502,000 economically inactive persons in Northern Ireland - about the same number as one year earlier.

The economically inactive population can be divided into two main groups; those who do not want a job (87%) and those who do want a job but fail to satisfy the ILO unemployment requirement for active job-search (13%). A breakdown of the former category is shown at Figure 8. Overall, the main reason for not wanting work was retirement; 48% of men and 49% of women who did not want a job were retired. The other reasons for not

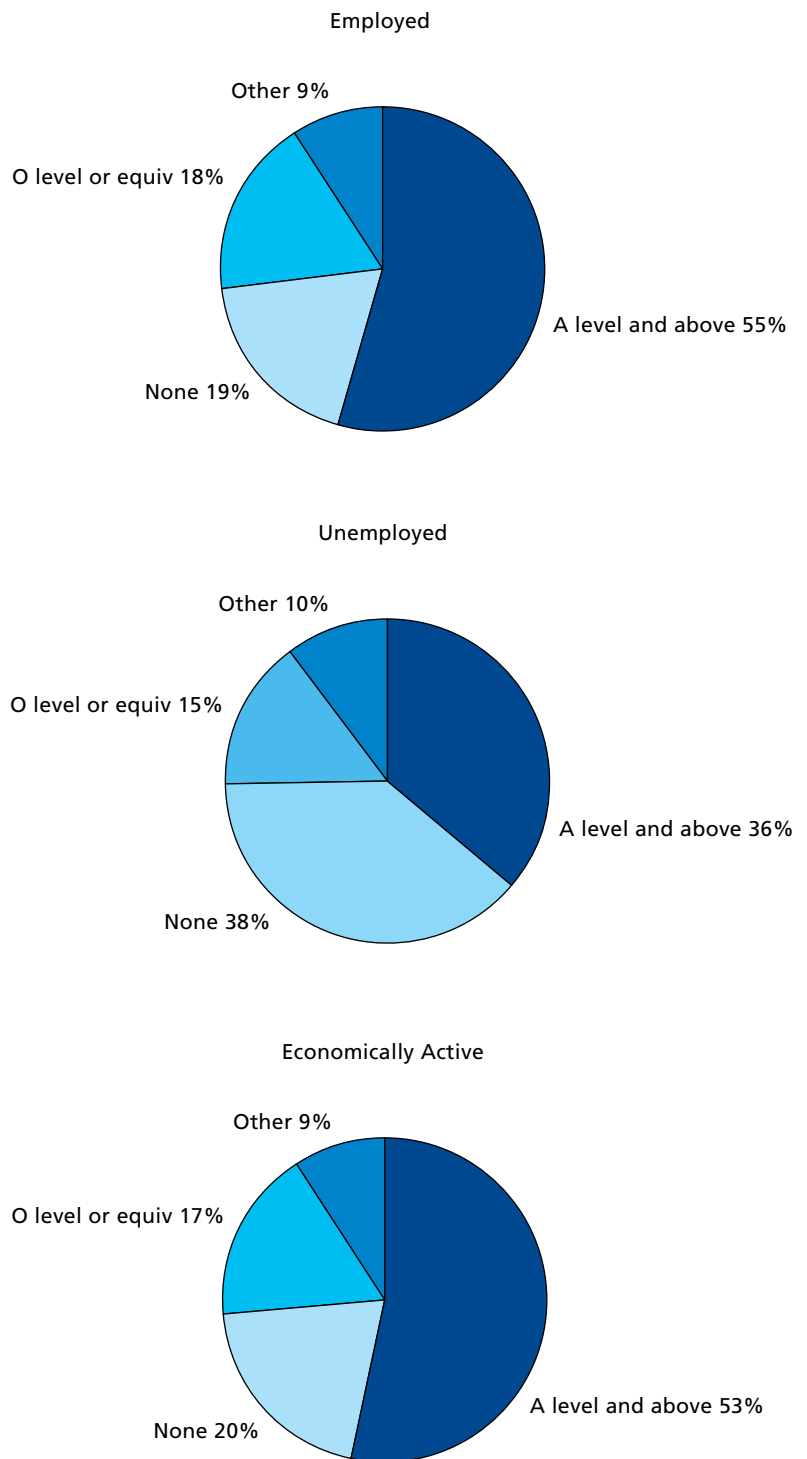


Fig 7. Qualification Levels of the Economically Active

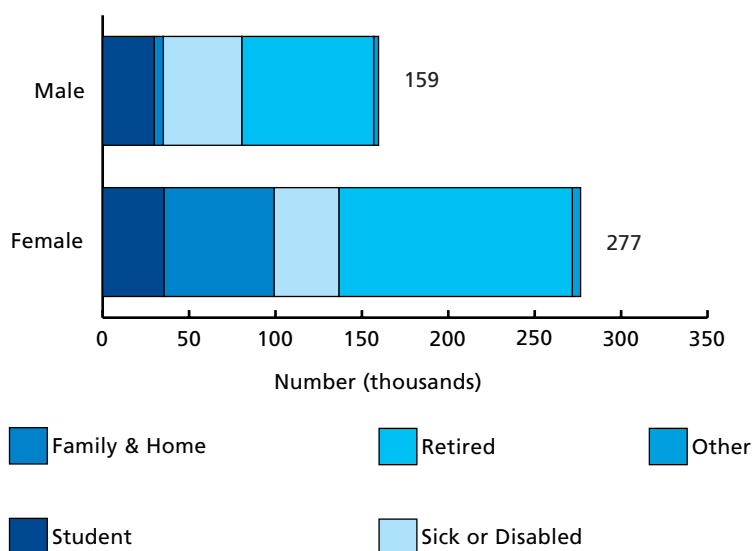


Fig 8. Reason for not Wanting Work

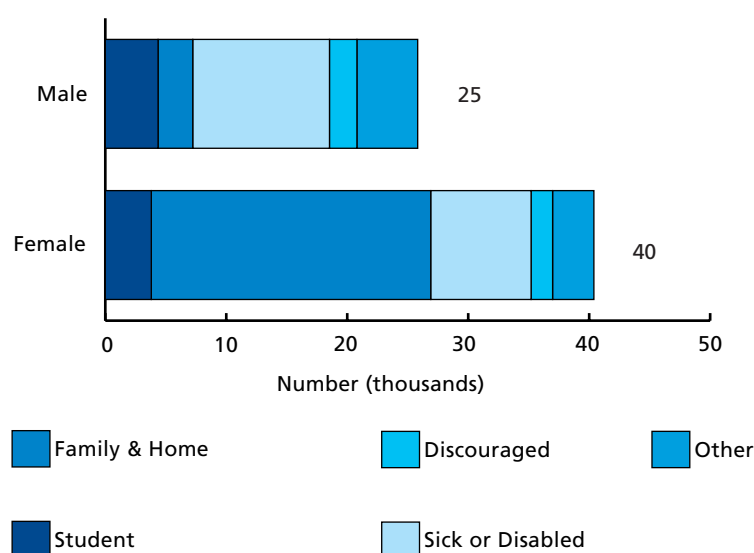


Fig 9. Reason for not Looking for Work

wanting work varied according to the gender of the respondent, with men more likely to cite sickness/disability as their reason and women domestic commitments. Indeed, 23% of women gave 'looking after family home' as their reason compared to just 3% of males.

At March-May 1999 there were 66,000 economically inactive who did want a job, but for a variety of reasons were not actively seeking work. As Figure 9 shows, the majority (61%) of this group are women and the main reason given for inactivity was family commitments. A further 21% of women were inactive due to sickness or disability and 4% were 'discouraged workers', ie they had not sought work in the past four weeks because they felt there were no jobs available.

## 2

### 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 2 provides a Labour market profile of each region of the UK at March-May 1999. This shows that the ILO unemployment rate in

Northern Ireland is the fourth highest of all regions - there are higher rates in the North East (10.1%), London (7.5%) and Scotland (7.4%). It is perhaps more significant to note that long-term unemployment (lasting over 1 year) and very long-term unemployment (lasting over 5 years) is much worse in NI than in any other region of the UK.

Figure 10 shows how the unemployment rate in Northern Ireland compares to others in the European Union and beyond. The NI rate (7.2%) is 2.4 percentage points lower than the European Union 15 average (9.6%). It is 0.4 percentage points above the current rate in the Republic of Ireland (6.8%).

Table 2. Regional Summary

	Total aged 16 and over	Activity rate (%) 16-59/64	ILO Unemployed	ILO Unemployment rate	LTU as % of total unemployed	VLTU as % of total unemployed
North East	2,044	72.2%	117	10.1%	33.9%	8.7%
N. W. & Mersey	5,381	75.5%	201	6.2%	33.2%	8.7%
Yorks & Humber	3,965	77.5%	160	6.6%	30.0%	8.3%
East Midlands	3,295	80.2%	109	5.2%	26.0%	6.7%
West Midlands	4,152	79.1%	178	6.8%	27.1%	6.7%
Eastern	4,214	81.4%	114	4.2%	24.8%	6.0%
London	5,505	77.5%	269	7.5%	34.7%	7.8%
South East	6,198	82.7%	147	3.6%	23.8%	7.0%
South West	3,889	82.1%	118	4.7%	20.1%	3.6%
Wales	2,308	73.5%	93	7.1%	22.9%	7.1%
Scotland	4,025	76.7%	182	7.4%	31.6%	8.7%
Northern Ireland	1,236	71.6%	53	7.2%	53.6%	24.4%
United Kingdom	46,212	78.4%	1,741	6.0%	29.8%	7.9%

LTU - Long term unemployed (1 year or more)

VLTU - Very long term unemployed (5 years or more)

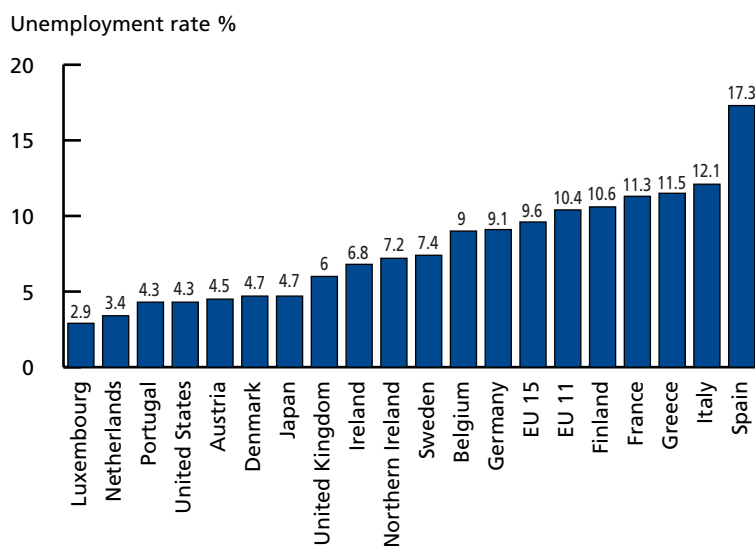


Fig 10. International Unemployment

#### FURTHER INFORMATION

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

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

Telephoning      Belfast (01232) 529399  
[Fax (01232)529459]

Visiting the web site      [www.dedni.gov.uk/statsres/index.htm](http://www.dedni.gov.uk/statsres/index.htm)

E-mailing      [owen.johnston@dedni.gov.uk](mailto:owen.johnston@dedni.gov.uk)

# Hours worked in Northern Ireland: 1984-1998

Statistics Research Branch, Department of Economic Development.



The shift to a more flexible labour market in recent years means that a simple count of the number of people in employment is not the most comprehensive indicator of the amount of work done in the economy as a whole.

This article presents an alternative measure of labour inputs in terms of the total number of hours worked. It examines how total hours worked in Northern Ireland have changed over the period 1984 - 1998, makes comparisons between employees and the self-employed, hours worked in different industrial sectors, quantifies the increasing contribution of females to the labour force, and sets NI in a UK context.

## Background

During the past two decades there has been a significant rise in part-time working and variations in working patterns among both full- and part-time workers cloud the picture in terms of the level of, and trends in, the use of labour. Perhaps a more meaningful measure of overall activity in the economy is the total number of hours worked, as this is largely unaffected by patterns of work. For example, in situations where full-time employees have been replaced by more part-time workers, the total number of employees will obviously have increased and the average hours figure will have fallen - therefore, only a total hours figure will indicate whether more work is actually being done.

## Total Hours Worked: 1984-1998

Table 1 shows that the total number of hours worked per week increased by some 25%, from 18.8 million in 1984 to 23.4 million in 1998. The percentage increase was much greater for females than males (44% compared with 15%). Although for most years, the number of hours worked increased, it is noticeable that in the recession of the early 1990s the number of hours worked fell. While the declines in 1992 and 1993 will partly reflect the economic downturn over this period, the 1993 figure does appear to be

unusually low, and hence the increase in 1994 unusually large. Since the LFS is a sample survey, the hours worked figures obtained from it are subject to sampling error and year to year fluctuations of this sort, are inevitable. However, even when sampling error is taken into account, the overall picture remains ; declines in 1992 and 1993 with a relatively steep recovery in 1994.

Total hours worked depends to a large extent on the mix of part-time and full-time staff at any time. Although 46% of the total number in employment were female, they contributed just over one third (37%) to the total hours worked, as a higher proportion of females work part-time (Table 1) and most of the self employed - who on average work longer hours than employees - are male.

## Comparing Employees with the Self-employed: 1984 - 1998

Table 2 shows that employees contribute just over four fifths of the total number of hours currently worked (82%). This proportion has increased only slightly over the period 1984-1998. The percentage increase in the total numbers of hours worked per week by employees (28%) was considerably greater than that for the self-employed (12%). Generally the hours worked by the self-employed showed more variation from year to



Table 1 Total hours worked (employees and self-employed) by gender, 1984-1998 (millions)

Year (spring of each year)	Male	Female	All Persons	% Change from previous year All Persons	% of Total Hours worked by Females
1984	12.693	6.110	18.802	-	32.5%
1985	12.262	6.250	18.513	-1.5%	33.8%
1986	12.449	6.338	18.788	1.5%	33.7%
1987	13.092	6.534	19.626	4.5%	33.3%
1988	13.073	6.809	19.882	1.3%	34.2%
1989	13.523	6.971	20.494	3.0%	34.0%
1990	13.591	7.255	20.846	1.7%	34.8%
1991	13.757	7.660	21.417	2.7%	35.8%
1992	13.296	7.425	20.720	-3.3%	35.8%
1993	12.400	6.958	19.359	-6.6%	35.9%
1994	14.039	7.668	21.707	12.1%	35.3%
1995	14.256	8.180	22.436	3.4%	36.5%
1996	14.174	8.169	22.342	-0.4%	36.6%
1997	14.708	8.576	23.284	4.2%	36.8%
1998	14.653	8.773	23.426	0.6%	37.4%
% Change 1984-1998	15%	44%	25%		

Table 2 Split of hours worked employees and self-employed, 1984-1998 (millions)

Year (spring of each year)	Employees	Self-employed	Total hours	% of Total Hours worked by Employees
1984	15.097	3.706	18.802	80.3%
1985	15.224	3.288	18.513	82.2%
1986	15.334	3.454	18.788	81.6%
1987	15.514	4.112	19.626	79.0%
1988	16.004	3.878	19.882	80.5%
1989	16.357	4.137	20.494	79.8%
1990	16.752	4.094	20.846	80.4%
1991	17.468	3.949	21.417	81.6%
1992	16.867	3.853	20.720	81.4%
1993	15.927	3.432	19.359	82.3%
1994	17.773	3.935	21.707	81.9%
1995	18.325	4.111	22.436	81.7%
1996	18.694	3.648	22.342	83.7%
1997	19.249	4.035	23.284	82.7%
1998	19.271	4.155	23.426	82.3%
% Change 1984-1998	28%	12%	25%	



year, perhaps reflecting the greater uncertainty associated with self-employment and its sensitivity to fluctuations in the economic climate.

### Changes in Hours Worked Compared to Changes in Numbers Employed: 1984 - 1998

As the Hours Worked Series is an extension of the Employment Series, it is interesting to make the direct comparison between hours and employment. Table 3 shows how the combined numbers of employees and self-employed changed over the period 1984 - 1998. Overall, employment rose by 20% and, as with the hours worked series, there was a larger increase for females

(33%) than males (11%). While the pattern was similar for both, the magnitude of the employment increase was considerably less than the increase in the hours worked series ie hours worked increased proportionally more than the number of persons employed. Interestingly, the numbers in employment also fell in 1992 and 1993 and rose again in 1994, but the size of these changes was again not so marked as for the hours worked series. This effect of hours worked falling more sharply during a recession and rising more quickly during the subsequent recovery than the number of workers, suggests a tendency to adjust hours of existing workers, before deciding on redundancy or recruitment.

Table 4 shows separately how the number of employees and self-employed changed over the period 1984-1998. Comparing this with the information on number of hours worked by each of these two categories of workers (Table 2), we see that although both the numbers of, and hours worked by, employees and the self-employed increased over this period, there were some significant differences between the two groups. For employees, hours worked increased proportionally more (28%) than the number of workers (21%), indicating that the average number of hours worked by employees increased over the period (see Tables 2 and 4). On the other hand, the increase in total hours worked by the self-

Table 3 Total numbers of employees and self-employed by gender, 1984-1998 (millions)

Year	Male	Female	All Persons	% Change from previous year All Persons	% of Total Hours worked by Females
1984	336,600	238,300	574,900	-	41.4%
1985	327,100	244,200	571,300	-0.6%	42.7%
1986	329,100	244,300	573,400	0.4%	42.6%
1987	342,800	250,700	593,400	3.5%	42.2%
1988	341,500	257,700	599,200	1.0%	43.0%
1989	348,300	265,600	613,900	2.5%	43.3%
1990	352,000	275,600	627,600	2.2%	43.9%
1991	346,100	279,700	625,800	-0.3%	44.7%
1992	342,100	280,000	622,100	-0.6%	45.0%
1993	342,500	278,600	621,100	-0.1%	44.9%
1994	351,800	289,500	641,300	3.3%	45.1%
1995	358,700	301,200	659,900	2.8%	45.6%
1996	354,400	304,000	658,300	-0.1%	46.2%
1997	367,500	316,200	683,700	3.9%	46.2%
1998	372,100	315,800	687,900	0.6%	45.9%
% Change 1984-1998	11%	33%	20%		



Table 4 Split of Numbers of Employees and Self-employed, 1984-1998

Year	Employees	Self-employed	Total hours	% of Total Hours worked by Employees
1984	496,600	78,400	574,900	86.4%
1985	503,400	67,900	571,300	88.1%
1986	501,400	71,900	573,400	87.4%
1987	504,100	89,300	593,400	85.0%
1988	517,200	82,000	599,200	86.3%
1989	526,600	87,300	613,900	85.8%
1990	538,200	89,400	627,600	85.8%
1991	540,100	85,700	625,800	86.3%
1992	541,600	80,500	622,100	87.1%
1993	544,500	76,700	621,100	87.7%
1994	556,900	84,400	641,300	86.8%
1995	573,400	86,500	659,300	86.9%
1996	577,600	80,700	658,300	87.7%
1997	596,100	87,600	683,700	87.2%
1998	599,900	88,000	687,900	87.2%
% Change 1984-1998	21%	12%	20%	

employed (12%) exactly matched the increase in their numbers and consequently the average number of hours worked by this group did not change (Tables 2 and 4).

It is interesting to note that the recession of the early 1990s had more effect on the numbers of self-employed than the numbers of employees. While the numbers of self-employed fell by 14% (12,700) between 1990 and 1993, the number of employees actually showed a slight increase, albeit much smaller than usual, for each of these years. Combining this information with that relating to hours worked, it can be seen that the recession in the early 90s had the effect of reducing the hours worked by employees while reducing the

actual numbers of the self-employed.

### Change in Hours Worked by Industrial Sector: 1984 - 1998

Table 5 and Figure 1 show how the total number of hours worked in each sector changed over the period. Although there was an overall increase in hours worked of 25%, this varied considerably between sectors. The Service industries showed the largest increase in hours worked over the period. Hours worked by those in "Other Services" increased by over half (55%), while those in Public administration and defence, Education and Health and Social Work increased by just over one quarter (26%). Hours

worked for those in Construction and Production industries showed smaller increases of 13% and 8% respectively, while hours worked by those in Agriculture, hunting, forestry and fishing fluctuated during the period.

### Total Hours Worked in each Industry at Spring 1998

Table 5 shows that approximately two thirds of the total hours worked in Spring 1998 were in the Service industries - 37% by those in "Other services" and 29% in Public administration and defence, Education, Health and social work. Those in Production industries contributed 19% to the total, while those in the Agriculture

sector and Construction were responsible for 8% and 7% respectively, of the total hours worked.

“Other Services” comprise Wholesale and retail trade, Hotels and restaurants, Transport, storage and communication, Financial intermediation, real estate, renting and business activities and Other community, social and personal activities. Additivity adjustment (not shown above) is required to make individual sectors sum to the total.

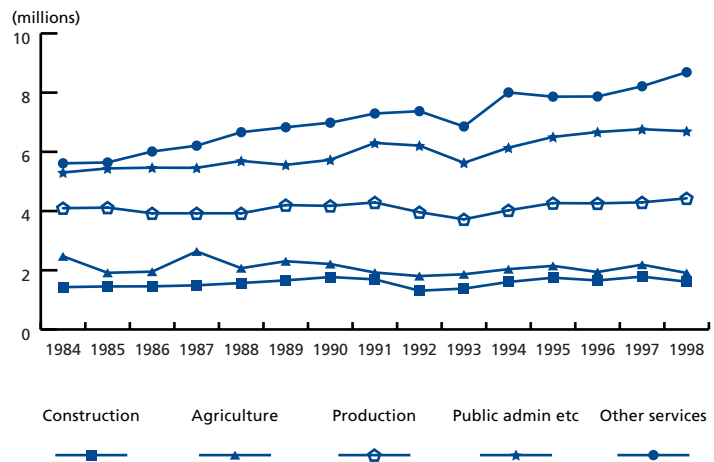


Fig 1 Total hours worked by industry sector, 1984-1998

Table 5 Total hours worked by industry sector, 1984-1998 (millions)

Year	Agriculture, hunting, forestry and fishing	Production industries	Construction	Other Services	Public admin, defence, education, health and social work	Total All Industries
1984	2.471	4.097	1.430	5.612	5.302	18.802
1985	1.914	4.116	1.453	5.641	5.440	18.513
1986	1.953	3.924	1.456	6.011	5.465	18.788
1987	2.636	3.924	1.491	6.208	5.460	19.626
1988	2.070	3.924	1.568	6.664	5.694	19.882
1989	2.305	4.201	1.658	6.830	5.560	20.494
1990	2.211	4.175	1.771	6.984	5.729	20.846
1991	1.923	4.291	1.692	7.295	6.300	21.417
1992	1.804	3.962	1.310	7.373	6.210	20.720
1993	1.864	3.721	1.380	6.856	5.629	19.359
1994	2.037	4.025	1.605	8.006	6.140	21.707
1995	2.148	4.268	1.748	7.863	6.503	22.517
1996	1.940	4.260	1.657	7.870	6.669	22.342
1997	2.188	4.293	1.785	8.215	6.764	23.284
1998	1.910	4.430	1.614	8.690	6.699	23.426
%Change 1984-1998	-23%	8%	13%	55%	26%	25%
% of 1998 Total	8%	19%	7%	37%	29%	100%

Table 6 Comparison of hours worked in N.Ireland and the UK., 1984 and 1998 (millions)

	N.Ireland			U.K.		
	1984	1998	% Change	1984	1998	% Change
Males	12.7	14.7	15%	546	553	1%
Females	6.1	8.8	44%	264	321	22%
All Persons	18.8	23.4	25%	810	874	8%
% Worked by females	32.5%	37.4%		32.6%	36.7%	
Employees	15.1	19.3	28%	690	748	8%
Self-employed	3.7	4.2	12%	120	126	5%
Total	18.8	23.4	25%	810	874	8%
% Worked by employees	80.3%	82.3%		85.2%	85.6%	
Agriculture, hunting, forestry & fishing	2.471 (13%)	1.910 (8%)	-23%	30.1 (4%)	23.4 (3%)	-22%
Production	4.097 (22%)	4.430 (19%)	8%	206.1 (25%)	170.9 (20%)	-17%
Construction	1.430 (8%)	1.614 (7%)	13%	64.6 (8%)	68.5 (8%)	6%
Other services	5.612 (30%)	8.690 (37%)	55%	357.1 (44%)	444.2 (51%)	24%
Public admin, defence, education, health & social work	5.302 (28%)	6.699 (29%)	26%	151.7 (19%)	166.4 (19%)	10%
All Industries	18.802 (100%)	23.426 (100%)	25%	809.7 (100%)	873.5 (100%)	8%



### Comparison of hours worked in N. Ireland and the UK.

Table 6 provides a comparison of the number of hours worked in N. Ireland and the UK., split by gender, employees/self-employed and industrial sector. It shows that between 1984 and 1998, the total number of hours worked increased considerably more in N. Ireland (25%), than in the UK.(8%) - mainly due to the 44% increase in hours worked by females in N. Ireland compared to 22% in the UK. In 1998, a higher proportion of the total hours worked in N. Ireland were by the self-employed (18% compared

with 14%) and the difference is even greater within the Agricultural sector, which accounts for 8% of hours worked in N.Ireland compared to just 3% of hours worked in the UK.

“Other Services” comprise Wholesale and retail trade, Hotels and restaurants, Transport, storage and communication, Financial intermediation, Real estate, renting and business activities and Other community, social and personal activities. Additivity adjustment (not shown above) is required to make individual sectors sum to the total.

### Conclusion

Clearly this new hours worked series provides a valuable insight into an increasingly complex labour market. It offers a way of measuring real increases in labour at a time when flexible working arrangements are clouding the picture. This series was first published in the Spring 1999 edition of the Labour Force Survey Quarterly Supplement and future publications will contain the latest up to date estimates. This new data series has provided many interesting insights and will be the subject of further analysis.

# The Fastest Improving Regional Economy in the UK

Terry Morahan, Research & Evaluation Branch, T&EA

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This article updates and expands on the article in last year's Bulletin (No 12) which examined the performance of the Northern Ireland economy compared with the other UK Regions - 12 in total - during the current decade.

Data are supplied for the latest available date; earlier data may vary from those in last year's article due to minor revisions and methodological changes (see GDP footnote below<sup>+</sup>)

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 participation rate (the proportion of the population of working age who are in the labour force).

## GDP Growth

Table 1 shows our per capita GDP Growth 1990-1997 relative to the other UK regions. The data show that Northern Ireland has made the biggest improvement, with only the South West and South East regions of England sharing a strong positive change.

In Table 2 changes in Northern Ireland GDP growth relative to the UK over the period 1990-1997 are shown. Forecasts by the Northern Ireland Economic Research Council for 1998 and 1999 are also supplied.

As can be seen from the data, Northern Ireland largely missed out on the recession in the early 1990s and has expanded more rapidly than the rest of the UK.

Table 3 gives Northern Ireland and UK GDP indexed to 100 in

Table 1: GDP per Head 1990-1997 (% of UK GDP per Head)

Region	1990	1997	1990-1997 Absolute Change
London	131.4	125.4	- 6.0
South East	115.0	117.9	+ 2.9
Eastern	104.1	102.2	- 1.9
South West	94.3	97.6	+ 3.3
East Midlands	95.6	95.8	+ 0.2
West Midlands	92.9	92.9	0.0
Yorkshire/Humber	89.5	89.2	- 0.3
North West	91.3	91.2	- 0.1
North East	82.9	82.5	- 0.4
Scotland	94.5	95.5	+ 1.0
Wales	83.5	82.2	- 1.3
Northern Ireland	76.9	80.4	+ 3.5
UK*	100.0	100.0	0.0

Source: Economic Trends March 1999. GDP figures for 1997 are provisional. UK less Continental Shelf.

<sup>+</sup> Major methodological changes have been made to how GDP is measured in the UK. These incorporate the new European System of Accounts, a move to a new business register (the IDBR - see article in this Bulletin), and other significant changes. For example profits for those sectors where actual data were not available were in the past apportioned by employment in the region; they are now apportioned by wages and salaries in that sector on the basis that wages and salaries are more closely related to profits than to employment. This revision tends to increase GDP in say London and reduce it in Northern Ireland. For a further technical explanation of these and other changes the reader is referred to Economic Trends, March 1999.

Table 2: GDP % Change in Real Terms 1990-99\*

	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00
NI	1.6	2.2	1.2	3.9	3.9	3.4	1.3	3.5	(2.0)	(0.4)	(2.0)
UK	0.9	-2.2	0.4	2.4	4.1	2.3	2.3	3.0	(2.7)	(1.2)	(2.5)

1990 and shows the cumulative effect of these changes. It can be seen that Northern Ireland grew 1% per annum faster than the UK over the period 1990-1997.

## Employment Growth

Table 4 shows the change in the number of employee jobs in each UK Region and the percentage change, 1990-99. Unfortunately 1990 data are not available for the new Government Office Region basis so the old Standard Statistical Regions of England are used here (as in Tables 5 and 6 which follow).

Clearly Northern Ireland had easily the strongest growth in employment with only East Anglia and the South West coming close to this performance.

## 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 5.

Again Northern Ireland has had the largest growth in this rate in the period examined and the gap between the

Table 3: NI and UK GDP Change 1990-96

	'90	'91	'92	'93	'94	'95	'96	'97
NI	100	102.2	103.4	107.3	111.2	114.6	115.9	119.4
UK	100	97.8	98.2	100.6	104.7	107.0	109.3	112.3

Table 4: Employee Jobs by UK Region, June 1990-June 1999

Region	1990 ('000)	1999 ('000)	Absolute Change	1990-99 % Change
London	3,492	3,576	84	2.4
South East	4,163	4,468	305	7.3
East Anglia	811	916	105	12.9
South West	1,771	1,957	185	10.5
East Midlands	1,573	1,662	89	5.7
West Midlands	2,118	2,159	40	1.9
Yorkshire/Humber	1,923	2,010	87	4.5
North West	2,434	2,457	23	1.0
North East	1,118	1,077	-41	-3.7
Scotland	1,988	2,015	27	1.4
Wales	991	1,002	12	1.2
Northern Ireland	536	614	78	14.5
United Kingdom	22,918	23,913	995	4.3

Source: DED Statistics Branch & ONS: Figures for changes are based on Unrounded figures; 1999 data are provisional. SE excludes London.

Table 5: Employment Rates: Spring 1990-Spring 1999

	Spring 1990	Spring 1999	Absolute Change
London	75.0%	71.6%	- 3.4
South East	80.1%	79.2%	- 0.9
East Anglia	80.5%	77.9%	- 2.6
South West	78.0%	78.1%	0.1
East Midlands	75.8%	76.0%	0.2
West Midlands	75.2%	73.6%	- 1.6
Yorkshire/Humber	72.7%	72.4%	- 0.3
North West	72.2%	70.6%	- 1.6
North East	67.9%	66.1%	- 1.8
Scotland	70.8%	70.9%	0.1
Wales	70.1%	68.2%	- 1.9
Northern Ireland	64.1%	66.3%	2.2
United Kingdom	74.7%	73.6%	- 1.1

Source, Labour Force Survey, DED and ONS

\* GDP figures for 1997 are provisional. Sources: Economic Trends March 1999: UK National Accounts (The Blue Book). Forecasts for NI by NIERC/Oxford Economic Forecasting, Regional Economic Outlook, (Spring 1999).



Northern Ireland and UK rates has closed since 1990 from 10.6% points to 7.3% in 1999. and Northern Ireland is no longer the region with the lowest employment rate. However whilst it is unlikely in the foreseeable future that Northern Ireland will reach say the level of the South East - if only because of our much larger birth rate - it does illustrate how increases in employment have a smaller effect on unemployment. Thus with increasing labour pressures 'hidden' labour reserves are drawn into the market driving up the **employment rate**.

### Change in Unemployment

Table 6 shows the numbers unemployed as measured by the Labour Force Survey (ILO basis) and the percentage change Spring 1990 to Spring 1999. Here the Northern Ireland performance has been particularly impressive with a large fall of 33.8% almost three times the fall in the UK as a whole and well ahead of the next best regions of the North West and Scotland.

### Percentage Growth in 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 7 shows the relative change in manufacturing output for Northern Ireland and the UK and the

Table 6 Unemployed: Spring 1990-Spring 1999

Region	Spring 1990 ('000)	Spring 1999 ('000)	Absolute Change	Change %
London	243	267	24	9.9
South East	236	217	- 19	- 8.1
East Anglia	52	45	- 7	- 13.5
South West	117	118	1	0.9
East Midlands	136	109	- 27	- 19.9
West Midlands	180	178	- 2	- 1.1
Yorkshire/Humber	188	160	- 28	- 14.9
North West	248	186	- 62	- 25.0
North East	152	132	- 20	- 13.2
Scotland	235	182	- 53	- 22.6
Wales	107	93	- 14	- 13.1
Northern Ireland	80	53	- 27	- 33.8
United Kingdom	1,974	1,741	- 233	- 11.8

Source, Labour Force Survey, DED and ONS. SE excludes London.

Table 7: Manufacturing Output 1990-99

	1990 (Q1)	1999 (Q1)	Change
NI	86.4	113.5	+ 31.4%
UK	98.2	100.5	+ 2.3%

Source: DED

dramatically better local performance.

### Effect on Migration Patterns

Traditionally there has been substantial emigration from Northern Ireland - mainly to the South of England to find work. Since 1990/91 there has been net immigration to Northern Ireland (see Table 8) - the data on employment and unemployment help explain this turn around. Further

evidence for the role of a strong labour market in affecting migration can be shown in the dramatic turnaround in migration patterns with RoI. Thus in 1989/90; 1,100 people left Northern Ireland for RoI but 2,000 came in - a gain of 900; in 1995/96 the situation reversed as the RoI economy powered ahead; 3,300 came in from RoI but 4,500 left Northern Ireland for RoI - a loss of 1,200. Interestingly this proved to be temporary as in

Table 8: Inward and Outward Migration - NI: 1989/90-1997/98

	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98
In	15,149	17,936	18,544	17,344	15,367	15,884	22,757	17,158	17,610
Out	19,724	15,900	14,894	13,703	14,303	16,123	16,520	16,233	17,133
Net	-4,575	2,036	3,650	3,641	1,064	- 239	6,237	925	477



1996/97 we had a net loss of only 60 changing to a net gain of 800 from Rol in 1997/98.

## House Prices

It is not at all surprising therefore that the strengthening economy and rising population are also reflected in Northern Ireland having in recent years the highest house price increases of any UK region as Table 9 shows. (Note: the Index is based in 1993 at 100).

Table 9: House Prices 1993=100; Q 1999

London	155
South East	149
Eastern	140
South West	136
East Midlands	120
West Midlands	123
Yorkshire/Humber	112
North West	118
North East	117
Scotland	112
Wales	119
Northern Ireland	168

Source: Economic Trends August 1999

## Conclusion

It is clear that for the period since 1990 we have had the fastest improving regional economy in the UK - numbers employed have risen much faster than any other region, our fall in unemployment has been the largest and we have had the greatest growth in GDP with manufacturing performing relatively much better.

This is of course not to ignore

the fact that big issues remain such as restructuring the economy into higher technology sectors and improving the skill level of the workforce, thereby raising productivity and wages and reducing unemployment generally and long-term unemployment in particular.

## Outlook

Looking to the future will our economy continue to grow faster than the rest of the UK? The Box below gives a list of some of the major uncertainties affecting the NI Labour Market in the next few years. However it's a shorter list than last year as the new EU package for NI has been agreed and the minimum wage has been absorbed with apparently little difficulty, although agriculture is still in severe difficulty. However there are grounds for a canny optimism:

- (i) there is an export boost potential from the strong

performance of Rol's although the strength of sterling relative to the Euro/Punt is presently reducing this opportunity;

- (ii) tourism and inward investment may improve;
- (iii) past and present improvements in education and training pay off;
- (iv) capital and labour inputs grow faster than the UK average; and
- (v) the 'peace process' has a successful outcome.

Nevertheless we are vulnerable to such external factors as the strength of the pound which particularly affects exporters and tourism, the international economic outlook and of course to internal factors. Indeed the most important influence on our future economic growth will be the familiar factors of political stability and civil unrest.



## The NI Labour Market Outlook - Some Uncertainties

* Technological	- Year 2000 effects - E-Commerce impact.
* International	- Asian/Eastern European Difficulties.
* EU	- EMU Stability - Social Policy (Labour Market) Directives - Agenda 2000 (EU Policy changes)
* UK Economic Policy	- New Deals - April 1998 onwards - Monetary Policy - Rate of Interest - Strength of Sterling - Fiscal Policy - Budget UK/NI Tax and Benefit Changes - Asset Price Bubbles (Stock Market: Housing).
* Local	- Peace Process/Assembly Decisions - Millennium capital expenditure effect - Economic Policy Review (Assembly Review) - Agricultural difficulties.



# Northern Ireland Social Omnibus Survey, 1999.

Gayle Kennedy, Research & Evaluation Branch, T&EA.



This is the latest in a series of Bulletin articles which have presented the results of T&EA sponsored questions from the Social Omnibus Survey. Some questions e.g. 'The Most Important Problem' have been retained and will be familiar to previous readers and allow for broad trends in perceptions to be traced. Other questions are new for this year and examine themes such as childcare and learning activity.

The 1999 Northern Ireland Social Omnibus Survey, conducted between January and February 1999 by Research & Evaluation Services (a locally based private sector research company), provided an opportunity for the Agency and other interested organisations to ask questions of a representative sample of adults (aged 18+ years<sup>1</sup>) in Northern Ireland. This article presents a summary of the key findings of the T&EA sponsored questions<sup>2</sup>.

## Findings of General Interest.

### *The Most Important Problem facing Northern Ireland.*

As in previous years the Survey was an opportunity to assess the perceived major problems in Northern Ireland at the time of the Survey. Responses to this question in previous years

reflect some correspondence with economic and political trends. Therefore this question was of particular interest with the possibility of devolution. Respondents were asked to state what they considered to be the Most Important Problem in Northern Ireland at present<sup>3</sup>.

Figure 1 presents the findings for 1999 and 1998. The problems most frequently reported this year were: The Troubles /Political Instability (46%), Unemployment (19%), Drugs (14%) and Crime (10%). This compares to 1998 results, which highlighted the same problems (The Troubles/ Political Instability (63%), Unemployment (15%), Crime (6%) and the High Cost of Living (5%)), but to differing degrees. One finding of interest is that the problem of 'Drugs' (fifth highest response in 1998 (4%)) is reported as the third highest response in 1999 (10%).

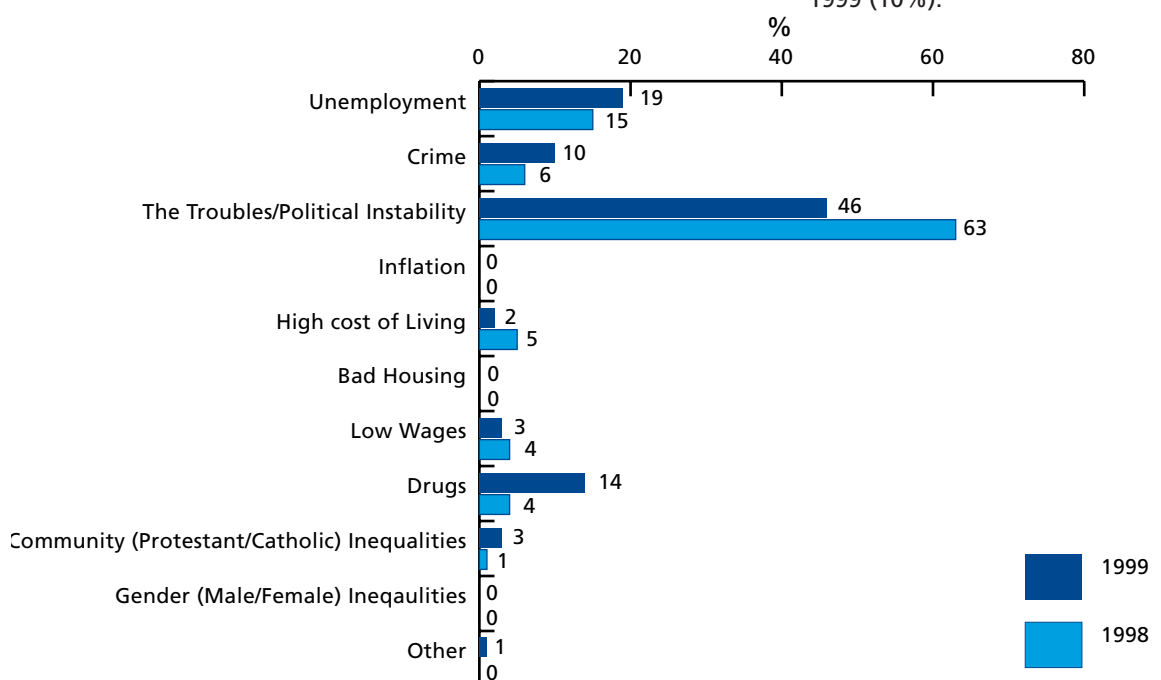


Fig 1: The Most Important Problem

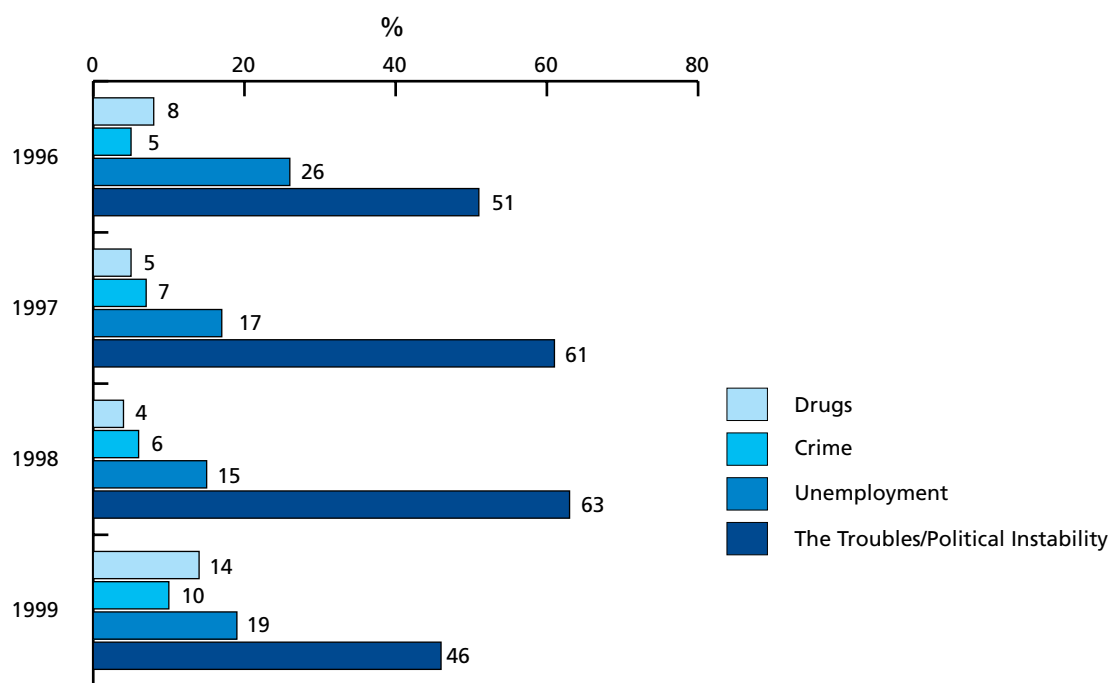


Fig 2: The Most Important Problem 1996-1999

### The Most Important Problem 1996 - 1999.

Data on the Most Important Problem are available for the years 1996 to 1999<sup>4</sup> allowing for trends in perceptions to be examined. Figure 2 shows trends over the period in the four most frequent responses.

'The Troubles/Political Instability' was considered to be the Most Important Problem in 1996 and this perception has continued to date. However, in contrast to the previous trend of individuals reporting 'The Troubles/Political Instability' as the Most Important Problem (51% in 1996 to 63% in 1998), current results indicate a reduction in number of respondents who perceive this to be the Most Important Problem (46%).

From 1996 to 1998 there had been a decline in the

perception of Unemployment as The Most Important Problem in Northern Ireland from 26% of all respondents in 1996 to 15% in 1998, although this increased to 19% in 1999. Between 1998 and 1999 there has been an increase in the proportion of respondents classifying 'Crime' (from 6% to 10%) and to a greater extent 'Drugs' (4% in 1998 to 14% in 1999) as the Most Important Problem in Northern Ireland. The current situation of political "peace" in Northern Ireland probably accounts for the most notable changes in perception of the country's Most Important Problem.

The inclusion of background information on each individual respondent (e.g. age, gender, religion, marital status, employment status, etc) allows for the data to be analysed to examine the ways in which responses may vary for

respondents with different characteristics. In previous Bulletin articles the degree by which responses vary according to gender and social class have been examined.

Figure 3 illustrates the perceived view of the Troubles/Political Instability as the Most Important Problem in Northern Ireland during the period 1996 - 1999 by community background. Up to 1998 there was an increasing trend in both communities as to the importance of the problem of The Troubles in Northern Ireland, with consistently more of the Protestant community viewing this category as the Most Important Problem. However, in the current Survey, both communities show a decrease in perception of The Troubles as the Most Important Problem in Northern Ireland, with a similar percentage of individuals in each group

3. 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'. In 1997 'The Troubles/Political Instability' was referred to as 'Community Conflict/The Troubles.'

4. 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 and 1999 cover those aged 18-59 while the 1996 and 1997 data cover those aged 16-59. Prior to 1998 the category 'The Troubles/Political Instability' was referred to as 'Community Conflict/The Troubles'.

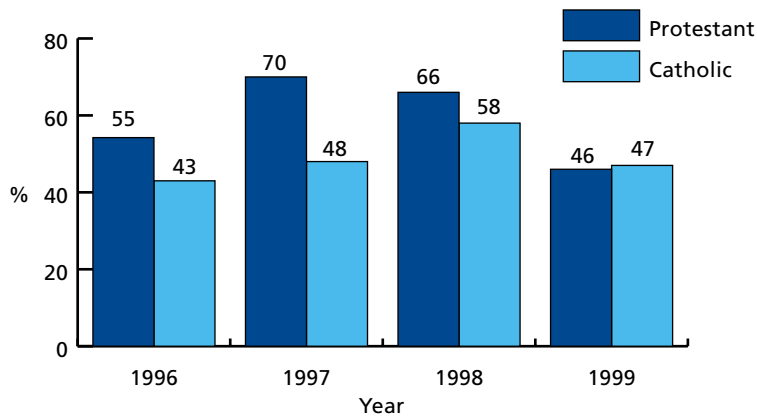


Fig 3: The Troubles/Political Instability -  
The Most Important Problem 1996-1999

reporting this response - perhaps reflecting a growing consensus between the communities.

(78%) considered the problem of Drugs to be a 'Very Important' problem in Northern Ireland today.

### Importance of problems in Northern Ireland.

In the current Survey, respondents were asked to consider each of the problems and to rank their importance as problems in Northern Ireland today on a scale of 'Very Important', 'Quite Important', 'Unimportant' or 'Not Important at all'. This was 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. Consistent with the previous results, a large proportion of the sample viewed The Troubles/Political Instability, Crime and Unemployment as Very Important (73%, 70% and 68% respectively). However, more individuals

### Labour Market Issues

A number of questions were included which examined labour market issues, which were of particular interest to the T&EA.

### Childcare

Recent changes in family structure and household working patterns, have changed the composition of the employed population (in particular the increase in the number of females in employment). The issue of childcare has become increasingly important for those who are parents and guardians. In order to ascertain if the availability of childcare facilities would entice unemployed individuals either to start or return to work, those unemployed with children under 15 years of age were asked questions relating to obstacles affecting their taking up employment. If suitable good quality childcare was available locally at an affordable rate, 46% of the currently unemployed would take up paid employment (Figure 4).

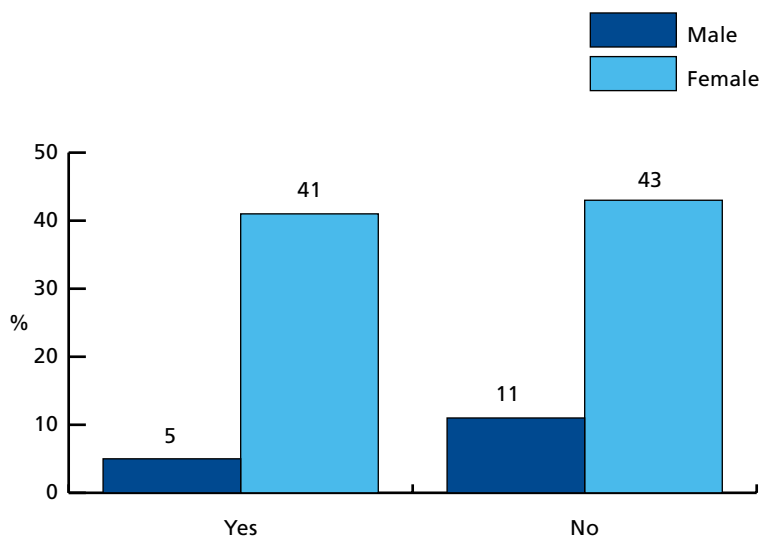


Fig 4: Take up employment if childcare available  
- Gender Differences

The majority of these individuals were female (89% compared to 11% male). On examination of the marital status of those individuals who were asked this question, 14% of the respondents were classified as single (i.e. those who never married), the majority of whom would be willing to take up employment if childcare was available. Of those individuals who were married (75% of respondents unemployed with children), 36% would be willing to take up employment if childcare was available. Other obstacles preventing this group entering employment included "health problems", "desire to stay with children", "lack of suitable jobs", "full-time student."

## Training

Because of the T&EA's involvement, both direct and indirect, in training in Northern Ireland, a number of questions were included to assess respondent's participation in job-related training. A total of 444 respondents had been working for all of the previous 12 months (not including time spent on ACE<sup>5</sup> or other Government schemes) which represented 91% of those currently working. Of those respondents in employment for more than one year, less than half (48%) had received any training in the last 12 months arranged through their employer (as shown in

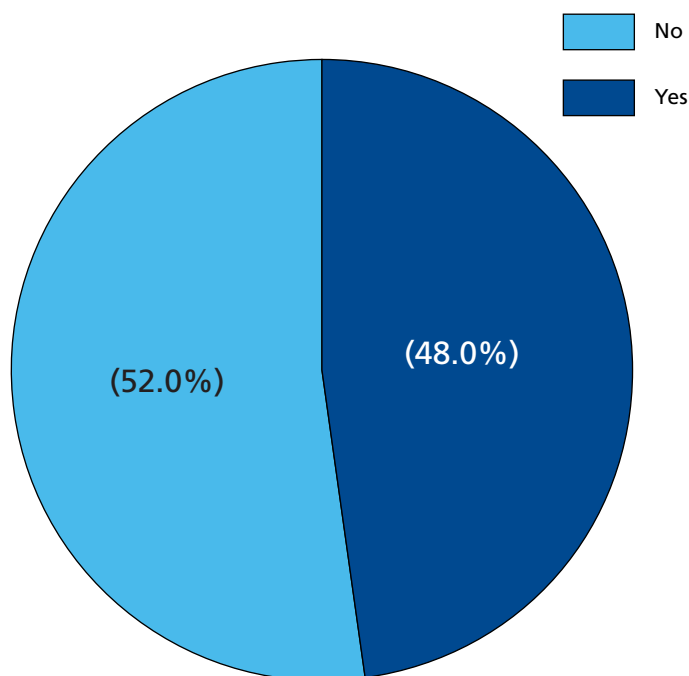


Fig 5: Have you received any Training Arranged through your Employer in the last 12 months?

Figure 5). The majority (95%) of this training had been job related, with only 4% for personal development. One respondent (1%) had received both types of training. Figure 6 illustrates the relationship between receipt of training and the Social Class of the respondent. Because of the small numbers in some categories (i.e. there were only 19 respondents who were classified as Professional) it was not sensible to calculate percentages for each Social Class. Instead the proportion of those who had received training has been calculated as a proportion of all responses and is shown as the solid line (a value of 1 means all respondents had received training and zero means that none had received training). As can be seen the highest proportion of those who had

received training (0.6) was in the Managerial/Technical category, followed by 0.5 for the Professional and Skilled Non-Manual categories. A higher proportion of those who were Partly Skilled (0.4) had received training compared to those who were Skilled Manual or Unskilled (both 0.3).

## Learning Activity

All respondents were asked questions relating to learning activity<sup>6</sup>. Figure 7 compares the time of their last learning experience with employment status. Those respondents in employment had more recent learning experiences compared to the unemployed (67% currently employed reported a learning activity less than 3 years previous

5. Action for Community Employment

6. While formal episodes of learning such as degree courses, attendance at training colleges, formal training courses organised by the employer at work, etc. are immediately identified as learning activities, the category also included informal unstructured types of learning (both vocational and non-vocational).

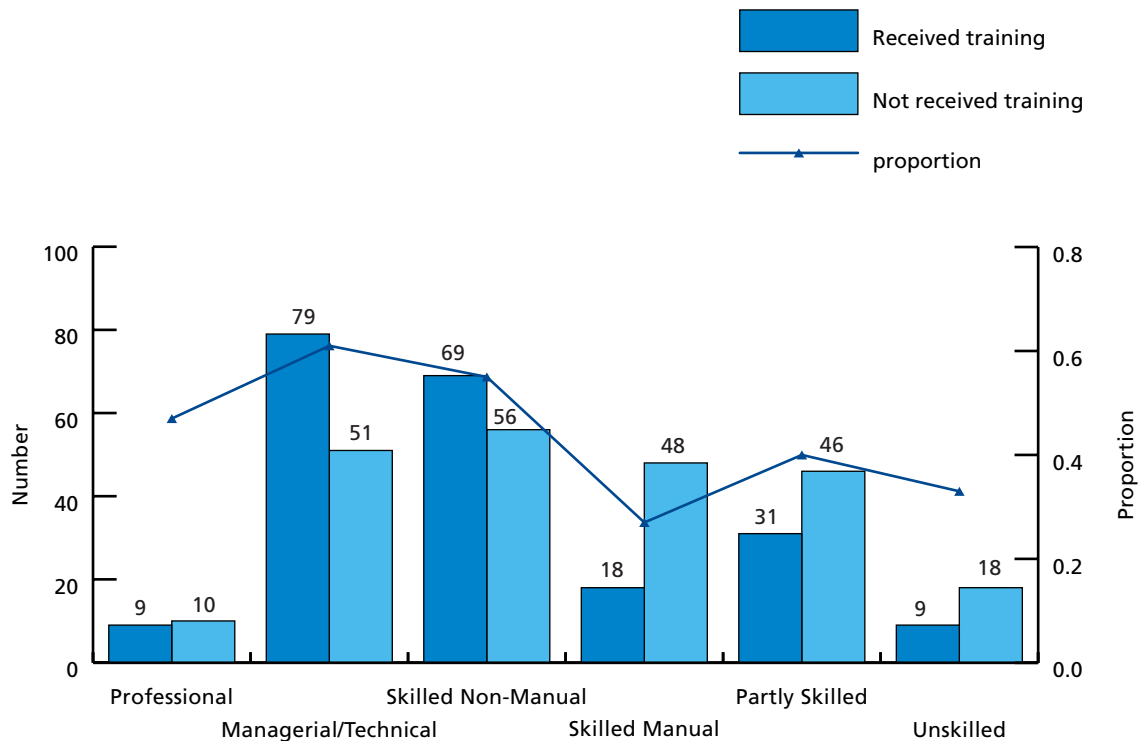


Fig 6: Training Received - Social Class

compared to 36% of those unemployed). Of those not working, 17% did not know when they last participated in a learning activity. Regardless of age the most popular place of learning was Further Education College. The younger population (18-25

year olds) preferred formal learning either in Further Education College (40%) or at University (26%). Almost one quarter (21%) of those individuals aged 25 - 44 preferred to learn at home. Of all respondents, only 11% preferred to use a personal

computer for learning (8% stating they preferred to use the PC at home).

### Attitude to learning

All respondents were asked whether or not they agreed

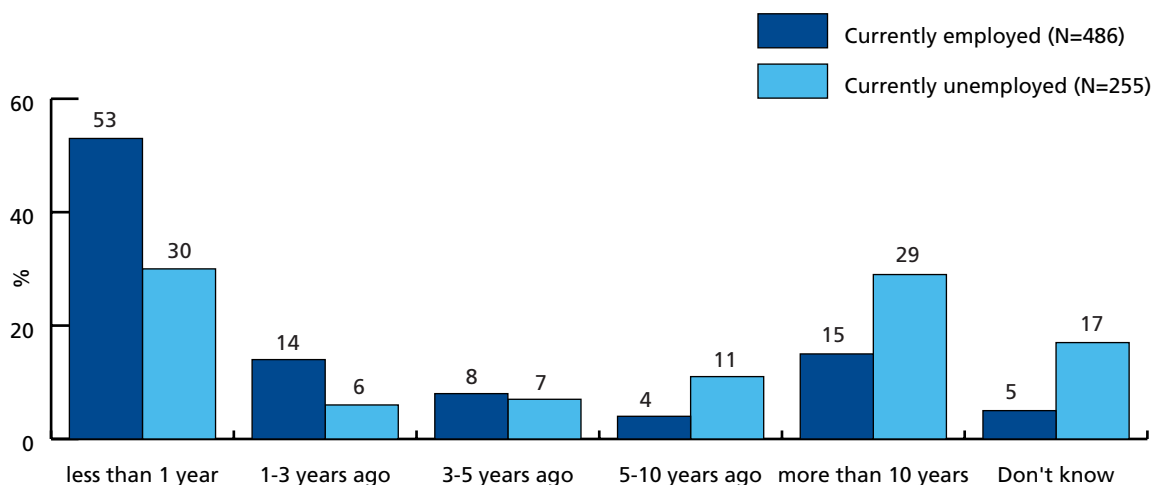


Fig 7: Last Learning Activity by Employment Status

with a number of attitude statements about learning<sup>7</sup>. Over half (56%) of respondents had participated in a learning activity within the last three years. For further analysis of attitude to learning, this sample were referred to as “learners.” Those respondents whose last activity was more than 3 years prior to the time of interview were classified as “non-learners.” When asked their opinion on the statement “Employers seldom take notice of the learning, training or education you have done”, the same percentage of respondents (42%) agreed as disagreed (as shown in Figure 8). On further examination it was apparent that learners tended to disagree with this statement (50%) in comparison with non-learners (32%). A similar response was obtained when

individuals were asked their opinion on the statement “Employers are more interested in whether you can do the job than in whether you have the paper qualifications.” A higher proportion of learners (43%) disagreed with this statement in comparison with non-learners (26%).

The majority of individuals agreed with the following statements which referred to the positive benefits of learning: “You are more likely to get a better job if you do some learning, training or education” (93%); “Learning about new things boosts your confidence” (93%); “Learning about new things is enjoyable” (92%); “Going to classes or courses is a good way of meeting people” (93%); “Learning is interesting” (92%).

## Summary

As in previous years, results from the The Northern Ireland Social Omnibus Survey have proven to be both interesting and of importance to the Agency. One advantage of maintaining core questions is to allow for examination of trends over time. The observed change in perception of the Most Important Problem in Northern Ireland today appears to reflect the changing political climate. The addition of questions covering new topics of interest has given a Northern Ireland perspective on issues which may be examined further at a later date.

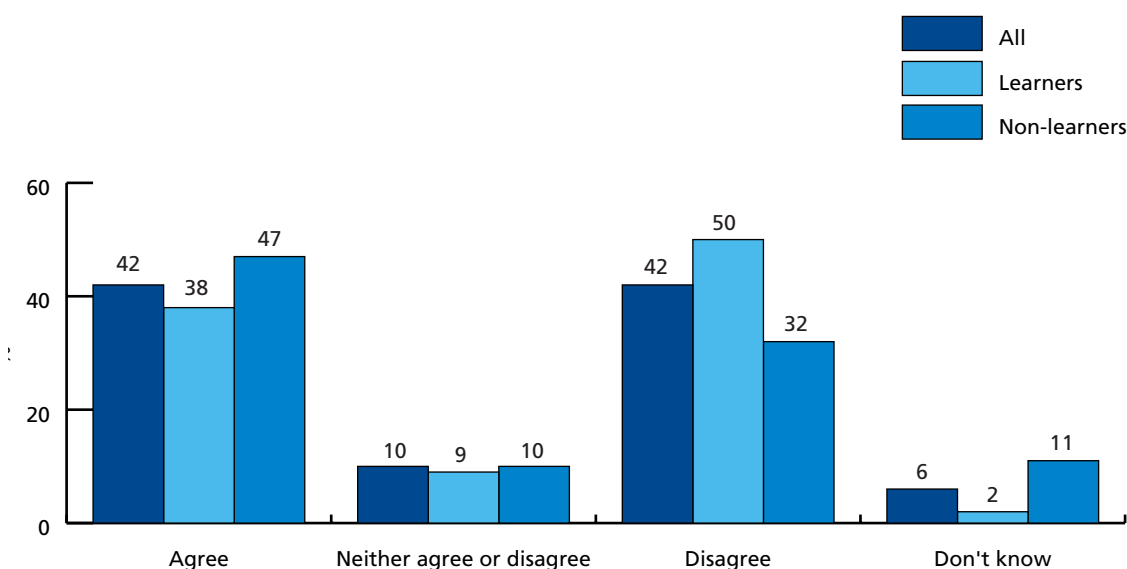


Fig 8: Attitude Statement - Employers seldom take notice of the learning, training or education you have done

7. Responses to these questions were recorded as 'Agree Strongly', 'Agree Slightly', 'Neither Agree nor Disagree', 'Disagree Slightly' and 'Disagree Strongly.'

# Skill Needs in Northern Ireland - 1998

By Mark Livingstone, The Skills Unit,  
Research and Evaluation Branch, Training and Employment Agency



In May 1998 the Chancellor of the Exchequer announced a package of initiatives which included the allocation of £14m to the Training and Employment Agency for skills training over the course of the following three years and the creation of a Northern Ireland Skills Task Force. The role of the Task Force is to advise on current and future skills needs in Northern Ireland<sup>1</sup>.

Since then the Task Force has been established and has met three times to help formulate detailed plans for a comprehensive skills monitoring and forecasting system for Northern Ireland. In the interim the Agency decided that action should be taken immediately to assess the current extent of skills needs amongst Northern Ireland companies.

The Skill Needs in Northern Ireland 1998 Report presents the results from a major survey of employers in Northern Ireland. This is the first time this survey has been conducted in Northern Ireland although such surveys have been conducted annually in Great Britain since 1990<sup>2</sup>.

The objectives of the 1998 Skill Needs Survey were to collect information about:

- the scale and pattern of employers' recruitment difficulties, including the occupations involved;
- employers' commitment to training, including the volume of off-the-job training funded or arranged;
- employers' awareness of, and participation in, a number of initiatives related to training and skills

The Survey was conducted on behalf of the Agency by IFF Research Ltd and consisted of 601 telephone interviews of employers having one or more employees. All business sectors (public and private) were covered, with the exception of agriculture, forestry and fishing.

## Key Findings

The following points are a brief summary of the key findings from the Skill Needs in Northern Ireland Survey 1998. To put these findings in context, some comparable figures are available for NI and GB and are presented in square brackets. NI and GB bracketed figures refer only to those establishments employing over 25 employees<sup>3</sup>.

## Vacancies and Skills

### Changes in Skill Needs

Just over two-fifths of employers (47%) believed that the skills needed in their average employee were increasing [for those companies employing 25 or more people only, NI=61%, GB=68%]. Larger employers were most likely to feel that the skill needs required of an average employee were increasing. Two-thirds (67%) of employers in the transport, public administration and other services sector stated that the skills required of their average employee were increasing. This proportion was higher than that found in any other sector. The major factor causing an increase in skill needs was changes in the processes and technology used (53%). Changes in work practices and the advent of multi-skilling also had a significant bearing.

<sup>1</sup> See "The Work of the Northern Ireland Skills Task Force and the Skills Unit" in this Bulletin. <sup>2</sup> Skills Needs in Britain

<sup>3</sup> In addition to providing information specific to Northern Ireland the Survey was also conducted to allow comparisons to be made with data collected in Great Britain. The Skill Needs in Great Britain and Northern Ireland 1998 Survey Report (see contact details at the end of this article) presents the results for GB and NI establishments employing at least 25 employees. The NI figures in brackets are from an analysis of a sub-sample of 379 NI establishments employing over 25 employees.



#### Factors causing an increase in skill needs by industry sector of employment

	Total %	Manufacturing %	Mining utilities, construction %	Distribution & consumer services %	Finance & business services %	Transport public admin, other services %
Changes in processes/technology	53	47	57	45	93	55
Changes in work practices/ multi-skilling	47	22	48	51	43	55
Keeping ahead of the competition	12	15	9	16	3	8
Legislation	12	14	11	13	*	19
Greater focus on customer care/ services	8	3	2	12	6	10
Change in products	8	32	*	8	*	1
Changes in services provided	7	5	10	6	*	12



Base: all employers perceiving an increase in skill needs - 1998 (349)

#### Recruitment Difficulties and Skill Shortages

Employee turnover between 1997 and 1998 was 20% [NI=17%, GB=21%]. Employers covered in the study employed 338,000 employees at the time of interview. In the past year it is estimated that 74,000 new

recruits have been taken on, whilst 57,000 employees had left their employer.

Ten per cent of employers reported at least one vacancy at the time of interview. In total, just over 6,500 vacancies were reported. The following table shows the average

number of vacancies reported per employer and the average number of vacancies per employer where vacancies exist by industry sector. Employers in the manufacturing sector reported the highest average number of current vacancies (0.4) while employers in the mining

#### Average number of current vacancies by industry sector of employer

	Average number per employer	Average number per employer with any vacancies	Total number
Manufacturing	0.4	1.8	1,366
Mining, utilities and construction	0.1	2.6	679
Distribution and consumer services	0.2	1.7	2,742
Finance and business services	0.2	2.9	1,081
Transport, public admin and other services	0.2	1.6	685
<b>Total</b>	<b>0.2</b>	<b>1.9</b>	<b>6,554</b>

Base: all employers - 1998 (601)

Note : In all tables an asterisk signifies a percentage of less than 0.5%.



Existence of current hard-to-fill vacancies by industry sector of employer	%
Manufacturing	9
Mining, utilities and construction	*
Distribution and consumer services	5
Finance and business services	1
Transport, public admin and other services	6
<b>Total</b>	<b>4</b>

Base: all employers - 1998 (601)

Occupations of current hard-to-fill vacancies	%
Managers and administrators	4
Professional	3
Associate professional and technical	21
Clerical and secretarial	2
Craft and related	6
Personal and protective services	41
Sales	22
Plant and machine operatives	2
Other	1

Base: all employers with hard-to-fill vacancies at time of interview - 1998 (49)

utilities and construction sector reported the lowest average number of current vacancies (0.1).

Four per cent of employers were experiencing hard-to-fill vacancies at the time of interview<sup>4</sup> [NI=10%, GB=23%]. It is estimated that a total of just over 2,000 hard-to-fill vacancies were being experienced by employers at the time of interview. The likelihood of an employer experiencing a current hard-to-fill vacancy was greater amongst medium sized and larger employers. The manufacturing sector was the industry in which the highest proportion of employers were experiencing hard-to-fill

vacancies (9%).

Two-fifths of employers (41%) with hard-to-fill vacancies were experiencing difficulties in recruiting staff in personal and protective service occupations at the time of interview. Vacancies in this occupational group are traditionally difficult to fill.

Effect of current hard-to-fill vacancies	%
Loss of business or orders to competitors	41
Above average recruitment costs through advertising, use of recruitment agencies, etc	28
Increased running costs due to overtime, subcontracting, temporary staff	13
Loss of efficiency or increased wastage	8
Significant restrictions to business development activities	5
Loss of quality in the service given to customers	2
None of the above	21

Base: all employers with current hard-to-fill vacancies - 1998 (49)

A fifth of employers with recruitment difficulties were finding it difficult to recruit to sales and associate professional and technical occupations.

The main cause of hard-to-fill vacancies at the time of interview was the feeling that there were not enough interested candidates (47%). This was followed by the 31% of employers feeling that there were a lack of suitably skilled people.

The most common impact of hard-to-fill vacancies was loss of business or orders to competitors (41%). More than a quarter of employers with hard-to-fill vacancies were experiencing above average recruitment costs (28%). Employers were most likely to advertise or advertise more widely (57%) to try and fill their hard to fill vacancies, more than a third used recruitment agencies (37%) and over a quarter (29%) just continue looking for recruits.

## A Skills Gap

Three per cent of employers felt that a skills gap existed between the skills that their current workforce possessed

gap to exist with their younger employees felt that these employees fell short of requirements.

[NI=54%, GB=62%], whilst just under a fifth had a human resource plan (18%) [NI=47%, GB=53%].

Skills which are lacking in existing employee	%
Technical and practical skills	89
Problem solving skills	56
Customer handling skills	43
General communication skills	38
Team working skills	38
Computer literacy or knowledge of information technology	36
Numeracy skills	31
Managing own development	31
Management Skills	10
Literacy skills	2

Base: all employers who say a skills gap exists - 1998 (42)

and those they needed to meet their employer's business objectives [NI=9%, GB=15%]. Technical and practical skills and problem solving skills were found to be the skills which most employers felt to be lacking (89% and 56% respectively). These were followed by customer handling skills (43%), general communication skills (38%) and team working skills (38%).

## OTHER TOPICS COVERED IN THE SURVEY

### Management of Training and Training Delivery

Over two-fifths of employers (46%) possessed a business plan [NI=75%, GB=78%], approaching a quarter had a training plan (24%) [NI=65%, GB=65%], over a fifth a training budget (21%)

Employers who had funded or arranged any form of off-the-job training over the previous year were asked about their commitment to training. Health and safety training was the type of training that had most commonly been provided by employers (77%), followed by job specific training (70%). Over half of employers had provided training in new technology (58%) and induction training (51%), whilst over a third had provided management training (37%). Off-the-job training provided was leading to formal qualifications amongst just over a half of employers providing off-the-job training (54%). Of employers providing training leading to formal qualifications, 45% were offering training leading towards NVQs, 38% training towards other nationally recognised qualifications and 36% training towards

**Around one in seven employers (15%) with employees aged 16-24 felt that a gap existed between the skills that their younger employees possessed and those they needed to meet the employer's business objectives. Customer handling skills (57%), general communication skills (55%) and team working skills (44%) were the main areas where employers perceiving a skills**

Skills which are lacking in younger employees	%
Customer handling skills	57
General communication skills	55
Team working skills	44
Problem solving skills	39
Technical or practical skills	36
Management skills	34
Numeracy skills	27
Computer literacy	17
Literacy skills	12

Base: all employers with employees aged 16-24 feeling a skills gap exists - 1998 (177)



qualifications specific to the company. Training was least likely to be leading towards higher qualifications such as degrees.

### Provision of Off-The-Job Training

Off-the-job training had been provided by 26% of employers over the previous 12 months [NI=55%, GB=82%].

The likelihood of an employer having provided off-the-job training is greater in larger establishments and it is also more likely that it will have been provided to employees who had joined the company in the last twelve months rather than to existing employees. Over the last 12 months, employees receiving training had on average received 7.0 days each. This equates to an average of 1.5 days being provided per employee. From this we can estimate that over the last 12 months approximately 0.5 million off-the-job training days had been funded or arranged by employers in establishments with one or more employees.

### Provision of On-The-Job Training

Overall, 52% of employers had carried out on-the-job training in the previous 12 months [NI=89%, GB=91%]. The proportion is much higher amongst larger employers. Training by a line manager or

supervisor (68%) and training by other experienced staff (60%) were the most common methods of providing on-the-job training.

### Awareness Of, and Involvement With, Training Initiatives

NVQs are the initiative with the highest level of awareness among employers with over nine out of ten having heard of them (93%). More than four out of five employers had heard of other nationally recognised vocational qualifications (87%) and over two-thirds had heard of GNVQs (73%) and other Government supported training for young people, also known as Jobskills (71%). NVQs were also the initiative with which the highest proportion of employers had been involved (22%), followed by other Government supported training for young people (11%).

### NVQs

On average, for the 22% of employers involved in NVQs, NVQs were offered to 25% of their employees. Almost nine out of ten (85%) of employers who offered NVQs were either very or fairly satisfied with the NVQs on offer. This high level of satisfaction mainly stems from a feeling that the relevance and focus of the training has improved (43%) and that NVQs are matching the needs of the individual (36%).

### Investors In People (IIP)

Some 45% of employers were aware of Investors in People. Overall, 3% of employers aware of IIP had been awarded recognition - this equates to 2% of all employers with one or more employees. A further 6% had made a formal commitment to achieving recognition and a further 20% were considering getting involved.

### Contact With Outside Organisations

Over half (51%) of employers had built links with outside organisations in order to help them meet their longer term skill needs. Links had most commonly been made with schools and the Training and Employment Agency (23% for each), followed by Further Education Establishments (21%).

### Conclusions

The Skill Needs in Northern Ireland Survey has been a valuable addition to the information available on skills shortages and recruitment difficulties and provides a benchmark against which future trends can be tracked.

Commenting on the Survey, the then Education and Training Minister, John McFall said "It is clear from the report that employers in Northern Ireland do not appear to be facing the same

level of difficulty in finding suitable staff as in other areas. But there is no room for complacency, particularly in regard to those key skills which are critical to business success".

Following the Chancellor's May 1998 visit a series of initiatives were put in place to address the most apparent priority skill needs in the IT, Engineering and Hospitality sectors. However, while valuable, it is clear that the NI and GB Skill Needs Surveys are neither sufficiently specialised nor provide sufficient detail on skills gaps and shortages to allow for the accurate targeting of resources. Hence, in common with the approach taken in Wales and proposed for England, the Northern Ireland Skills Task Force has agreed a plan of action which includes a much more comprehensive skills monitoring survey<sup>5</sup>.

## Contacts

### **Skill Needs in Northern Ireland 1998**

Copies of the Report (Gratis) are available from Research and Evaluation Branch.

Telephone Enquiries to :  
Clair McCready  
01232 257627

### **Skill Needs in Great Britain and Northern Ireland 1998**

Copies of the Report priced £50 are available from IFF Research Ltd, 26 Whiskin Street, London EC1R 0JD.  
Tel : 0171 925 5555



5. See "The Work of the Northern Ireland Skills Task Force and the Skills Unit" in this Bulletin.

# The Work of the Northern Ireland Skills Task Force and the Skills Unit

By Terry Morahan and Mark Livingstone

The Skills Unit, Research and Evaluation Branch, Training and Employment Agency



Issue 12 of the Labour Market Bulletin (October 1998) included an article "A Skills Unit for the Agency" which reported on the establishment of a Skills Unit within the T&EA and the imminent establishment of a Northern Ireland Skills Task Force to take forward a programme of work aimed at addressing NI's skill needs. Since this time there have been major developments with regard to both progress in establishing skills monitoring and forecasting systems for NI and in the wider skills agenda at a UK level.

Falling unemployment and steady employment growth describe an improving NI labour market. In parallel however there is the worldwide phenomenon of rapid technological change and the growth in 'knowledge rich' jobs which has led to an increasing disparity between the demand for highly skilled labour and for those with low skill levels or outdated skills as evidenced by increasing wage differentials in many economies<sup>1</sup>. While those with a high level of marketable skills have prospered there are increasingly large numbers of people who are marginalised from the labour market and are unable to take up these new employment opportunities. Demand for lower skilled or unskilled labour has declined markedly in the face of this technological change and to a lesser extent globalisation and the transfer of labour intensive low skill work e.g. clothing to less developed economies.

It is also clear however that many countries are experiencing skills shortages and skills gaps where the supply of skills available from the existing workforce and new entrants to the labour market are insufficient to meet demand. As a consequence, internationally, there has been a renewed focus on the level and appropriateness of workforce skills. There is evidence that a similar situation exists in Northern Ireland. However to

date there have not been sufficiently comprehensive systems in place to monitor skills<sup>2</sup>. Certainly the prosperity of the local economy is largely dependent on having a highly skilled, flexible and motivated workforce capable of meeting the challenges of an increasingly uncertain working environment and the difficult problem of long-term unemployment will only be solved if the skills the unemployed possess are the skills that employers demand.

## Establishment of NI Task Force and Membership

In February 1999 the then Minister for Education and Training, Mr McFall, announced the appointment of a Northern Ireland Skills Task Force to advise the T&EA and DENI on issues relating to the supply of and demand for skills in the labour market. The current membership of the Task Force is shown below.

### Chairman

Mr Bill McGinins,  
Chairman, T&EA

### Members

Mr Bill Brown,  
Chair, Engineering Employers  
Federation

Mr Tony Doran,  
Managing Director,  
Construction Employers  
Federation

1. For example see "Trends in Wage Differentials in Northern Ireland" also in Issue 12 of the Labour Market Bulletin.

2. See "Results of Skills Study - Stage 1" in Labour Market Bulletin No 10.

3. The Skills Study Stages 1 and 2 as summarised in Bulletin Nos 10 and 12.

4. Although in common with the approach taken in other counties a pragmatic decision may be taken to exclude certain sectors e.g. the public sector where recruitment difficulties are not generally a problem.

Mr Tony Hopkins,  
Senior Partner, Deloitte and  
Touche

Mr Matthew Mullan,  
General Manager, Stakis Park  
Hotel

Mr Bill McCreight,  
Communications Workers  
Union

Ms Ann-Marie Slavin,  
Managing Director,  
Westernconnect Ltd

Mrs Ann Shaw,  
Director, Shaws Farms Ltd.  
Chair, Institute of Directors

Mr Bill Tosh,  
Chairman, Uniplas.  
Vice-chair, CBI

Ms Vivienne Walker,  
Head of Human Resources,  
South and East Belfast H&SS  
Trust. Board Member, NI  
Growth Challenge

Dr Michael Anyadike-Danes,  
Director, NIERC

In addition officials from the  
Department of Education,  
Industrial Development Board,  
Department of Agriculture,  
Training and Employment  
Agency, The Northern Ireland  
Tourist Board and the Local  
Enterprise Development Unit  
attend the Task Force  
meetings.

In common with best practice  
nationally and internationally  
the membership of the Task  
Force has been chosen to  
ensure the involvement of all  
major actors (education/  
training, the private sector,

economic development). Of  
course not all industrial sectors  
can practically be represented  
but Task Force members were  
chosen for the breadth of  
skills and experience they  
could bring to the group and  
not as representatives of any  
particular interests.  
The dedicated Skills Unit  
established in late 1998 within  
Research and Evaluation  
Branch will work with the Task  
Force and, for example, is  
responsible for the day-to-day  
management of research  
commissioned by the Task  
Force or of relevance to their  
remit.

### Proposed Skills Monitoring and Forecasting Systems

The initial work of the Task  
Force focused on  
recommendations for skills  
monitoring and forecasting as  
proposed by the Skills Unit  
following an extensive review  
on international best practice<sup>5</sup>.

As detailed in Bulletin No 12,  
options for skills monitoring  
and forecasting can be  
classified according to the  
dichotomy - comprehensive (as  
for example in the Dutch  
vacancy monitoring approach)  
- or focusing on key skills or  
bottlenecks (as with the  
Belgian approach). Both  
approaches have their benefits  
and drawbacks. While a  
comprehensive approach is  
representative and provides  
coverage of the whole  
economy it lacks the depth of  
detail needed to ensure that  
practical responses to actual or  
predicted skills shortages can

be formulated. In contrast,  
while the 'bottleneck'  
approach can give detailed  
information, its scope is  
limited by the breadth of  
coverage. So, for example,  
detailed information can be  
gathered on a small number  
of critical skills or sectors but  
the scale and distribution of  
skills shortages across all  
sectors would not be known.

The Agency's focus is on the  
whole economy<sup>4</sup> but is also  
very much action oriented to  
ensure that any action  
recommended by the Task  
Force would 'make a  
difference'. Consequently,  
having considered the options  
available, the Task Force  
recommendations centred  
around a hybrid approach  
consisting of:

### Monitoring

- A comprehensive and  
representative survey of  
employers focusing on  
vacancies, hard-to-fill  
vacancies and skills issues  
to be carried out annually  
or biennially<sup>5</sup>;
- regular monitoring of  
vacancies notified to the  
T&EA<sup>6</sup> and vacancies  
advertised in the local  
press focusing on the  
higher end of the skills  
spectrum.;

This dual approach will ensure  
a more complete coverage by  
taking different but  
complementary views of the  
occurrence and nature of  
vacancies.



5. Vacancy surveys may be carried out from either a cyclical perspective (i.e. as a macro-economic indicator of the labour market) or from a structural perspective (to ensure better matching of labour demand and supply). The Agency is primarily concerned with the structural perspective for which a less frequent survey is necessary.

6. While vacancies notified to the T&EA provide only a partial coverage of all vacancies (estimated to be one third of all vacancies and biased towards the lower end of the skills spectrum) they are also a potentially rich source of data which are available on a continuous basis





- review of non-Government skill surveys conducted in NI.

### Forecasting

- Econometric forecasts for broad industrial and occupational groupings to provide the broad context;
- The establishment of a Centre of Excellence in skills forecasting at the Northern Ireland Economic Research Centre (NIERC) - The Priority Skills Research Unit - which will take forward a rolling programme of research into those skill areas identified as critical to the NI economy.

The monitoring survey of employers will be used to assess the overall level of vacancies in the economy, how they are distributed by occupation, by industry and by area. This will provide robust data on current and anticipated skill needs and over time will allow for changes in demand between industries and occupations to be tracked. The monitoring survey will also be used to identify a list of priority skills to be fed into the forecasting system<sup>7</sup>. Ongoing monitoring of vacancies registered to the T&EA and high level jobs advertised in the local press will provide continuous data on demand which will supplement the survey data and ensure that the

monitoring system is sensitive to acute trends.

It is intended that the macro-economic forecasts will be used to set the scene by describing the broad economic environment within which the more detailed forecasting programme will be conducted. Priority skills shortages identified through the monitoring survey will then form the basis of the research programme to be undertaken by NIERC who, on the basis of the priorities determined by the Skills Task Force, will research priority skills areas in depth. This research programme will not be solely a labour planning exercise but will attempt to take a broad view of all the issues which impact on skills formation in priority skills areas.

In keeping with the need for broad consultation, interested parties (e.g. Sector Representative Bodies etc) will be asked to add value by responding to and commenting on this research.

These recommendations were accepted leading to the formulation of an Action Plan as shown below.

### National Initiatives

While the Agenda of the Northern Ireland Skills Task Force is focused on the needs of the Northern Ireland economy, close attention is also paid to developments throughout the rest of the

United Kingdom and internationally.

### England

The National Skills Task Force was established by David Blunkett, Secretary of State for Education and Employment, to help in the creation of a National (actually English) Skills Agenda. The Task Force has produced two Reports. The first, Towards a National Skills Agenda sets out "our vision for modernising our education and training system to create the high skills, socially inclusive economy essential to prosperity in the new Millennium". The three key issues dealt with in the first Report are current skills shortages, underlying skill gaps and addressing longer term needs.

The first Report also stressed the importance of IT skills and a new industry-led group, the National ITEC Skills Strategy Group has been formed to address skills needs in the information and communication technology and electronics sector.

The second Report published in May 1999, Delivering Skills For All, follows on from the first report to make substantive recommendations.

In support of the work of the National Skills Task Force an ambitious programme of research has been implemented to investigate a broad range of skills issues and how they impact on

## Recommendation and Action Plan

SUBJECT	DECISION	TIMETABLE
Skills Forecasting Centre of Excellence	Establish a Centre of Excellence at NIERC - The Priority Skills Research Unit	Unit fully operational in September 1999
Vacancy Monitoring System (Skills monitoring)	Establish a Vacancy Monitoring System	Final proposals made to the NI Skills Task Force in September with system functioning by November 1999
Key Occupations	Compile a list of key occupations for which there is some evidence of current and future shortages (to 'kick-start' the Skills Forecasting work)	List agreed and prioritised at the September 1999 Task Force Meeting - First two sectors chosen: ICT and Engineering
Definition of Skills	Prepare paper exploring definitions of skills with a view to arriving at an agreed definition	Final paper to be presented to the Task Force in October 1999
Employment Service Vacancy Data	Explore scope for adding-value to this data source as an indicator of skills demand	Report by end 1999
Monitoring of Advertised Vacancies	Examine the scope for the development of monitoring of advertised vacancies	Proposals to be presented to the Task Force in October 1999
Parallel research	Continue with a programme of parallel research relevant to the skills agenda e.g.	See below
	Labour Recruitment Patterns research	Report received September 1999
	Redundancy Studies (Saracens, Killyleagh Yarns, Mackie)	Saracens and Killyleagh Yarns Reports received. Mackie Report due November 1999
	1994 Graduate Cohort Study	Report due in November 1999
	Matched International Plant Study	Proposal currently under consideration.

companies which includes a large scale telephone survey of employers, more detailed face-to-face interviews with employers and case-studies.

### Scotland

Skills For Scotland - "A Skills Strategy For A Competitive Scotland" published by the Scottish Office with a foreword by Donald Dewar, Secretary of State for

Scotland, sets out a Skills Strategy for matching skills provision to need.

The document examines trends in the Scottish economy and labour market as well as more general trends associated with the "knowledge economy", provides examples of "good practice" in meeting skill needs and discusses the role of National Training

Organizations (NTOs), clusters, and sector initiatives.

The document also sets out an action plan consisting of key measures to improve the overall level of skills in Scotland. The measures aim to address 5 main areas :

- Meeting the market need for skills training;
- Developing employability;







- Meeting the market need for high quality labour market information;
- Helping individuals and business adapt to economic change; and
- Monitoring and evaluating the impact of the strategy.

### Wales

The 1998 Future Skills Wales Project was commissioned by a partnership of organizations including:

Careers Service Association for Wales, CBI Wales, Employment Service, FE and HE Funding Councils for Wales, Fforwm, Heads of Higher Education in Wales, Local Authorities, Wales TUC, Welsh Development Agency, Welsh Local Government Associations, Welsh Office, Welsh Training and Enterprise Councils.

It is claimed to be the largest and most sophisticated project of its kind undertaken in Europe and was designed to answer a number of key questions:

- what are the growth prospects for the different industries in Wales over the next decade?
- what types of jobs are likely to be created and what particular skills are needed?
- do employers and individuals feel they have the skills to meet these needs?
- are employers investing enough in training and are individuals prepared to learn for the future?

- how can they keep talented young people in Wales?
- will employers provide the necessary training for the years ahead?

The research undertaken under Future Skills Wales consisted of a large scale survey of employers and of residents looking at a number of skills issues and the development of a macro-economic model for forecasting future skill needs by industry and by occupation. A recommendation was made for consideration by the new Welsh Assembly that the Future Skills Wales project should be repeated every two years.

### International Experience

While the proposals for Northern Ireland have been developed along similar lines to those of the other UK countries they have also drawn from examples of best practice elsewhere to meet the Agency's need for monitoring and forecasting systems which are 'action-oriented'. For example the Republic of Ireland has developed advanced systems led by a team of FAS and ESRI researchers.

Our knowledge of international systems has been greatly assisted by our membership of CIRETOQ - the Circle for Research Co-operation on European Trends in Occupations and Qualifications. This Circle was

established by CEDEFOP - the European Centre for the Development of Vocational Training and conducts a wide variety of joint research projects which have been very valuable in developing our plans.

### Summary

The Action Plan detailed above sets out an ambitious programme for skills monitoring and forecasting which draws on examples of best practice identified both nationally and internationally. While the decisions taken by the Northern Ireland Skills Task Force have been influenced by current best practice, it is acknowledged that this is a broad, complex and dynamic area and that the approach taken is primarily intended to meet the needs of the local economy rather than representing an 'ideal' solution (In contrast the approach taken in England in support of the National Skills Task Force is much more conceptually focused and attempts to 'get behind' the raw data on skills to determine why skills gaps/shortages arise, how they affect companies and how companies in turn cope. They are less directly focused on providing operational responses to skills gaps/shortages. However the decision was taken to put systems in place now rather than trying to develop a "perfect" system. The

development of expertise at the Priority Skills Research Unit, the opening up of consultation and debate with all interested parties and the concurrent monitoring and research programmes will enable the Skills Task Force to refine its approach and provide both the Agency and DENI with informed and valuable guidance and of course dovetails with the Vision Statement set out in Strategy 2010 of:

“A fast growing, competitive, innovative, knowledge-based economy where there are plentiful opportunities and a population equipped to grasp them”.



# The Large-Scale Labour Recruitment Study: Scope, Uses and Overview.

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This article reports the final results from the large-scale Labour Recruitment Study funded by the Training and Employment Agency (hereafter the Agency), the Industrial Development Board (IDB), and the Department of Economic Development (DED). The project contributes to a research programme supported by the Research and Evaluation Branch (REB) of the Agency to improve understanding of the Northern Ireland labour market. The project has a twofold rationale which may be summarised as labour availability and efficiency - to assist in identifying areas with appropriately skilled labour for new employment - and equity - to advise on the equitable distribution of DED services and Targeting Social Need (TSN).

The Agency recognises that more accurate estimates of labour supply are needed which are sensitive enough to highlight areas of labour shortage, and which can identify undersupply by occupation and industry. This is important because the local economy depends on the availability of workers in sufficient numbers with appropriate skills. The availability of labour is also important for the efficient ongoing operation of existing employers and for any expansion plans by these firms.

The DED group is committed to work under Policy Appraisal and Fair Treatment (PAFT) and TSN guidelines. PAFT is an initiative that seeks to 'equality proof' government decisions so they do not impact unfairly on any given group. TSN is a government spending priority that seeks to target resources to areas and people in greatest need. Important questions concern the location of employment - is it necessary to create employment in TSN areas to alleviate unemployment or is the process of recruitment (e.g. targeting unemployed people) of greater significance? Or should both strategies be operated in tandem to ensure success?

Several issues discussed in this article are developed in more depth in the accompanying piece entitled *Work to Workers: Does it Work?* A case study of two plants in West Belfast.

A fuller impression of the research can therefore be gained by reading both papers.

## The Study

The Study was commissioned in 1997. Data were collected during 1997 and 1998 from 15 employers spread across 22 sites in a wide range of industrial sectors (e.g. textiles, software, electronics, and engineering) in a selection of geographical locations (e.g. Belfast, towns, and villages). While these companies must remain anonymous as part of the conditions of the research we would like to take this opportunity to thank them publicly for their support of this project.

With the co-operation of these companies, core data were collected from personnel databases on some 14,000 employees, with additional information on a substantial minority of these workers. There are slight variations in the information collected between companies simply because of differences in the amount and type of information they hold on their employees. Nevertheless, typical anonymised data collected and held in the project databases usually include such topics as qualifications, past labour market history, postcodes, current occupation and age/gender information. To supplement these data, in-depth interviews were

conducted with personnel managers, employers' organisations, and government agencies to give insights into recruitment patterns, skill shortages, recruiting strategies, and general labour market conditions.

As far as we are aware the Large-Scale Recruitment Study is unique within the UK (and perhaps more widely) on two counts. Firstly, we know of no other similar study elsewhere which has collected information as widely on different industrial sectors, sites, and numbers of workers. Secondly, the co-operation of companies, and the support of state agencies, has meant that it has been possible to collect a much wider range of information, and to gain more in-depth data, than has been possible in other locales where co-operation has been more restricted (for example, see Foley et al 1996). Consequently, there are a number of unique and interesting uses to which the data can specifically be put.

### The Geography of Recruitment

In an earlier article in last years' Labour Market Bulletin (Shuttleworth et al 1998), we summarised the two-fold uses of the study as labour availability and efficiency - to assist in identifying areas with skilled labour for employment - and equity - to advise on the equitable distribution of DED

services and Targeting Social Need (TSN). Since the equity dimension is explored more thoroughly in our paper on West Belfast, we take the opportunity here mainly to consider spatial issues of labour availability. We do so by taking one large employer as an example.

The anonymous employer, referred to as Site 1, is a recently established assembly plant which largely employs lower-skill workers but which, unlike some other sites in the study, also employs significant numbers of workers of other kinds (e.g. Craft & Skilled workers, Managers, Clerical staff). Located in a mid-sized town, the numbers of people within a 2km radius of the plant are low in comparison with some Belfast sites, but are high relative to the rural sites in the study. The site is also in a relatively affluent area - unemployment levels in the locality are low, and only a small minority of areas in the neighbourhood (about 10%) are designated as TSN.

Against this locational backdrop what can we say about its geography of recruitment? Map 1 (overleaf) examines this initially simply by mapping the locations where workers at the site live and then by comparing them with the catchment areas for different types of occupation. The catchment areas represented on the map are constructed to highlight the distance from within which 80% of employees in each

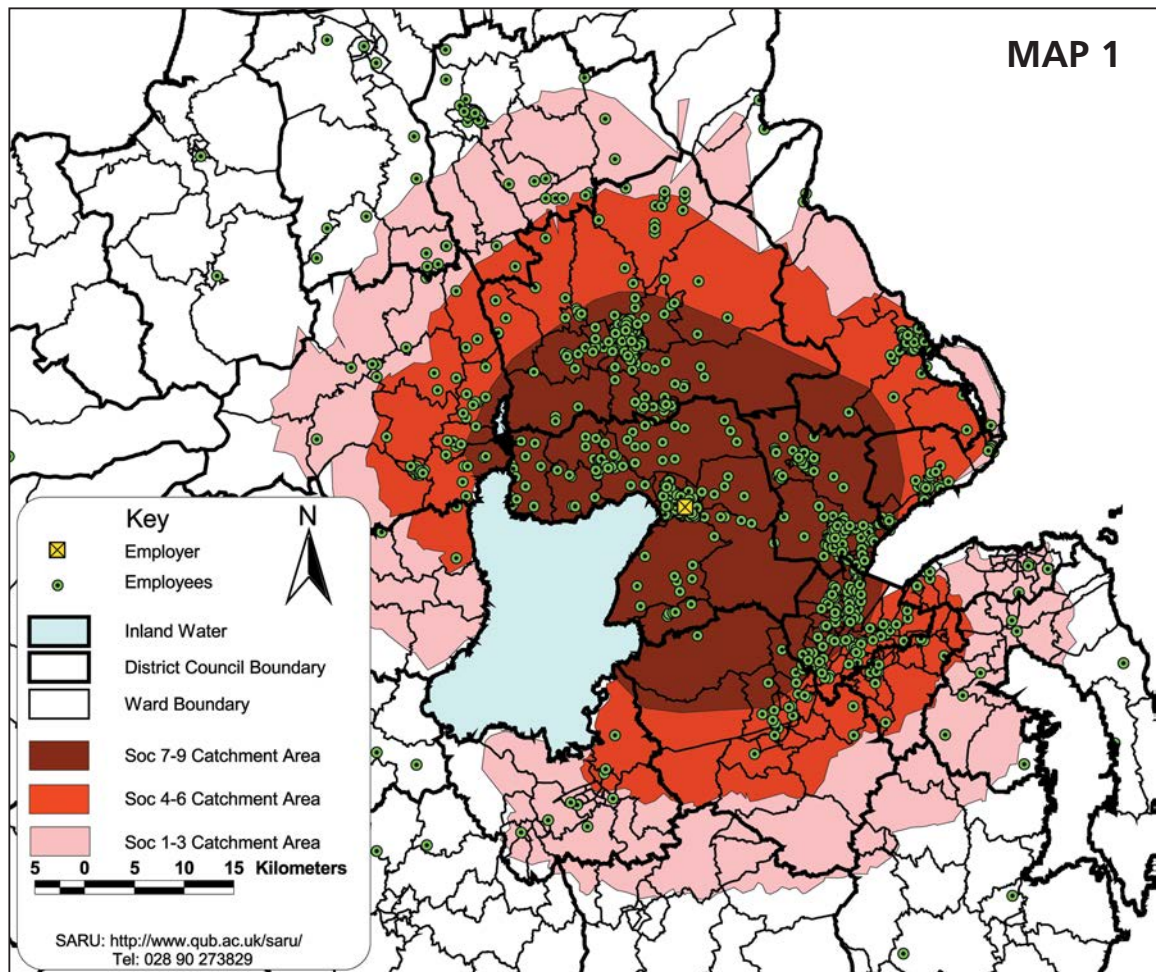
occupational grouping are obtained.

These show a classical pattern given what is known about travel-to-work behaviour and job-search practices; namely that as wage levels/skill profiles increase, so also do travel-to-work distances. Thus, those employed in Standard Occupational Classifications (SOCs) 7-9 (Sales, Plant & Machine Operatives, Other Occupations) on average tend to live nearer the site than workers in SOCs 4-6 (Clerical, Craft & Skilled and Sales), and SOCs 1-3 (Managerial, Professional, and Technical).

Chart 1 (overleaf) presents the data in a different way showing graphically the percentage of workers by occupation who are drawn from within fixed distance bands of the site. The local peak of recruitment for SOCs 4-6 and 7-9 reflects the workers who live nearby the site in the town in which the plant is located. The peak for SOC 1-3 employees, however, comes some 30km from the factory reflecting the attraction of workers from Belfast. It is interesting to note, also, that relatively high proportions of SOC 4-6 and SOC 7-9 workers come from the same distance band, reflecting the associated importance of the underlying population distribution within Northern Ireland.



MAP 1



### Interpreting the Data

The data have been interpreted in a number of ways to help in the objective of identifying areas with

appropriately skilled labour for new employment. Firstly, the site can be treated as a case study to allow estimates of the likely geographical extent of recruitment at a

similar planned employer - for example an assembly plant in a relatively affluent area with low levels of unemployment. While there are some merits in this approach it is unlikely to

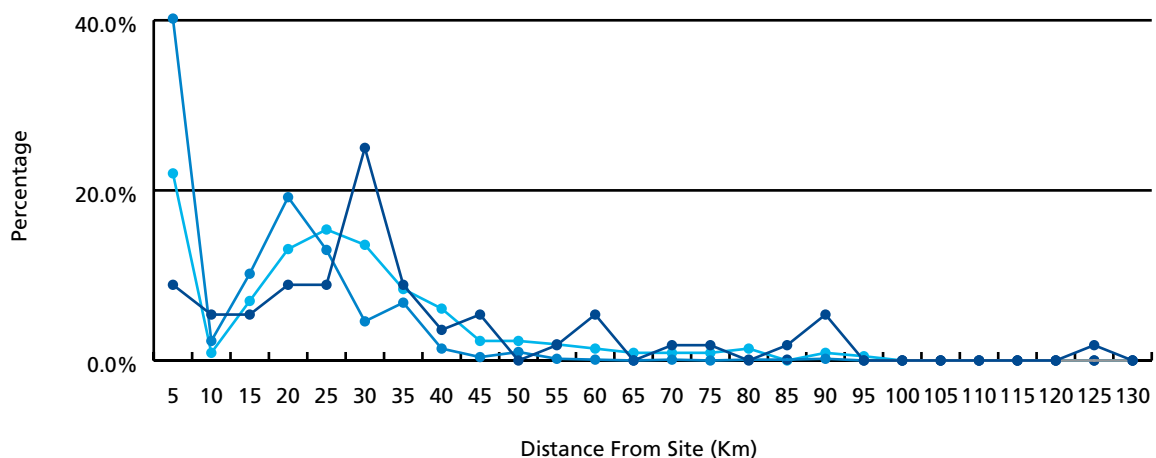


Chart 1 Percentage 'Grouped SOC' Employee by Distance from Site



be completely satisfactory on its own because of the geographical range of behaviour between different employers - see, for example, the comments on the highly localised recruitment for SOC 7-9 in the article on the West Belfast sites.

A second approach used to interpret the data has attempted to control for differences in site, location, company culture, and recruitment practices to draw systematic conclusions about labour availability and the geography of recruitment. At one level this is relatively easily done by making descriptive comparisons between sites - for example how do SOC 7-9 workers at Site A behave as compared with those at Site B? This is a useful starting point for the analysis.

However, more detailed analytical approaches have proved necessary to extract greater value from the data. The importance of site in determining spatial recruitment patterns i.e. available population for labour supply, accessibility etc., can be explored more fully when the company data are stored in a Geographical Information System (GIS) and linked with the Census of Population and other administrative data sources. The objective of this was to investigate the feasibility of a set of 'rules' to help advisors develop better scenarios to forecast the geography of

recruitment - e.g. how do SOC 7-9 workers located in densely populated urban areas behave and how does this differ from rural areas? In the case of Site 1, the spatially extensive pattern of recruitment can be related to the plant's location in an area of low unemployment (possibly many other competing employment opportunities); relatively low population density (a restricted pool of workers in the locality which means seeking recruits from further afield), and access to the motorway network.

Qualitative information is also useful in interpreting spatial recruitment patterns and in developing employment scenarios for advisors. Interviews conducted in the locality of this site indicate a 'tight' local labour market and the presence of competing companies, all of which might be expected to widen the area from which workers would be sought. Furthermore, the company has had significant labour needs as a result of a high initial turnover and has thus been very active in seeking recruits. Again, this could be expected to mean that workers would be drawn from a wider area. In this sense, it is important to learn about how companies relate to localities and the local economic environment in which they find themselves.

## Other Uses of the Data

The data from the Large-Scale Recruitment Study have also been used to look at labour supply from other perspectives than the geography of recruitment. For instance, the geographical patterns of recruitment are a direct manifestation of the way in which vacancies are filled but they have indirect effects. An example of this might be when a skilled worker is 'poached' from an established company to work at a new employer - this creates a vacancy at the firm which has lost the 'poached' worker that must be filled, and perhaps losses in time and production as well. The over-riding consequence is the potential to create a cascading vacancy chain through the local economy. The data collected in the study have provided insights into this process.

Early findings suggest that there is strong competition in the Northern Ireland labour market which encourages a 'merry-go-round' where employees might leave to go to a new start-up but after a while find that the novelty of working in 'new' employment wears off and they return to their old employer. The new start-ups, on the other hand, often find that they are swamped with applicants in their initial phase but then experience a high initial turnover before stability develops. Other aspects of interest include inter-company competition, skill shortages,





and views of the effectiveness of government bodies in facilitating jobs growth. Here our findings indicate that companies use a variety of strategies, ranging from out-and-out competition to informal co-operation, to manage skill shortages.

The analysis of local context and labour supply also has implications for TSN. In this context our results indicate that population numbers can be important in deciding which areas to target. Some areas with high relative rates of deprivation have quite low population numbers. In contrast there are other communities that have low relative rates of deprivation but, because they are densely populated, have higher absolute numbers of deprived and unemployed people. This indicates different types of social need and the possibility of tailoring interventions to local circumstances. The research also reflects the well-known fact that not all people

resident within TSN areas could be categorised as being in social need - this also has implications for the targeting of jobs and resources.

## Conclusion

The Large-Scale Recruitment Study is unique, as far as we are aware, within the UK in terms of the range of sites, sectors and absolute numbers of workers studied; and in terms of the depth and range of data available as result of the level of co-operation from companies and state agencies. It has therefore provided an important and valuable opportunity to investigate and to understand the operation of local labour markets in terms of labour supply, availability and efficiency.

The study has offered useful insights into the wider impact of job creation on the Northern Ireland economy and has contributed to the monitoring of TSN and

equality issues. These issues are discussed in our accompanying piece entitled *Employment Equality, Job Creation, and Inward Investment: The Example of West Belfast*.

A full list of references can be obtained from the authors. SARU provide consultancy and analysis on Access to Employment / Education and on Targeting Social Need. They can be contacted on 028 9027 3829 (Tel); 028 9032 1280 (Fax) or via <http://www.qub.ac.uk/saru/>

# Work to Workers: Does it Work? A case study of two plants in West Belfast

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Recent legislation has promoted the role of equality considerations in the administration of public programmes. The 1998 Northern Ireland Act and the 1998 Fair Employment and Treatment (Northern Ireland) Order, for example, have established a strengthened Equality Commission and placed an obligation on public bodies to display due regard for the promotion of equality. The introduction in 1998 of the New TSN framework has also done much to focus attention on social deprivation and equality by seeking tighter targeting of resources on individuals, areas and groups in need.

Employment policy has reflected these developments and therefore has a significant social targeting dimension. The IDB Corporate Plan, 1998-2001 states as objectives, for instance, that 75% of all first-time locational visits to Northern Ireland should be to TSN areas and that 75% of all first-time inward investment projects ought to be located in or near TSN areas. This policy approach is based, at least in part, on the belief that geographical concentrations of unemployment are a result of local shortages of jobs. This viewpoint is also reflected in other aspects of employment-related TSN policy as implemented by the DED group of agencies.

## The Significance of West Belfast

West Belfast is an interesting example to investigate the targeting of social need through job creation and inward investment. It is the largest designated area of social need in Northern Ireland, and it has a high concentration of unemployed people. It is also an area in which inward investment and job creation are critically scrutinised by a variety of organisations.

Following the 1994 Ceasefires, for example, there was much talk about a 'Peace Dividend' of which increased inward investment would be an important part. Prime Minister Major, for example,

announced during the 1994 Investment Forum that Fujitsu would establish a plant at Springvale; and there were claims that West Belfast was becoming a centre for engineering (O'Hearn and Fisher 1999). Local politicians, echoing the analysis that unemployment in West Belfast is caused by a shortage of work in the area, and also attaching the same hopes to inward investment, argued for more job creation under IDB auspices and the development of specific sites such as the Springvale Industrial Estate and Conway Mill.

Despite this earlier optimism, there is now some evidence of local dissatisfaction with the strategy of job creation in the area. O'Hearn and Fisher (1999, 1) comment, for instance, that:

"There is a widespread feeling within the West Belfast community that the IDB has not created a fair share of employment opportunities for the area due to an attitude on the part of government agencies that one local newspaper, The Andersonstown News, calls the 'Big Chill' (June 20 1998). There is a feeling that most of the largest IDB-sponsored employers are not linked with the area in measurable ways such as employing local people..."

At the same time it is asserted that there is an unfair sectarian balance in the small numbers of jobs that have





actually been created by IDB-assisted companies in West Belfast, and that more jobs should be located in West Belfast because residents of the area find it difficult to travel to workplaces in other parts of Belfast as a result of fear arising from the 'Chill Factor' (Sheehan and Tomlinson 1996).

Because of this political and policy background, there is a clear need to examine job creation in West Belfast in a more detailed way, and to see how far perceptions of inward investment in the area are accurate. A broader requirement to examine the socio-spatial impact of employment on areas of social need in an innovative manner is also suggested by the Northern Ireland Audit Office (NIAO) which comments (NIAO 1998, 16) that the existing method of "Assessment based on job promotion in designated areas is not without its shortcomings". The reason for this is that the relationship between where jobs are located, and the take-up of these jobs by residents is not simple. In support of this contention, the NIAO points to the example of the Springbank Industrial Estate on the borders of West Belfast which it feels might be expected to have a positive impact on that area, although outside the designated zone. This indicates a potential for more finely-grained spatial analysis when looking at the impact of employment.

This article therefore considers the geographical extent, social background, and experience of recruitment at two new manufacturing sites in West Belfast to throw light on questions of who gets jobs and where they come from. This data will be used to assess the prospects for the employment dimension of TSN, to suggest how equality aspects of employment creation might be better monitored, to comment on how accurate local perceptions of inward investment appear to be, and to consider alternative responses to unemployment in West Belfast.

### **The Two Sites: Context, Spatial Patterns of Recruitment, and TSN**

As a preliminary to our comments on the geography of recruiting and the TSN impact of the two companies, it is useful to begin by presenting some outline information on the local contexts in which they are located. To preserve anonymity, the companies are referred to as Sites 1 and 2.

#### **Site Location**

Site 1 is located in an area of high unemployment. In its immediate neighbourhood (within a 2km radius, our definition of local context) there are nearly 2,000 Job Seekers Allowance (JSA) claimants. There are also large numbers of people (nearly 17,000 aged 16-65) who live

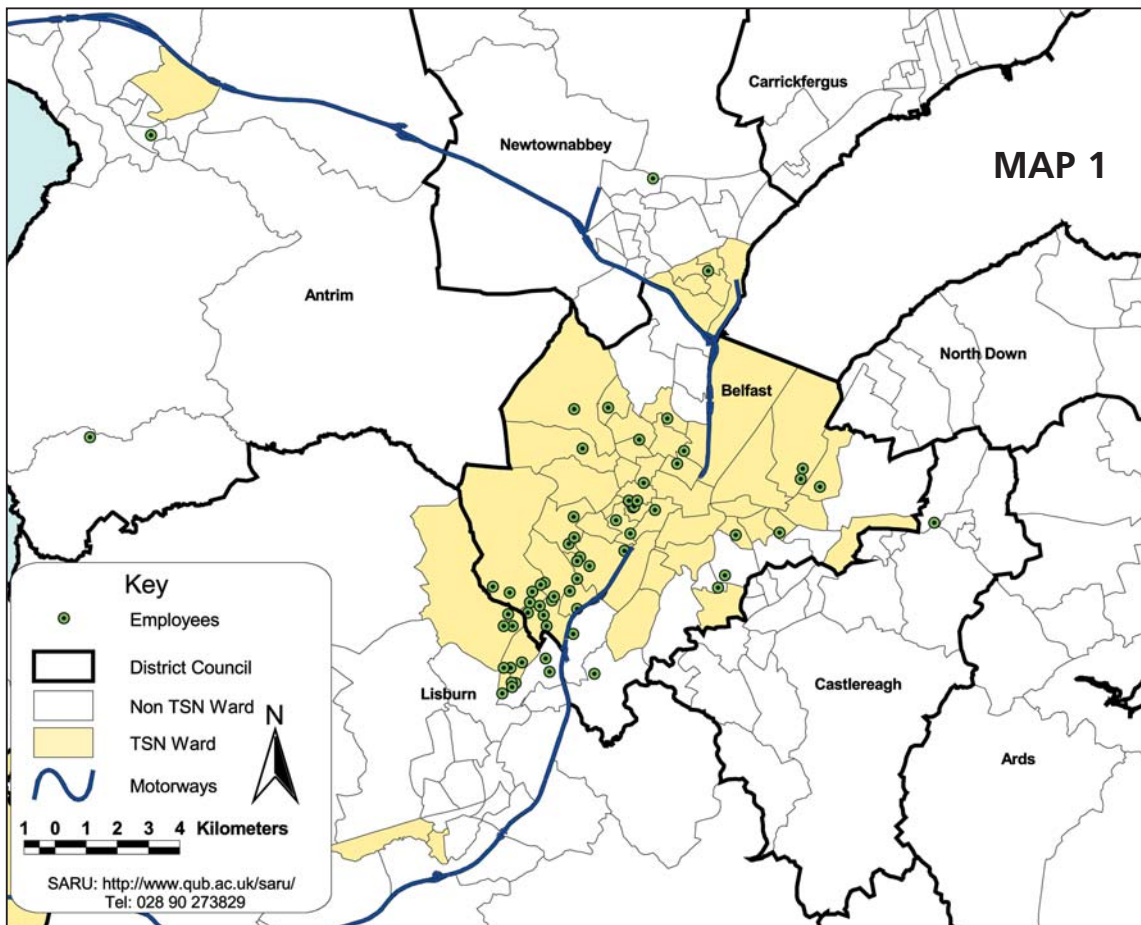
near the site. These are divided in a ratio of about 70:30 between Catholics and Protestants. Interestingly, all areas within 2km are designated as TSN, which means that 100% of the nearby population are TSN resident.

Site 2 is also in a densely populated area (nearly 14,000 people aged 16-65 live nearby). These are divided in a ratio of 95:5 between Catholics and Protestants - a contrast with Site 1. There are fewer JSA claimants (about 1,100) than at Site 1 but there is a very high proportion of TSN residents (97%) who live close to the factory.

#### **Spatial Patterns of Recruitment**

Given the local population background for both sites, it might be expected that both companies would draw heavily on JSA claimants and TSN residents. The reasoning for this draws on the underlying rationale for targeting social need through job creation - that geographical pockets of unemployment and social deprivation exist because of a shortage of local jobs, and that it is therefore necessary to create or locate jobs in these areas to ameliorate social problems.

Maps 1 and 2 (dealing with Sites 1 and 2 respectively) begin to examine this assumption by looking at the degree to which recruitment at these companies is geographically localised.



When analysed these present implicitly different pictures of the spatial extent from which workers are drawn. Workers at Site 1 are drawn from all sections of West Belfast, from parts of East Belfast, and indeed from areas well outside the city. In contrast, workers at Site 2 are largely drawn from a spatially-restricted area of West Belfast. This impression is borne out when the data are presented in a slightly different way. Nearly 82% of workers in Standard Occupational Classifications (SOCs) 7-9 (Sales, Plant & Machine Operatives, and Other Occupations) at Site 2 live within 5km of the Site as compared with around 56%

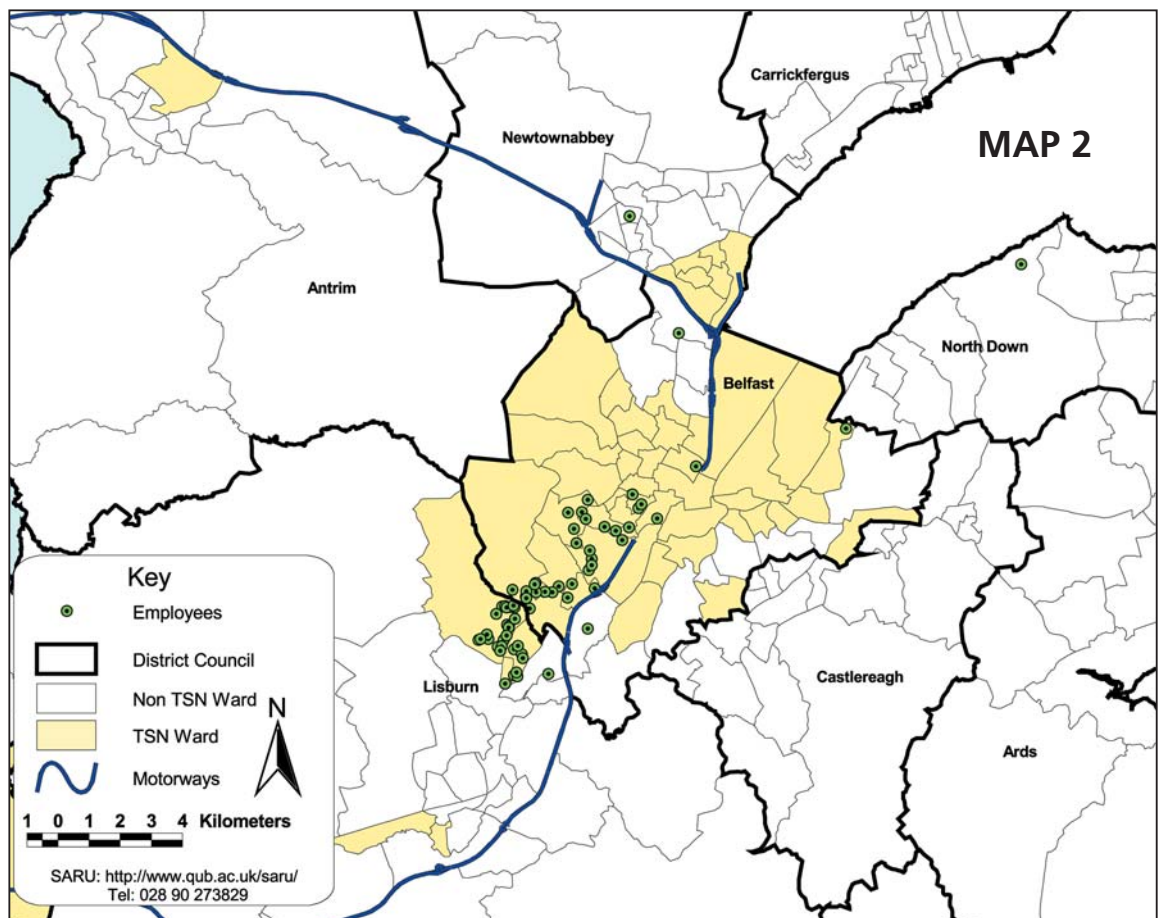
for Site 1. Both companies, however, have a high TSN impact - Site 1 drew nearly 83% of its workers from TSN areas as compared with 91% for Site 2. What is the significance of these maps and this spatial analysis in terms of the debates outlined earlier?

Firstly, they illustrate a need for careful spatial analysis in monitoring the effects of TSN employment policies. Locating a factory in an area does not always equate to bringing jobs to the immediate locality. In fact, spatial catchments vary markedly even for companies in approximately the same general geographical location as is shown by Maps 1 and 2. Although both employers

have attracted residents of TSN areas, the local impact of Site 2 is far greater because of its spatially restricted catchment. This raises the question of whether it is sufficient for inward investment to target social need wherever it is located, or whether the aim is expressly to bring jobs to those localities immediately spatially adjacent to the sites of employment creation.

Secondly, and following on from this, the analysis contributes to wider debates about bringing employment to West Belfast. To some degree, there are reasons to support the opinion expressed by O'Hearn and Fisher (1999),





that many jobs in the area go to non-locals. Site 1, for example, draws workers widely from many areas of Belfast; and the higher-grade managerial and professional workers employed at both sites live outside West Belfast. But set against this is Site 2 which draws most of its employees from relatively nearby and which does seem to have brought employment to the local community. Of course, these findings must be tempered by the relatively low number of employees at each site when the data were collected - around 70 and 80 for Sites 1 and 2 respectively. This influences the interpretation of the results but also has a wider significance.

#### Targeting Social Need - Occupational Profiles and Previous Experiences

The geography of labour recruitment is important in assessing the policy of bringing jobs to West Belfast; but equally valuable is more understanding of the type of work which has been created at each of the sites, and the backgrounds of the people who have taken these jobs. This information is presented in Tables 1, 2 and 3; which deal respectively with occupations, previous economic status, and highest qualifications. The companies are similar in that the majority of their workers (around 82% and 74% at Sites 1 and 2

respectively) are employed in SOC 8 (Plant & Machine Operatives). They are also comparable as people who were previously unemployed are about 68% of the workforce for both employers. A substantial minority of workers (28% at Site 1 and 23% at Site 2), however, held jobs before they found work with their current employer. In terms of qualifications, the two sites are again similar since they do not have high proportions of graduate employees - but there are some interesting differences at the lower end of the educational scale. Site 1 has a concentration of employees with NVQ Level 2 or equivalent qualifications but

Table 1: SOC by TSN Residence

SOC	Site 1.			Site 2.		
	Non-TSN Resident	TSN Resident	All	Non-TSN Resident	TSN Resident	All
SOC1 - Managers and Administrators	0%	0%	0%	14%	0%	1%
SOC2 - Professional Occupations	9%	2%	3%	57%	1%	6%
SOC3 - Associate Professional and Technical Occupations	18%	2%	5%	0%	0%	0%
SOC4 - Clerical and Secretarial Occupations	9%	4%	5%	0%	4%	4%
SOC5 - Craft and related Occupations	9%	4%	5%	0%	15%	14%
SOC6 - Personal & Protective Service Occupations	0%	0%	0%	0%	0%	0%
SOC7 - Sales Occupations	0%	0%	0%	0%	0%	0%
SOC8 - Plant and machine operatives	55%	89%	83%	29%	79%	75%
SOC9 - Other Occupations	0%	0%	0%	0%	0%	0%
Total Percentage	100%	100%	100%	100%	100%	100%
Total Records	11	54	65	700%	73	80



the majority of workers at Site 2 have either no qualifications or qualifications below NVQ Level 2. Again, what is the wider significance of these observations?

Firstly, the occupational profiles of both sites are somewhat unbalanced; there is a preponderance of jobs in SOC 8 (Plant & Machine Operatives) at the sites. This suggests the possibility of restricted employment opportunities in TSN areas. Even though unemployed residents of these areas gain

work it is probable, therefore, that most enter relatively low skill jobs. The numbers of workers at Sites 1 and 2 are low so this observation should be treated with caution. However, this assumption fits well with other evidence. Examining the types of jobs taken by TSN and non-TSN workers in the entire Large-Scale Recruitment Study, it is found that TSN-resident workers have lower qualifications and greater concentrations in SOC 8 than non-TSN employees. Furthermore, evidence from

the 1991 Census of Population for Belfast (Shuttleworth et al 1999), indicates that those residents of deprived wards who are in work have a different occupational structure to those who live in non-deprived wards.

Secondly, the results show, in general, that workers from backgrounds of unemployment tend to live in TSN-designated wards, and that they have been attracted to these jobs which have been created in West Belfast. This general observation, however,

Table 2: Previous Status by TSN Residence

Previous Status	Site 1.			Site 2.		
	Non-TSN Resident	TSN Resident	All	Non-TSN Resident	TSN Resident	All
Employment	45%	24%	27%	50%	21%	23%
Unemployment	45%	73%	68%	33%	71%	68%
Education	0%	2%	2%	0%	0%	0%
Training	9%	0%	2%	17%	9%	9%
Returnee	0%	2%	2%	0%	0%	0%
Total Percentage	100%	100%	100%	100%	100%	100%
Total Records	11	55	66	6	68	74



Table 3: Highest Qualification by TSN Residence

Highest Qualification	Site 1.			Site 2.		
	Non-TSN Resident	TSN Resident	All	Non-TSN Resident	TSN Resident	All
No formal Qualification	0%	18%	15%	0%	28%	25%
Below NVQ Level 2	9%	13%	12%	17%	45%	43%
NVQ L2 or equivalent	55%	58%	58%	17%	25%	24%
NVQ L3 or equiv, below Degree	27%	9%	12%	0%	3%	3
Degree Level or Higher	9%	2%	3%	67%	0%	5%
Total Percentage	100%	100%	100%	100%	100%	100%
Total Records	11	55	66	6	69	75

conceals the situation of the minority of workers (over a quarter) who were previously employed. This indicates that drawing workers from TSN areas is not necessarily the same as recruiting unemployed people. Indeed, as is discussed in our other article, some enterprises appear to recruit relatively affluent people who would not normally be assumed to be representative of TSN-designated areas. Furthermore, there is a potential mismatch between need as measured in TSN as residential deprivation and absolute unemployment numbers.

### Conclusion: What Does Bringing Jobs to West Belfast Mean?

The results reported in the article indicate that when jobs are located in West Belfast local people can gain work. This challenges the view noted

earlier that jobs created by inward investment did not go to West Belfast residents and also, more broadly, indicates that locating jobs in deprived areas can help unemployed residents of these areas to gain work in some circumstances.

Set against this is the counterbalancing factor that many of the jobs that are gained by West Belfast residents are likely to be relatively low skilled. A contributing factor is likely to be the higher proportion of locally resident unemployed who are in general less able to compete for higher skilled jobs (Power and Shuttleworth 1997). To maximise the local TSN impact of employment creation it might thus be tempting to locate a high proportion of lower skilled jobs in such areas. This, if unchecked, could lead to a process of 'separate urban development' (Downs 1994) in which residents of deprived

areas work in poor-grade jobs in these areas, whilst the residents of more affluent suburbs move freely and gain access to better-paid and higher-skill employment. A longer term, generational solution would see a twin-track approach of co-ordinated employment and training/education opportunities whereby the local availability of higher skilled jobs would be expected to increase alongside an on-going development in the range and type of locally available training, education and work experience.

Indeed, there would seem to be a strong case for supplementing any job creation in West Belfast with other initiatives - for example investment in education/training would allow TSN residents to compete for a wider occupational range of employment. Other strategies could aim to encourage



worker mobility within Belfast, as advocated by Downs (1994), so that residents of TSN areas can gain access to a broader range of job opportunities in other parts of the city. However, the possibilities of these approaches are not without difficulty in Northern Ireland. The 'chill factor' and the reluctance of West Belfast residents to seek work in other parts of the Belfast Urban Area have been cited as reasons why it is necessary to locate jobs in the area (O'Hearn and Fisher 1999; Sheehan and Tomlinson 1996). This situation is likely to lead to complex policy trade-offs between the requirement to locate jobs in West Belfast which are open to West Belfast residents, the desire to increase the available occupational range of job opportunities for residents, and the delicate balance between encouraging the growth of a separate segregated West Belfast labour market and facilitating the integration of West Belfast residents with the wider Belfast labour market.

A full list of references can be obtained from the authors.



# The Killyleagh Yarns and Saracens Closures

John Rhodes<sup>1</sup>, Ben Rowlands<sup>2</sup> and Peter Tyler<sup>1</sup>

1. Department of Land Economy, University of Cambridge, 2. Cambridge Policy Consultants



On the 27th of April 1998 Killyleagh Yarns announced that it was to close its factory on the 9th of July 1998 with the loss of 126 workers. The Killyleagh factory had been an important employer in the local labour market for many years. Saracens in Lurgan closed down in January 1998 with a loss of 474 jobs. The loss of jobs as a result of these closures was clearly a source of serious concern and the total job losses in the local areas once indirect effects were included were likely to be even greater.

In order to examine the local labour market impacts of the closure of relatively long established companies the Agency's Research and Evaluation Branch commissioned the researchers to undertake three studies. The first related to the impact of the closure of the Saracens (Coats Viyella) factory on the labour market of Lurgan/Craigavon. An article summarising preliminary findings from this study appeared in the previous Labour Market Bulletin and the final results are given in this article. The second, the findings of which are contained in this article, concerns the impact of the closure of the Killyleagh Yarns factory on the Ards and Down labour markets. A third study is currently underway into the impact of the closure of the Mackie's factory on the local labour market in West Belfast and preliminary results are given in the following Chapter.

There is a clear policy interest in comparing and contrasting the labour market adjustments which occur across areas as a result of closure and what are the causes of any differentiation. It is important that the Agency know the rate of absorption by the local labour market concerned of the redundant workers, the factors which influence this and what the consequences are for unemployment in the local area. Related issues include;

1) the extent to which the workers need to be re-trained;

2) the availability of labour for any potential replacement employer;

3) the role and value of the Agency's services.

The methodology adopted for the study was similar to that used for the Saracens (Coats Viyella) study. This methodology had been used in a previous study for the then Department of Employment in England which had looked at five local areas affected by factory closures - Lanarkshire (British Steel-Ravenscraig), Mansfield (British Coal), Hatfield and Preston (British Aerospace) and Harrogate (ICI Fibres). In each of these cases interviews had been held with redundant workers some months after the closure to find out what had happened to them by way of employment/unemployment experience and the capacity of the different types of local labour market to re-deploy the redundant workers. Although in the Saracens study it was possible to interview workers twice (just before redundancy, and then several months later), it was only possible to interview Killyleagh Yarns employees several months after the closure. The programme of interviewing was conducted by Ulster Marketing Services following a structured questionnaire approach devised by the authors.

Both the Saracens and Killyleagh studies differ from the Great Britain studies in the

large number of women who were made redundant.

Telephone interviews with the redundant Killyleagh workers took place over the period 12th-18th December 1998. Interviews were secured with 60 of those who had been made redundant which represented about 50% of the total. The survey work was complemented by an analysis of trends occurring in local labour market variables such as aggregate unemployment levels and vacancies. This article gives some insight into the impact of the Killyleagh closure on the workers who were made redundant and the impact on the local labour market. It compares, where possible, the findings from Killyleagh with those from the Saracens study. A fuller paper is available from the Training and Employment Agency.

### The Killyleagh closure

On the 27th of April 1998 Killyleagh Yarns announced that it was to close its factory on the 9th of July 1998 with the loss of some 126 workers. The Killyleagh factory had been an important employer in the local labour market for many years. The local labour market which has been affected by the closure covers the Districts of Ards and Down. At the time of the closure there were 2,141 claimants on the register of Down and 1,846 claimants on the register of Ards. The loss

of further jobs as a result of the closure was clearly a source of serious concern and the total job losses in the local area once indirect effects were included was likely to be even greater.

### Main findings

The workers at Killyleagh were on average older than those at the Saracens factory and there was a higher proportion of male workers. At both factories the majority of the workers had a full time job. The proportion of workers who were the only wage earner in the household was similar at 50%. The majority of those made redundant at the Killyleagh factory had been employed as spinners, reflecting the relatively specialised nature of the work.

A high proportion of the workers at Killyleagh had worked there for over ten years. This was high compared to the situation at the Saracens factory (40% compared with 20%). There was thus a possibly greater attachment to their workplace

by the Killyleagh workers. Most workers lived quite near to the factory at both Killyleagh and Saracens, a common feature of factories in the textile/ linen industry.

At the time of closure a very high proportion of the Killyleagh workers wanted to find new work immediately (Table 1) but only a relatively small number had a new job to go to. At the Saracens plant a similar proportion wanted to find work urgently but a much higher proportion of them had a job lined up compared to those at Killyleagh (28% compared with 3%). This suggests that at the time of the respective closure the local labour market was relatively weaker in the Killyleagh area than in Craigavon at the time of the closure of Saracens. Also, more of the workers from Killyleagh were male, and in general older, and this might have contributed to their relatively greater difficulty in obtaining work.

In terms of finding work those at Killyleagh have taken longer on average than those made redundant at the Saracens factory. This result is



Table 1: Intentions at time of closure of Killyleagh

	Frequency	Percent
To find job straight away	44	73.3
Already had a job lined up	2	3.3
To retire early	4	6.7
To enter training/education	1	1.7
To spend some time at home	4	6.7
To take a few weeks off	2	3.3
Other	4	5.0
Total	61	100.0



supported by both the survey evidence and the more aggregative labour market information assembled by the respective T&EA Job Centres. The fact that over a quarter of the workers at Saracens had a job to go to compared to hardly any at Killyleagh partly explains this difference and is a direct reflection of the more buoyant local labour market in Craigavon relative to Ards/Down when the local closure occurred.

Those workers from Killyleagh that obtained work tended to do so in a similar occupation but with a broader job description. This was in direct contrast to the position at Saracens where the majority of workers found a job with the same direct title, "stitchers". There was also amongst the ex-Killyleagh workers a shift to part-time work which was far more pronounced than in the case of the ex-Saracens workers.

Workers from the Killyleagh factory in general have had to travel farther to work in their new jobs than the ex-workers from Saracens, partly a reflection of the relative isolation of Killyleagh.

Those workers from the Killyleagh factory who had obtained work tended to have secured a better paid job on average relative to their counterparts in the Saracens closure (Table 2). However, they had to travel farther in order to do this. Many felt that their new job was of better quality overall in comparison with the previous one.

At the time of the survey, which was just over five months from the closure, some 40% of the 60 workers interviewed had been continuously unemployed through the period. About a quarter of these had not applied for any job at all during this period. Of those who had been actively seeking work the majority had increased their job search area geographically. A relatively small number were considering education/training to improve their employability. In comparison with their counterparts at Saracens, the continuously unemployed in Killyleagh were far less confident of the capacity of the local labour market to provide them with a job.

Those who were still unemployed at the time of the survey had in general low own car ownership. Just over 40% did not have access either to public transport or their own car, nor did they feel they could get a lift from someone else. These percentages were far higher than in the case of the Saracens study, compounding the problems of the relatively higher degree of geographical isolation. A key issue was whether the respondents were able or willing to move house to get a new job. Only a small minority felt able or willing to move in order to gain a job. Three times as many Saracens ex-employees were willing to move house, indicative of a relatively lower level of attachment to the immediate local area as compared with the Killyleagh workers.

Those who were still finding it difficult to get a job were asked why this was so. The most frequently mentioned factor was a lack of experience followed by the belief that there were simply no jobs available (Table 3). Location and transport factors taken as a whole were significant. Being too young was not important, although being too old was!

In terms of knock-on effects of unemployment on the household all respondents were asked whether anybody else in the house had taken on more work to compensate. Only a small percentage of households said that this had

Table 2: Perceptions of job conditions of current or most recent job compared to that at Killyleagh

	Frequency	Percent
Better	11	39.3
About the same	13	46.4
Worse	4	14.3
Total	28	100.0

Table 3 : Reason why currently hard to find a job (28 respondents)

	Frequency	Percent
Too old in employers' view	9	32.1
Too young in employers' view	1	3.6
Do not have enough experience	13	46.4
No demand for my specific skills	7	25.0
I am the 'wrong' religion	1	3.6
I live in the 'wrong' place	6	21.4
There are no jobs close by	10	35.7
Because there is no suitable transport	7	25.0
Don't know/no reply	7	25.0
Total	61 responses	

been the case. The problems of being made redundant came down predominantly to issues relating to money. Just under half of all respondents had been in receipt of Job Seekers Allowance.

According to evidence from the local Job Centre in May 1999, a further five months on from the survey of workers described in this article, about 66% of those made redundant from Killyleagh had been able to find work. Thus, the Ards and Down labour markets have been largely been able to re-absorb those made redundant from Killyleagh. However, the rate of re-entry into the local labour market for these people has been slower than it has for those made redundant from Saracens. This seems to stem, at least in part, from geographical factors associated with the personal resources and attitudes a greater attachment to the specific location combined with greater distances to new jobs has meant that those made redundant have been

quite selective about which jobs they have taken. The local labour market in Killyleagh was also weaker than in the case of Craigavon at the time of closure.

### Policy implications

This short article has identified the headline findings obtained from a survey of those made redundant from the Killyleagh factory closure. Some comparison of key findings has been made with the earlier results obtained from the study of the closure of the Saracens factory in Craigavon. Both sets of evidence will be considered alongside the findings which are beginning to emerge from the closure of the Mackie factory in West Belfast. Overall a very substantial database relating to the impact of closures on local labour markets is beginning to emerge. Each of the three case studies has features which will enable the impact of a wide range of factors to be assessed when they are all brought together.

At the present time it is appropriate to draw out only a small number of policy implications. It is stating the obvious but it is clear that the ability of a local labour market to absorb the impact of a closure is highly dependent on the overall pressure of demand in the national economy and how this translates into the local economy and the pace of labour market absorption varies markedly as a result. In a buoyant labour market perhaps over a quarter of those made redundant will already have a new job to go to before they leave their current employer. In a depressed economy the numbers fall dramatically, perhaps to practically zero.

Broadly speaking, over a period of nine months or so about 70% of those who want work will be re-absorbed into the local labour market. Surprisingly small numbers will seek re-training or to enhance their educational training in the period concerned. As long as such relatively high absorption rates can be achieved within one year the absence of any significant attempt to re-train or achieve further educational attainment is perhaps not so surprising, or indeed even undesirable. However, the extent to which satisfactory absorption has been possible in both the Saracens and Killyleagh case has been very heavily dependent on the continued presence of companies doing much the



same type of work as the factories which closed in the local labour markets concerned. This was particularly so in the case of Saracens and less so with Killyleagh. If such opportunities were not so easily available, which seems distinctly likely in the years ahead, there would have to be a step change in the efforts made by workers to wish to retrain.

A feature of both workforces in relation to future labour market flexibility is their

relative physical immobility in terms of transport availability and their lack of willingness to consider moving house. It was particularly noticeable that a relatively high proportion of workers from the Killyleagh factory were very constrained in their labour market search areas by lack of transport. This is clearly an area of concern for public transport policy.

Such positive rates of local re-absorption of those made redundant by factory closures may not be possible, either because of the relative scale of

the closure concerned, the lack of companies in a similar industry nearby, or a downturn in economic conditions more generally. There would then be a clear need to increase the relative employability of those made redundant. This should be done through a package of measures designed to increase employability in the broadest sense. This would include measures to assist with increased mobility as well as encouraging retraining.

# What Happened to the Ex-Mackie Workers?

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In March 1999 the Mackie International factory in West Belfast closed. The factory was a major employer in the area with some 330 employees at the time of closure. As a traditional engineering factory it had offered much needed skilled and semi-skilled jobs in an area of very high employment.

The authors are currently undertaking a study which is seeking to assess the impact of the closure of the Mackie's factory on the local labour market of West Belfast. The methodology adopted for the study was similar to that used for the Saracens (Coats Viyella) study described elsewhere in this Bulletin. In essence, the approach is to hold interviews with those being made redundant at the time of closure and also some months after the closure to find out what had happened to them by way of employment/unemployment experience and the capacity of the different types of local labour market to re-deploy the redundant workers. The closure of the Mackie factory occurred in March 1999 and the number of workers at the factory at that time was 330. However, about 60 of these acquired employment through a management buy-out of the electrical division and thus the number of redundant workers was about 270.

Of the workers made redundant some 25 were interviewed at the factory during the last week of their employment a further 136 were interviewed either face to face or by telephone during

the course of the next month. In October 1999 it is planned to conduct a follow up survey to assess their experience since closure.

This short article describes the findings from the survey of redundant workers at the time of closure. It thus describes the characteristics of the workers and gives some brief insight into their plans for the future. The next edition of the Bulletin will bring these findings together with the follow-up survey to assess what happened to the workers over the sixth months from the closure and the extent to which they found new jobs of the quality and type which they wanted. In particular, it will be able to give some insight into how far they had to travel to acquire new jobs and whether this involved them in relocation.



Table: 1 Qualifications held

	Responses	% of responses	% of cases
GCSEs, O levels or NVQ level 2	71	28.1	46.7
A levels or NVQ level 3	23	9.1	15.1
Degree, HND or post graduate qualification	22	8.7	14.5
A work related qualification like City and Guilds	67	26.5	44.1
Any other qualification	32	12.6	21.1
No qualifications	38	15.0	25.0
	253	100.0	166.4

based on 152 cases

## Early findings

The majority of the workers at the Mackie factory were male (nearly 90%). About 26% were 34 or below, nearly 60% in the age band 35-54 and 15% over 54. In general, as Table 1 shows, the majority of the workers had some form of qualification, generally work related.

It was noticeable that a high proportion of the workers had been at the factory for a considerable time. Thus, nearly 45% had worked there for between 20 and 40 years. A further 11% had been there over 10 years.

The distance from home to the factory tended to vary considerably. (Table 2). A quarter of all workers lived less than a mile from the factory and a further quarter between two and three miles away. As Table 3 shows, the majority of workers travelled to work by car or motorbike. At the time of the closure only about 5% already had a job lined-up (Table 4). The majority of the remainder intended to look for work straight away although just

Table 2 : Distance of home from Mackie

	Frequency	Percent
less than a mile	38	25.5
2-3 miles	38	25.5
4-5 miles	16	10.7
6-10 miles	28	18.8
10-20 miles	21	14.1
more than 20	8	5.4
Total	149	100.0

Table 3: Form of transport to work at Mackie

	Frequency	Percentage
Walking	24	15.8
Cycling	4	2.6
Car/motorbike	97	63.8
Bus/train	21	13.8
Shared car/lift	13	8.6
Total responses	159	104.6

Percentage adds to more than 100 as some cited more than one form of transport.

Table 4. Intentions on closure

	Frequency	Percent
Already have a job lined up	7	4.6
To find employment straight away	115	75.7
To become self-employed	1	0.7
Intending to spend some time at home	8	5.3
Intending to take a break before applying for work	11	7.2
Other	10	6.6
Total	152	100.0



over 7% intended to take a break. Some 83% of all the workers felt that it was a matter of considerable urgency to find work quickly. Table 5 reveals that whilst a quarter felt that they could travel less than five miles to a new job the majority of workers felt that they could look for work over 6 miles away and this undoubtedly reflected the high incidence of car ownership amongst the workers. In fact, some 84% of them indicated that they would be able to use a car or motorbike to travel to their new place of work.

In answer to the question as to whether they would be able to move house to obtain a new job the majority stated that they would not (about 56%). Only about 12% identified their willingness to

move house. About 66% of all workers made redundant were owner-occupiers and this was clearly a factor in the willingness to move.

Some 25 workers were interviewed by the researchers in the factory before the closure actually occurred and they were asked whether they had been for any job interviews. Only a small number had. Of those interviewed just after closure took place some 44 had had one interview, a further 35 had been for between two and five interviews and 4 people had been for more than five. However, 41 people, or nearly a third of the sample, had not been for any interview at that time.

Of those former employees interviewed just after closure

some 37 or nearly 30% of the sample, had obtained one job offer. A further 24, or 19%, had between two and five job offers. Some 60 workers, or nearly 48%, had still not received any job offer. The greater the skill of the worker the more likely was the possibility of a job offer having been made.

Table 6 reveals that, as might be expected, the problems envisaged because of redundancy centred around "making ends meet" generally and "paying housing costs".

## General Conclusions

The survey of the redundant Mackie workers at the time of the closure of the factory has revealed a number of interesting findings relating to



Table 5. Distance prepared to travel to a new job

	Frequency	Percent
Less than 5 miles	34	22.4
Between 6 and 10 miles	36	23.7
over 10 miles	82	53.9
Total	152	100.0

Table 6. Problems envisaged because of redundancy

	Frequency of response	% of responses	% of cases
Housing/paying the rent/paying the mortgage	44	22.6	28.9
Make ends meet more generally	74	37.9	48.7
Anything else	32	16.4	21.1
Don't know/no reply	45	23.1	29.6
Total responses	195	100.0	128.3

152 valid cases



the characteristics and intentions of the workforce which can usefully be compared and contrasted with the other surveys of redundant workers already undertaken by the researchers. The picture at Mackie is one of a predominantly male, relatively well skilled workforce who had worked at the factory for a considerable period of time. The workers, in general, tend to be relatively mobile and prepared to travel - mainly by car - in order to find a job. Given that a number of these workers possessed skills, which are reported to be in demand, it is expected that this will be reflected in the rapid re-absorption of at least part of the workforce.

There were exceptions to these general patterns however. Thus, about a quarter of all those interviewed had no skill and thus we can expect the consequences in terms of labour market re-absorption of those made redundant to be mixed. The survey planned for October 1999 will provide more insights into the labour market outcomes which have taken place by that time.

Acknowledgements; We would like to acknowledge the ready assistance given to the Agency and the researchers by the former Mackie management and employees.

# “Brain Drain or Brain Gain - The Evidence for Northern Ireland”

Maureen O'Reilly and Lisa Bradley  
Northern Ireland Economic Research Centre

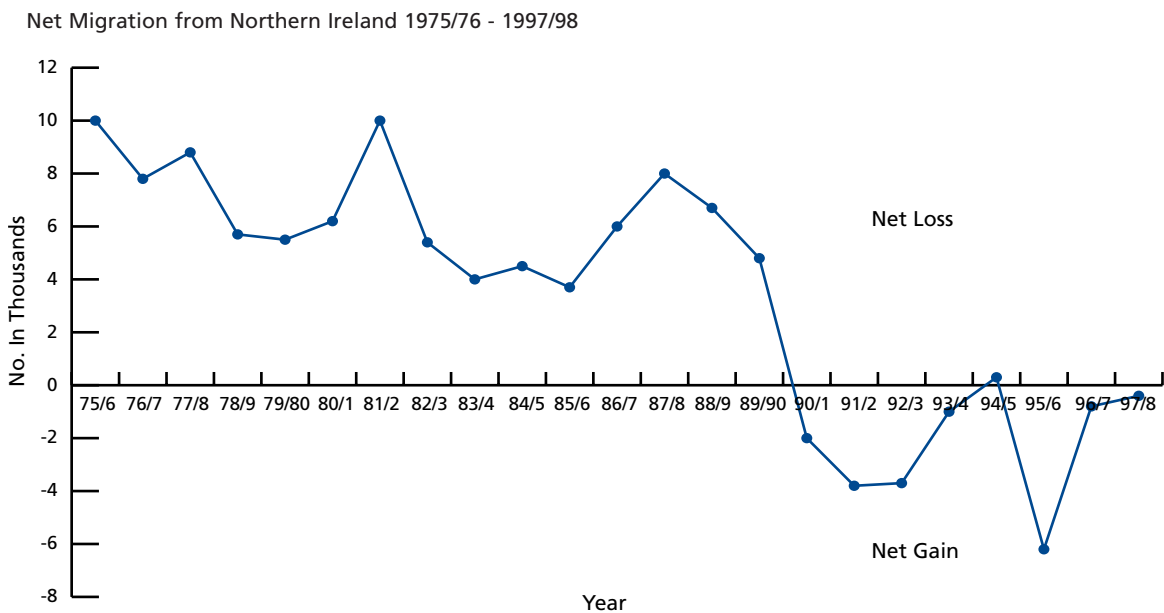
The issue of “the Brain Drain” raises important questions for the future of the Northern Ireland economy and society in general. Is there a Brain Drain from Northern Ireland? Are we exporting our best? If a Brain Drain does exist, then is it a response to labour market pressures, or are there some other influences at work? Given the dramatic turnaround in net migration patterns - with Northern Ireland now a net importer of people - is there a “Brain Gain”? Needless to say, the implications for policy depend on the answers to these questions.

The Training and Employment Agency and Department of Education for Northern Ireland (DENI) commissioned NIERC to explore the existing evidence of a “Brain Drain” or “Brain Gain” from Northern Ireland. This article has focused on two key components. First it begins by examining migration flows, particularly in the 1990s. What do we know about the people who migrate to and from Northern Ireland each year? It then goes on to probe in more detail the characteristics of those who leave Northern Ireland annually to study compared to those who stay including levels of educational attainment and rates of return.

## Migration Trends for Northern Ireland

One of the striking demographic features of the 1990s has been the steady

increase in the numbers of people coming to live and work in Northern Ireland. During the 1970s Northern Ireland experienced a net loss of some 120,000 people and a further 60,000 in the 1980s. However, a dramatic fall in outward migration in the late 1980s coupled with a steady rise in inward migration led to an important change of direction in the 1990s. Since 1990 there have been numerically more in-migrants than out-migrants. In 1991/92, the net gain to Northern Ireland was an additional 3,650 people. In the cease-fire year of 1995/96 this increased to over 6,000 people. This translates into an expected gain to Northern Ireland of more than 20,000 over the decade. More detail on migration is given in Table 8 of the “Fastest Improving Regional Economy” Article in this issue of the Bulletin.



Source: Annual Abstract of Statistics for Northern Ireland





## Migrant Inflow

In-migration has fluctuated at around 17,000 per annum throughout the 1990s. In the cease-fire year of 1995/96 this had increased to 23,000, up by more than 40%, but was not sustained into the next year. One of the largest increases in inward migration during 1995/96 was from destinations outside the UK and Republic of Ireland where the number of people doubled (to 5,140) and has remained high in 1996/97. Therefore while Great Britain remains the main source of inward migration into Northern Ireland (60% of the total), 1 in every 5 inward migrants now originate from destinations outside the UK and Republic of Ireland.

Almost one-third of people coming into Northern Ireland are aged between 25-34 years. A further 30% are aged between 0-14. This may suggest that the inflows are composed mainly of families.

## Migrant Outflow

The migrant outflow has remained relatively stable since the early 1990s averaging 15,400 per annum. Even during the cease-fire year the only destinations to which significantly fewer people migrated were outside the UK and Republic of Ireland. The numbers of people migrating to Great Britain remained almost unchanged. In fact, twice as many people migrated to the

Republic of Ireland during the cease-fire year. This destination now accounts for almost one-fifth of all outward migration from Northern Ireland compared to less than 10% in 1990/91.

Young people make up the majority of those leaving Northern Ireland. Almost 1 in every 4 are aged between 15-19. Around two-thirds of those who leave Northern Ireland annually are less than 25 years of age.

## Higher Education Destinations for Northern Ireland Students

Given the concentration of out-migration among younger people, it is not surprising that Higher Education is perhaps the single most important factor causing people to leave Northern Ireland. Higher education entrants represent around 1 in every 5 migrants who leave Northern Ireland to go to Great Britain and almost all migrants to Great Britain in the 15-19 age group.

In 1996/97 7,247 Northern Ireland school leavers went on to attend Higher Education Institutions (HEIs). Around

one-third of these left to study in Great Britain or elsewhere. Is this unique to Northern Ireland? No - Wales, for example, loses over half of its Higher Education entrants indeed only Scotland of all the UK regions retains more than NI.

Past studies eg by Osborne and Millar profiling those who choose to study outside Northern Ireland have generally concluded that they are better qualified, focused on sciences, disproportionately Protestant and come from middle class backgrounds. Does recent evidence continue to support this?

Significant differences emerge between the propensity of Grammar School leavers to enter higher education in Great Britain compared to secondary leavers. Around 2 in every 5 grammar school leavers enter higher education in Great Britain compared to just over 1 in every 5 secondary school leavers.

School leavers in non-Catholic managed schools are twice as likely to attend Higher Education Institutions (HEIs) in Great Britain. Almost 1 in

Mean "A" Level Point Score according to HEI Destination 1996/97

Higher Education Destination	Mean Point Score
NI Institutions	20.8
GB Institutions	19.4
Non-UK Institutions	26.6
Unknown	19.1
All	20.4

Source: DENI

every 2 HEI entrants from these schools attend HEI in Great Britain compared to 1 in every 5 from Catholic managed schools. This difference is most pronounced at Grammar school level.

Across almost all Education and Library Boards (ELBs) in Northern Ireland around 2 in every 5 school leavers go on to study at HEIs outside Northern Ireland. However, for school leavers from the Southern Board this falls to 1 in every 4. Although only a small share of the total, the highest share of school leavers attending non-UK HEIs originate from the Western Board. The Western and Southern ELBs have the highest share of school leavers from Catholic managed schools.

To investigate the conclusion that Northern Ireland's highest achievers are going to Great Britain to study, mean "A" level scores were examined for all Northern Ireland school leavers attending HEI. This does not support the view that the brightest students leave as the mean score for Northern Ireland entrants is just over 1 point higher than those going to Great Britain.

However it is possible that the true distribution of grades is not evident when only looking at averages. It could be the case that the highest achievers are attending HEIs in Great Britain but a tail of modest achievers have pulled down this average. Similarly the point score distribution of those attending Northern

Distribution of Point Scores of NI School Leavers attending HEI by Destination

HEI Destination	0 - 14	15 - 25	26+	Total
NI	21%	51%	29%	100%
GB	34%	39%	27%	100%
Non-UK	6%	18%	76%	100%
Unknown	40%	33%	27%	100%

Source: DENI

Ireland HEIs could have a smaller distribution attracting the most average graded students with a few high achievers pulling up the average. Examining the distribution of point scores achieved in "A" level examinations can go some way towards refining this issue.

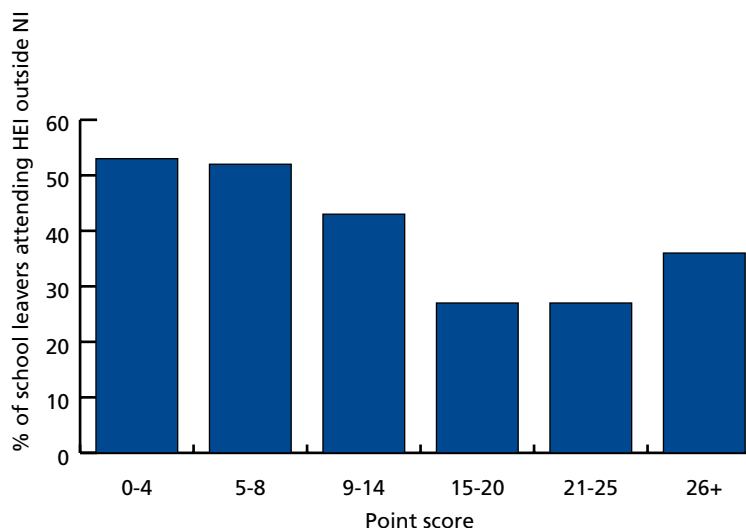
In fact a slightly larger proportion of NI school leavers who attend NI HEIs (29%) have achieved the highest grades compared to those attending GB HEIs (27%). The highest share of those attending NI HEIs are in the mid point band whereas

around one third of students attending HEI in Great Britain scored in the lower point band, picking up a tail of modest achievers who leave Northern Ireland to study in Great Britain. Those who attend HEIs outside the UK are largely very high achievers.

It would appear therefore that Northern Ireland's highest achievers are no more likely to attend HEIs in Great Britain than they are to stay in Northern Ireland to study. However, the majority of those who choose to study outside the UK are among the highest achievers. While those students with average grades



Share of N.I. School leavers attending, HEI outside N.I. by point score



are most likely to remain in Northern Ireland to study, those who achieve very low scores are most likely to attend HEI in Great Britain.

Miller et al 1993 stated that “High attainers went proportionately more to Britain if they were Protestant and the Republic of Ireland if they were Catholic”. While no significant differences exist between overall mean point score and Education and Library Board, the Western and Southern ELBs have the lowest mean “A” level point scores of school leavers attending HEI in Great Britain. This would suggest that a higher proportion of low achievers in these Boards attend HEI in Great Britain. The Southern ELB has marginally the highest mean score for those attending Non-UK HEIs which includes the Republic of Ireland.

The Belfast ELB is the only ELB where the mean point score for school leavers attending

HEI in Northern Ireland is slightly lower than for those attending HEI in Great Britain.

To determine if links exist between those students leaving Northern Ireland for higher education and the course they study, the share of NI students enrolled on first degree courses in the UK was examined. Almost 1 in every 2 first year UK enrolments in Economics and Law enter GB HEIs. NI HEIs retain the largest share of students in Medicine, Science and Arts.

### First Destinations of NI domiciled Graduates

Compton and Power (1990) focused on two elements of a Northern Ireland Brain Drain:

- Well qualified students who go to universities and other institutions of higher education in Great Britain, many of whom never return

- Those who have acquired skills in Northern Ireland and subsequently emigrate to the detriment of the local economy

Some measure of this can be obtained by examining the first destinations of NI domiciles who achieve higher education qualifications in Northern Ireland and Great Britain. (Data provided through DENI from the Higher Education Statistics Agency.)

Three-quarters of NI domiciles who graduated in Northern Ireland remained there after six months whereas only 1 in every 4 who studied in Great Britain will have returned to Northern Ireland. Females are more likely to have stayed in or returned to Northern Ireland. In overall terms, of all NI domiciled graduates obtaining higher education qualifications from UK HEIs, 60% are based in Northern Ireland 6 months after graduation.

Proportionately more Queens’ University graduates from Northern Ireland remain here after graduation, almost four-fifths compared to two-thirds of those from the University of Ulster. A slightly higher share of graduates from the University of Ulster migrates to the Republic of Ireland.

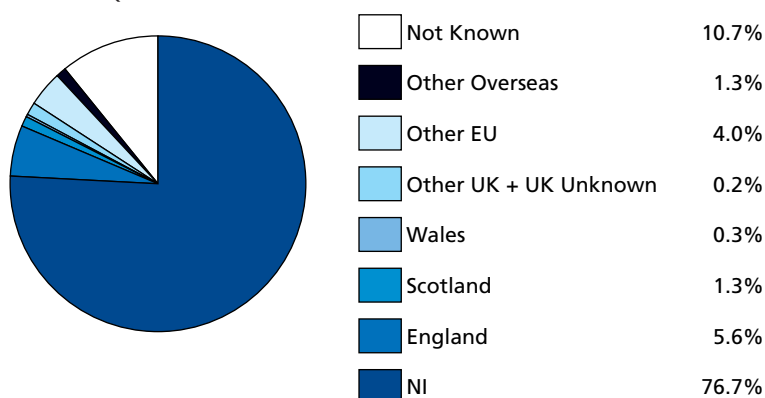
NI domiciles graduating from NI HEI’s are more likely to enter further studies or training after graduation than NI domiciles who have studied at GB HEIs.

Mean “A” Level Point Score by HEI Destination and ELB

Education and Library Board					
HEI Destination	Belfast	Western	North Eastern	South Eastern	Southern
NI Institutions	19.7	20.8	21.1	21.2	21.3
GB Institutions	19.9	17.5	20.5	20.1	18.1
Non-UK Institutions	24.8	26.7	27.3	26.6	27.6
Unknown	23.0	16.5	18.0	25.3	11.3
All	19.9	19.9	21.0	21.0	20.7

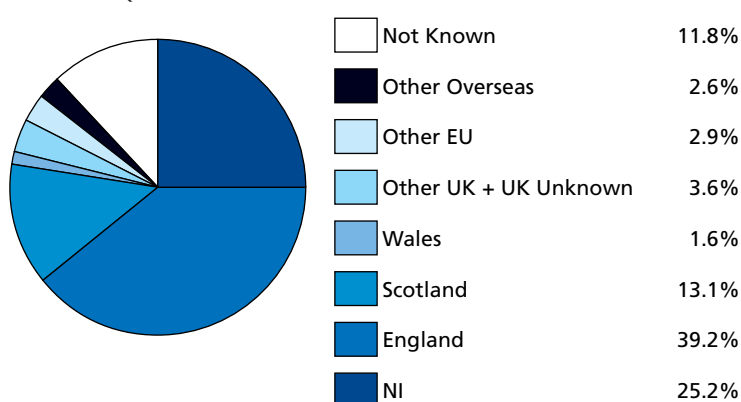
Source: DENI

First Destination of N.I. Domiciles who Gained Higher Education Qualifications in N.I. 1995/96



young with around half in the 15-24 age group. (The same age group accounts for around a fifth of the whole NI population). Out-migrants in this age group are split almost equally between those in the 15-19 age group, predominantly students leaving to study in Great Britain, and the 20-24 age group.

First Destination of N.I. Domiciles who Gained Higher Education Qualifications in GB 1995/96



According to Leigh et al; 1997 study, around one third of NI domiciled entrants to higher education leave to study in Great Britain or elsewhere. Of these, around two-thirds remain in Great Britain after completing their degree. Of the two-thirds of NI domiciled higher education entrants who study in Northern Ireland, a quarter subsequently leave. Overall, this suggests that just over a third of NI domiciled entrants to higher education end up working elsewhere.

The key characteristics of labour market entry are as follows:

- After six months, NI domiciled graduates from NI HEI's were 20% more likely to be unemployed than NI domiciles graduating from GB HEIs
- NI graduates from GB HEI's were marginally more likely to have entered paid employment
- The proportion of NI postgraduates from NI HEIs in unemployment falls to the same level as that of NI postgraduates from GB HEI's. This may be the determining factor increasing further study participation rates in

- Northern Ireland
- Regardless of place of study, undergraduates who begin work in Great Britain, particularly England, appear to be better off from an employment perspective since two-thirds have entered full-time permanent paid employment compared to less than 60% for those who begin work in Northern Ireland.

### Conclusion

Although there are some year-on-year variations the migrant outflow has remained relatively stable since the early 1990s. Migrants are typically

There are consistent qualitative differences between higher education participants who stay and leave. Leavers, either at 18 or after graduation, are more likely to be Protestant and from middle class families. Stayers (or returners after graduation) are more likely to be Catholic.

Less certainty attaches to the 'quality' of higher education leavers and stayers. Older studies tend to suggest that leavers were better qualified than stayers. More recent evidence points to a flow of more modestly qualified young people to study in Great Britain.





Apart from some general and now rather dated evidence, very little is known about the characteristics of older migrants from Northern Ireland.

Since 1990 the migrant outflow has been exceeded in most years by an increased inflow. 1996 figures on the age profile of in-migrants suggest that the increased in-migration is families with 'school age' children.

So, is there a brain drain? In one sense it is clear that there is. A significant number of Northern Ireland educated young people leave every year either to work or study in Great Britain and elsewhere. A more comprehensive assessment however, taking into account both older out-migrants and in-migrants, suggests a less clear picture due to a lack of recent or comprehensive evidence. More specifically, since the work by Compton (1991) and Compton and Power (1990), there has been little robust analysis of the characteristics of either in or out-migration from Northern Ireland which is unrelated to higher education. The value of undertaking such a study is further increased by recent compositional changes in the migrant flows. In particular, recent out-migration to the Republic of Ireland has increased along with a rise in in-migration from the rest of the world.

Another continuing priority for research is migration

related to higher education. Despite much previous work, questions remain about the relative quality of 'stayers' and 'leavers' and the relative importance of family, school, religion, ability and subject preference on people's propensity to migrate. Other potentially interesting issues are the characteristics of returning graduates to Northern Ireland, and the apparent recent trend for lower ability school leavers to leave to study in Great Britain.

In the future, while there is likely to be a continued flow of out-migration related to higher education, net-migration may well remain positive. Two factors may be important here;

- (a) the continuing peace process reduces one major disincentive for potential in-migrants; and
- (b) the improved economic performance of the Northern Ireland economy may reduce the out-migrant flow while increasing the number of returners.

To conclude, we cannot answer the question posed in the Research Title with any degree of certainty particularly when given the lack of information on the characteristics of in-migrants and more generally on those who migrate for reasons which are not related to Higher Education. NIERC along with the Training and Employment Agency and Department of

Education are currently examining ways of remedying this data deficit.

We would like to acknowledge the assistance of DENI statisticians with data provision.

- For a full list of references contact the authors

# Bridge to Employment, an Evaluation

By David Armstrong, PricewaterhouseCoopers

The Bridge to Employment Programme was launched in May 1997. Its main objective is to provide customised training courses to equip the unemployed and in particular the long-term unemployed, with the skills necessary to compete for new employment opportunities on an equal basis with others. Examples of companies assisted through the Bridge programme range from the large to the small and include some 115 previously unemployed people recruited by Bombardier and the recently opened Edge Bar and restaurant complex at Laganaside where recruits including local unemployed were given a four week training programme covering a range of hospitality and interview skills. Commenting on the programme, Mr Carroll Falls, proprietor of The Edge said the new staff were highly motivated and “some of the best employees” he had ever worked with.

In 1998 the Training and Employment Agency (T&EA) commissioned PricewaterhouseCoopers to conduct an evaluation in order to assess the overall effectiveness of Bridge, and to highlight the benefits (and costs) to employers, Jobseekers, the Agency and the labour market. This article summarises the key findings and recommendations to emerge from the evaluation.

## Key Features of the Programme

Bridge to Employment is aimed at inward investment companies and Northern Ireland companies entering an expansion phase. Its specific objectives are:

- To provide opportunities for the unemployed, in particular, the long term unemployed to compete for new jobs on an equal basis to others;
- To meet employers' needs in the recruitment of suitably skilled people while minimising the effects on other employers; and
- To offer companies a single package of assistance covering all Agency services including pre-employment skills training, tailored in-company training and modern apprenticeship training which will simplify the process and achieve better value for money.

The training courses under Bridge generally run for a maximum of 10 weeks and are designed in close collaboration with individual companies. Training places and job opportunities are advertised in the press, Training & Employment Agency offices, Community Groups, SSK offices and the selection process may include job-related aptitude tests and an interview with a panel consisting of the Training & Employment Agency and company representatives. Trainees are monitored closely during the course and the company is provided with comprehensive progress and performance reports to help with the final selection for employment.

## Lessons from Employer-Based Initiatives Elsewhere

- As part of the evaluation, a review was conducted of other similar employment and training programmes in Northern Ireland and elsewhere, in order to identify 'critical success factors' and other issues relevant for the evaluation of Bridge. Amongst the key findings were:
- Successful programmes tended to be 'market facing' i.e. they were geared towards the real needs of individual employers or particular sectors;





- Many market facing interventions were not particularly appropriate for certain marginalised labour market groups, e.g. the long-term unemployed and those with no formal academic or vocational training;
- Successful programmes tended to be relatively small in scale, and strongly targeted towards particular employers or groups of labour market participants; and
- A weakness of some market facing programmes was that they were 'demand dependent', i.e. the provision of training places and subsequent employment depended on the market demand for the goods and services of individual employers. This in turn meant that the programmes were

vulnerable to labour market volatility and economic downturn.

### Effects of Bridge on Participating Employers

The evaluation found that, generally speaking, Bridge has been used effectively to meet the specific recruitment needs of individual employers in Northern Ireland; for example, four fifths of employers indicated that they would definitely use the programme again to help with recruitment. The success of the Programme is based on three key elements:

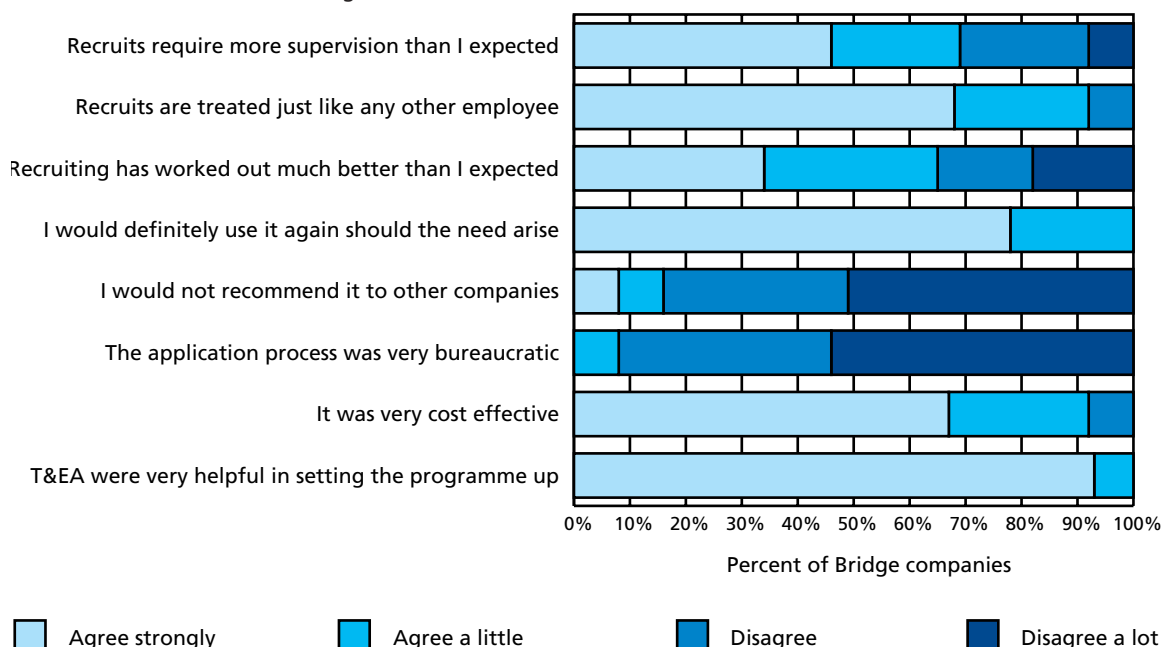
- The Programme is tailored towards the needs of individual employers who are expanding their employment base, and it is designed in direct partnership with the employer;

- The Programme attracts employers with growing businesses who have good relations with the T&EA, and have a favourable disposition towards the unemployed; and

- The Programme attracts a relatively large proportion of participants who are well educated and have only been unemployed for short periods of time.

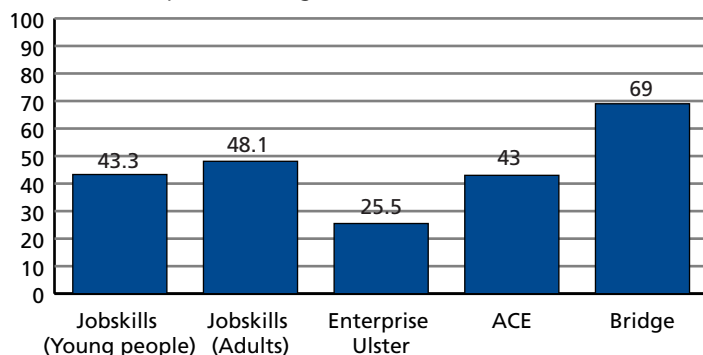
The cost per person assisted to the Agency under Bridge has been considerably lower than for other Agency programmes, and the majority of employers expressed themselves as strongly favourable in terms of the overall administration, and the Programme's aims and objectives (see Figure below).

#### General Attitudes Towards Bridge



## Employment Rates for Participants

Per cent of completers finding work



Employment rates have been calculated as:  $((\text{number who could work})/(\text{number of completers on programme})) \times 100$ . These rates are for the period April 1997 to March 1998.

## Effects of Bridge on Individuals

Some 70 per cent of those completing Bridge found work. This is an extremely favourable employment placement rate compared to figures on similar programmes in other countries, as well as other T&EA programmes (e.g. ACE, Enterprise Ulster & Jobskills - see Figure overleaf).

However, one limitation of the Programme is that, hitherto, it has not been targeted effectively towards the long term unemployed. For example, between one tenth and one fifth of Bridge participants were long-term unemployed (i.e. unemployed for more than one year) prior to joining the Programme. In contrast, the long-term unemployed represent around one half of all those who are officially registered as unemployed. Bridge also tended to attract better

educated jobseekers. Finally, it is also important to note that, although the religious profile of Bridge participants was broadly representative, relatively few participants were female (14 per cent) and hardly any were registered as disabled. This can be related to the profile of participating companies, which tended to be in manufacturing industries such as traditional engineering, electronics and IT (computer hardware and software).

Although Bridge attracted shorter term unemployed and better educated people, the evaluation showed that the Programme had a positive impact on the chances of getting a job for all groups of participants. For example, amongst those with no qualifications who *did* complete the programme, the chances of subsequently finding work were over three times higher than for other

groups of the unemployed with no qualifications.

By way of summary, therefore, the Programme had a strong positive impact on the *efficiency* side of the labour market, and a relatively weaker impact on the *equity* side (in terms of the difficulties it experienced attracting certain labour market groups).

## Deadweight, Displacement and Substitution

In line with HM Treasury *Green Book* guidelines, the evaluation examined a range of issues relating to 'deadweight', 'displacement' and 'substitution'. The key findings in relation to this were as follows:

- **Deadweight;** there is relatively low deadweight associated with the Programme (most companies indicated that they would not have employed the same people or the same type of people in the absence of the Programme);
- **Displacement;** there is low displacement associated with the Programme (less than one fifth of companies made redundancies during the time they recruited through Bridge).



<sup>1</sup> Deadweight' refers to the situation where employers would have been prepared to employ the same people or the same type of people in the absence of the Programme. "Displacement" refers to the situation in which Bridge recruits displaced existing workers, and 'substitution refers to the other potential employees being disadvantaged in recruitment because of the programme.





- **Substitution;** there is evidence of some substitution associated with the Programme. Around two fifths of companies filled at least 90 per cent of vacancies with Bridge recruits, suggesting the existence of a competitive advantage once someone gets on the Programme. It should be noted however, that this can also be understood in the Positive sense of the Programme having a limited impact on the recruitment or 'poaching' from local small firms.

Programme has hitherto had limited success in terms of attracting the long-term unemployed. Indeed, the Programme, with its strong market focus, is not particularly suitable for the long-term unemployed. Therefore, it is important for the Agency to retain a 'suite' of measures, tailored towards the respective client groups in the labour market. Programmes such as Bridge are at the 'upper end' of such a suite, but other approaches such as effective supply side measures and 'intermediate labour market' approaches are also required.

### Recommendations

There is every reason to expand Bridge and position it as the mainstream Agency programme aimed at meeting the recruitment needs of inward investment companies and expanding indigenous businesses. This could be done by creating implementation partnerships with key Government Agencies such as IDB and LEDU. The significance of Bridge may indeed become more relevant if a political accommodation encourages a successful programme of Foreign Direct Investment in Northern Ireland. However, the

### Agency Response

Following on from the evaluation, the Agency is currently considering the way forward for Bridge or a Bridge style programme. However, any future programme of this type will incorporate targets to encourage the full participation of those groups, e.g. the long-term unemployed, females disabled persons and older workers who were under-represented on the Bridge programme.

# Why Invest Public Money in Management Training?

Stephen Roper; Northern Ireland Economic Research Centre

From a NIERC Report  
entitled 'Rationale for  
Government Intervention  
in Management Training  
and Development in  
Northern Ireland'

The Training and Employment Agency (T&EA) invests around £6m a year in the training and development of managers and future managers. In addition, around a fifth of all expenditure on the Company Development Programme (around £2.5m) is directed towards management training and development. This picture has stayed very much the same for the last 5 years with the T&EA spending 4-5 per cent of its total budget (excluding Welfare to Work) on management training and development.

By way of comparison, spending (Irish pounds) in the Republic of Ireland on their Management Development Grant scheme increased by 146 per cent from 1991-95, rising from £1.3m to £3.2m. As a result, the proportion of spending on training for the employed targeted on management development rose from 4.6 per cent in 1991 to 15.1 per cent in 1995. Clearly, the per capita spend on management development in Northern Ireland is higher.

Can this substantial investment in management development be justified? In the Autumn of 1998, the T&EA commissioned the above mentioned Report which is briefly summarised in this short article, in order to shed some light upon this important question.

Fundamentally, of course, the only reason for either public or private investment in management development is

to improve business performance. Formal evidence, however, on the link between investing in management development and business performance remains scarce.\* In part this is because most of the literature available concentrates on the training of the workforce itself - managerial training is not so well-documented. It is also because of the real methodological difficulty of isolating the specific effects of management development activities (Amos et al., 1997).

As a result, a number of studies of small firms (e.g. Westhead and Storey, 1996) and management development schemes (Marshall et al, 1995) have failed to find any clear link between management development and firms' bottom line. Amos et al. (1997) do, however, find that management training reduces absenteeism rates and staff turnover. Evidence from recent case studies of Northern Ireland firms conducted by Segal Quince Wicksteed provides further evidence of the benefits of management training in terms of new business gained, increased profitability and reduced materials wastage (see article on New Management Standards in this issue of the Labour Market Bulletin). Tom Cannon, Chief Executive of MCI recently wrote 'there is a consistent picture of identifiable gains in performance in management development. Despite this it is



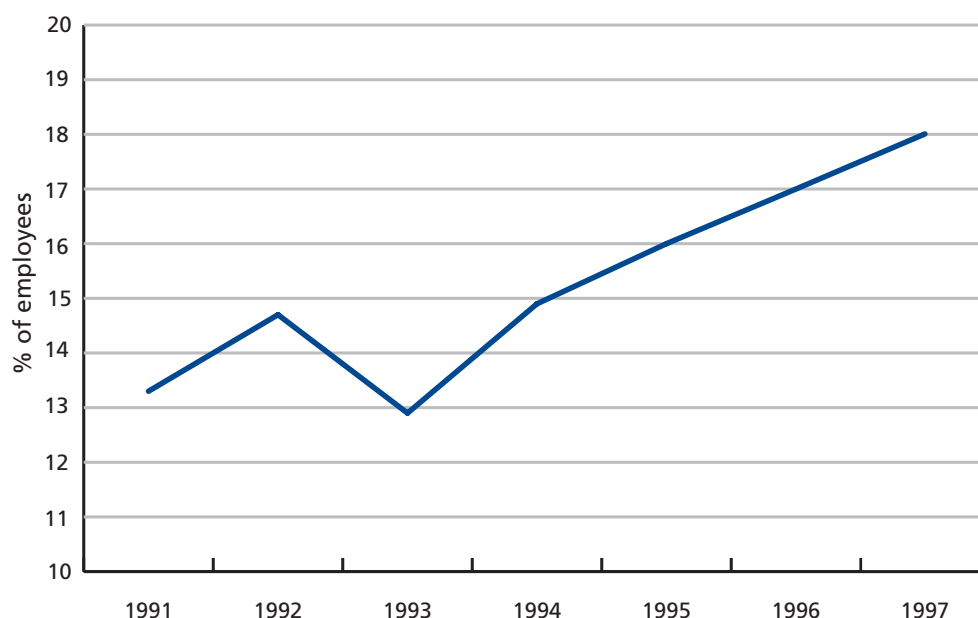


Fig 1: Percentage of N.I. Employment in Managerial and Administrative Occupations (SOC 1) Source: N.I. Labour Force Surveys

14

hard to disagree ... that there is a need for additional carefully conducted research.'

For individual businesses - particularly smaller firms - identifying and assessing the benefits of management training and development is also difficult. This creates uncertainty, and a tendency to under-invest. Labour turnover, possible poaching of trained staff and the difficulty of obtaining finance for training investments exacerbate this problem. Correcting the market failures underlying these problems provides some justification for minimal public investment. More recent developments in the theory of economic growth, however, suggest that more pro-active and strategic public interventions may be appropriate to kick-start economic growth. In the real world, however, a

number of specific issues would seem to confirm the need for continued public support for management training in Northern Ireland:

- The proportion of the workforce in managerial and administrative occupations has risen sharply over the last decade and is likely to continue to rise in the future (Figure 1). From 1991-97, the number of people in these occupations in Northern Ireland rose by some 5 percentage points (33,000 people).
- Small firms, which face particular difficulties in implementing and accessing management training, are disproportionately important in Northern Ireland. In 1997, for

example, firms with less than 50 employees accounted for 61.3 per cent of employment in Northern Ireland compared to 44.7 per cent in the UK (Source: SME Statistics, 1997, Table 4.1).

- Labour force survey estimates suggest that levels of training activity in Northern Ireland for managerial and administrative staff lag behind those in other UK regions (Figure 2).

These factors and the importance of managerial training in business competitiveness suggest the value of continued public investments in managerial training and development in Northern Ireland. Gaps in local provision due to the small size of the Northern Ireland market or specific

sectoral needs may also provide a reason for public investments. Finally, it is worth noting that new technology presents considerable challenges both in terms of the content and delivery mechanisms for managerial training. Intervention by the T&EA may offset the risks and so encourage private sector training innovations in this area.

## References

For a full list of references contact the Author. Copies of the full report are available from Robert Gilmore Research and Evaluation Branch.

\* Recent case studies were carried out on behalf of the Agency to test the value of applying the New Management Standards

(sponsored under the Management Charter Initiative) to Northern Ireland business issues. These studies provided evidence of some of the benefits of management training (see article on New Management Standards in this issue of the Labour Market Bulletin).

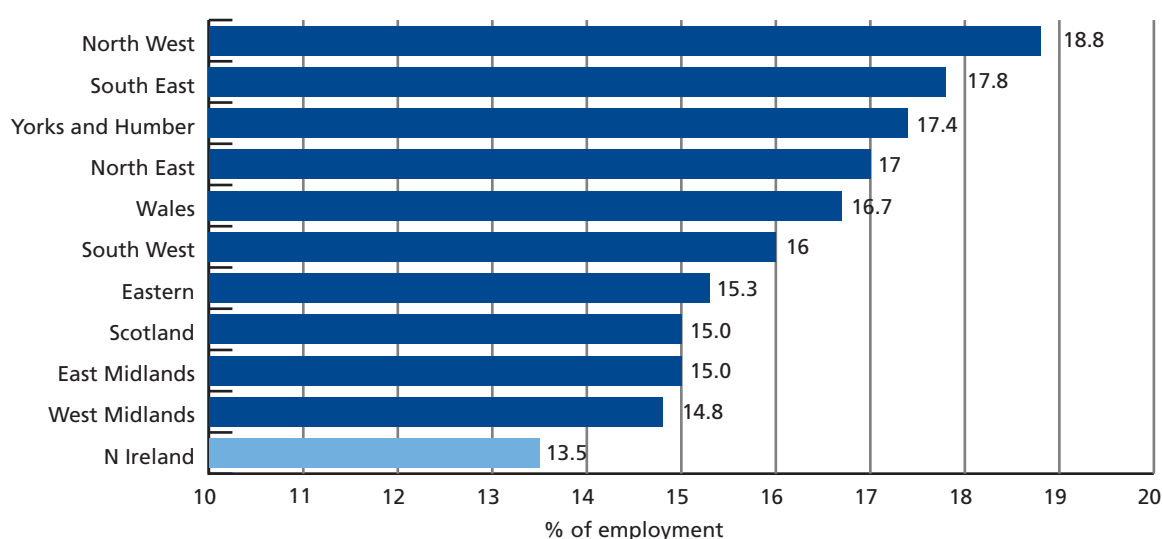


Fig 2: Percentage of Managerial and Administrative Staff Receiving Job Related Training in Last Four Weeks  
Source: Labour Force Survey, Spring 1998. Figures DED.



# The Jobskills Quality Management System, an Evaluation

David Armstrong, PriceWaterhouseCoopers

Training organisations in a variety of countries are tending to adopt quality assurance systems tailored to fit the needs and aspirations of stakeholders in their individual marketplace, rather than aspiring to a generic internationally recognised quality standard.

This characteristic of international best practice was one of the outcomes of an extensive evaluation of the Jobskills Quality Management System (JQMS), undertaken by PriceWaterhouseCoopers (PWC), which was contracted by the T&EA to examine the system. Benchmarking the Northern Ireland JQMS system against national equivalents in England, Wales, Scotland the Republic of Ireland and the USA revealed a diversity of performance criteria, but a common linkage between systems for quality assuring business processes and business results.

The current JQMS was introduced in 1995 to provide Recognised Training Organisations (RTOs) contracted to deliver the jobskills programme of vocational education and training, with a set of common standards of performance and a continuous improvement tool to encourage the introduction of best practice and procedures.

In developing JQMS, the T&EA examined a number of other Quality Assurance models, eventually adopting a model based on a modified version of the Scottish Quality Management System, devised by Scottish Enterprise. The structure of JQMS is based upon 14 Standards ranging from finance and management structure to training design and accreditation.

## Findings

In our evaluation of JQMS we sought to determine whether it had met its objectives, if it compared favourably with other national quality models and what improvements might be appropriate to ensure the effective delivery of the Jobskills Programme. The JQMS has been successful in meeting its objectives. A substantial number of Training Organisations surveyed believed it had a positive impact on their business performance. There was consensus that the standards are appropriate and that any problems relate to the implementation of standards, not the standards themselves.

Benchmarking national quality standards in training adopted in other countries was central to the evaluation process.

Whilst the use of contractors to deliver training provision was common to the countries mentioned at the beginning of this article, approaches to quality assurance in the field of training provision varied significantly. In the Republic of Ireland, results and outputs were the baseline. Providers face key quality criteria for accreditation of individual trainers within training organisations. Where quality accreditation was achieved at the organisational level it was typically ISO 9000.

The Scottish Quality Management System (SQMS) is a synthesis of ISO 9000,

Investors in people (IIP), Scottish Office criteria and the quality criteria which underpin Scottish Vocational Qualifications (SQVs). Effectively the scheme upon which JQMS was developed, SQMS sets minimum standards for quality assurance across a complex marketplace of Local Enterprise Companies (LECs) and their myriad of Approved Training Providers. Evaluation of SQMS overwhelmingly recognised the value of an industry-specific quality standard as against a generic international standard.

Training Organisations in England and Wales now face self-assessment in the form of the Training Standards Council (TSC) and its Inspectorate. Seven stages of self-assessment are intended to increase the autonomy and accountability of training providers, while reducing the policing requirement - and cost to government. Creating quality will essentially become the responsibility of the organisation.

The USA features the Baldrige model as the most common quality assurance standard. Strongly related to the European Model for Business Excellence, Baldrige is much more holistic in nature than JQMS or even ISO 9000 and features a wide range of commercial disciplines such as business strategy and people issues. PWC's investigations into the performance and success of US providers using the Baldrige model, indicated

that American providers were both substantially larger and more autonomous organisations than existed in the British Isles.

In summary therefore, the Rol system represents a rather constrained approach to quality assurance, with a focus on results reflecting the dynamic of the labour market. The Scottish and English and Welsh schemes are focused on defining and enforcing minimum standards as the first stage of a 'Quality Journey'. The USA, with its strong private sector focus, is remarkably different. Training organisations are measured on how well they perform, not just how well they conform to a system.

Although the US experience is undoubtedly driven by the predominantly private sector marketplace, there is much which is applicable to the Northern Ireland experience. The Baldrige model defines and highlights customer and people satisfaction, planning and actual training results as opposed to the training processes themselves.

Whilst there is every indication that the different quality assurance schemes have evolved to reflect the different priorities of local stakeholders and market conditions, there is some evidence to suggest that the best of these schemes may be more transferable than has been thought in the past.

## Conclusion

The findings drawn from the benchmarking described in the preceding paragraphs, in conjunction with material on the effectiveness of JQMS, gathered from surveys of key players in relation to the JQMS (e.g. T&EA and RTO staff responsible for the implementation and operation of JQMS), led to the development of future options for the evolution and delivery of JQMS.

These options are currently being considered by the T&EA with the objective of further enhancing the effectiveness of JQMS.



# New Management Standards in Northern Ireland

Iain Mackinnon; Segal Quince Wicksteed Ltd

Promoting better levels of management competence is a major objective for the Business Support Division of the Training and Employment Agency. In 1997, the Management Charter Initiative (MCI) revised and updated its competence standards for managers - now commonly referred to as The Management Standards.

The Agency saw this as an opportunity to attract attention to a valuable tool for better management and launched a programme of activities to promote the use of the New Management Standards. In order to understand better the current state of management development and perceptions of the New Standards within Northern Ireland, the Agency commissioned research from consultants Segal Quince Wicksteed Ltd (SQW). A key part of the research was a telephone survey of 500 employers, which would act as a baseline against which the success of the Agency's initiative could be measured in later years. This article reports on the results of that survey and other parts of the research, and also draws out from the findings some policy pointers of more immediate relevance.

MRC (Ireland) carried out the aforementioned survey of 500

employers, on SQW's behalf in the early summer of 1998. Segal Quince Wicksteed augmented that survey with more detailed interviews with 24 firms and an international survey of the management development literature designed to investigate best practice outside the UK. We focused our research on firms in the "manufacturing and tradable services" field, which is the priority for the Agency, and also sought a comparison between 103 firms which are participating in the Agency's Company Development Programme (CDP) and a further 419 non-CDP companies. Key findings from the work are described below.

## Commitment to Management Development

First, we sought background information on the extent of management development within Northern Ireland firms. Where companies say that

Table 1: Respondents' self-ranking against various business performance criteria

	Non-CDP	CDP
Customer satisfaction	6.15	5.62
Product/service quality	6.11	5.81
Managing materials used in production	5.70	5.20
Production/efficiency	5.48	5.10
Managing internal communication	5.46	4.59
Managing people	5.45	4.93
Employee motivation	5.31	4.79
Managing costs/cost control	5.30	5.10
Managing external communication	5.27	5.05
Managing overall business strategy	5.08	5.20
Overall profitability	4.76	5.06
Sales growth	4.68	5.27
Managing marketing activities	4.42	4.94



they are involved in training, “management development” is the fourth most important training activity for non-CDP companies, but the second most important for CDP companies. (Computing and IT training tops both lists). A third of non-CDP companies (34%) have a specific management development budget, compared with two-thirds (67%) for CDP companies.

In order to establish a benchmark for the effects of management development, we agreed a list of thirteen key business performance criteria with the Agency, then asked all respondents to rate themselves against those criteria on a seven point scale (7=very strong; 1=very weak). Most of the CDP company mean scores were around half a point lower than the scores of non-CDP companies (Table 1).

This may be explained by a greater awareness by CDP companies of the challenges they face. It is interesting to note that those indicators on which CDP firms rate themselves higher than non-CDP companies, including overall profitability, sales growth and managing overall business strategy, are performance indicators which would be likely to benefit as a result of companies participating in the CDP.

## Awareness and use of the Management Standards

Awareness of the Management Standards is low, both in absolute terms and in relation to other business benchmarks. Only 6% of the 419 non-CDP companies had heard of the Management Standards, compared with 10% recognition for Investors in People (IIP) and 17% for ISO 9000 (still known to many by its old designation of BS 5750). Not surprisingly, awareness of both Management Standards and other quality management standards is much higher amongst the 103 CDP companies we polled - ie those which have been working intensively with Agency-sponsored consultants - scoring 19% for Management Standards, well ahead of ISO 9000 (11%) and the European Quality Model (10%), but some way behind Investors In People (31%). Also, of course, the Agency had only actively been promoting the New Management Standards for a year, at the time of the survey.

The prompted recognition scores are more sobering. When set alongside Investors in People, ISO 9000, Total Quality Management (TQM) and the Business Excellence Model, MCI Standards score lowest for prompted recognition from both CDP companies (50%) and non-CDP companies (13%). A little over a quarter (27%) of non-CDP companies had heard of none of these approaches, though

all of the CDP companies had heard of at least one.

As one would expect, scores for adopting Management Standards were lower - some 9% of CDP companies had adopted MCI Standards and 1% of non-CDP companies. In both cases these scores were the lowest ranking and all other approaches to management development scored higher, particularly for CDP companies (IIP 65%, ISO 9000 55%, TQM 29%, Business Excellence Model 18%).

Small proportions of both groups said that they were “likely” to adopt the Management Standards: 8% for non-CDP companies and 16% for CDP firms. When we asked the CDP group amongst these firms why not, a third (33%) said it was because they had not heard of them, and the same percentage said that it was because they did not know enough about them.

The telephone survey also produced some interesting data on how use of the Management Standards effects business, compared with the effect which companies claimed for all management development activities. On 10 of the 13 business performance criteria, those of the non-CDP companies responding which have adopted Management Standards, rated the effect of the Management Standards higher than they had earlier in the survey rated the effect of ‘all management development



Table 2: Effect on business performance criteria of adopting New Management Standards

1 & 3 = effect of New Management Standards

2 & 4 = effect of all management development activities

	1	2	3	4
	Non-CDP		CDP	
Managing overall business strategy	6.38	5.17	5.22	5.29
Managing people	6.24	5.10	5.00	5.31
Overall profitability	6.14	5.08	4.63	5.00
Customer satisfaction	6.14	5.39	5.22	5.24
Employee motivation	5.83	4.92	4.78	5.12
Sales growth	5.76	5.02	5.00	5.21
Managing internal communication	5.62	4.61	4.89	5.04
Production/efficiency	5.52	4.83	4.78	5.24
Managing costs/cost control	5.52	5.02	4.89	5.00
Product/service quality	5.14	5.24	4.89	5.29
Managing external communication	5.14	4.76	4.78	4.95
Managing marketing activities	4.86	5.03	4.50	5.13
Managing materials used in production	4.28	4.74	4.78	5.04



activities' (in Table 2, the scores in column 1, compared with those in column 2). None of the CDP scores indicated the same effect.

A score of '7' indicates that adoption of Management Standards had "greatly improved" this aspect of a business. A score of '1' that it had made things "a lot worse". '4' is the neutral mid-point score. The figures in the table are the mean scores for each category of respondents.

In every case except 'managing materials used in production', the effect of adopting Management Standards is less for CDP firms than for non-CDP companies, and for several key indicators it is substantially less: managing overall business strategy, managing people overall profitability, customer satisfaction and employee

motivation (ie in Table 2 this is comparing column 1 with column 3). One might expect this outcome if the CDP companies were starting from a higher base of business success and, despite their more modest reported self-perception (Table 1), it is clear that they are the more sophisticated group.

**Both groups of firms, for every indicator, expect the impact of adopting Management Standards to be greater in the next 12 months than it has been in the last 12 months.**

The statistical caveat is more than usually important here as the bases for these observations are very low in both cases. Within the non-CDP companies just 1% have adopted Management Standards (4 firms) and the total within for the CDP group

is little greater at 9% (9). It is therefore difficult to know if this is significant - or misleading. If it is significant, an important policy implication may follow. The Agency may stimulate a greater effect by targeting firms which have only gently dipped their toes into management development, securing and nurturing their hesitant commitment, rather than those which are actively pursuing, or have already achieved, some other structured approach to business development (such as IIP, ISO 9000, or the Business Excellence Model).

### The Training Infrastructure

The Agency was also keen to use the research to find out how adequate companies find the management development training

infrastructure in Northern Ireland - 40% of the non-CDP companies (and 49% of the CDP group) said that companies are “very well” or “quite well” catered for. The negative scores although low, are worth noting: 9% of non-CDP companies (CDP 14%) said that they were “not very well” catered for and 8% (CDP 3%) said they were “not at all” catered for. One in five of non-CDP companies had no view, presumably because they had not tested the market.

Of the relatively small critical group, many said that the problem was insufficient specialist organisations (44% of non-CDP companies, 59% CDP) and others that there was a lack of information (40% non-CDP companies and 53% CDP companies).

CDP companies were much more likely to use private consultants (83% compared with 52% for non-CDP companies). More than half of both groups used further education colleges and the university sector (58% CDP, 56% non-CDP companies) - though the satisfaction rating was lowest for this group of providers from both groups of companies.

Many of the employers we interviewed told us that they are “inundated” with publicity material from training providers, particularly those which promote short (one or two day) courses.

The more experienced buyers of training indicated that much of what they wanted could be sourced in Northern Ireland, but:-

- some “inside knowledge” is helpful to be sure of getting what you want (particularly in distinguishing between the few really good consultants and the rest)
- few local providers are looking at new ways of doing things
- colleges tend to offer off-the-shelf solutions, rather than tailor what they offer to the employer’s need ;
- the local market is too small to support some forms of training and more demanding buyers look to Great Britain (eg Cranfield University, Ashridge Management College) or the south (eg Irish Management Institute) to meet their needs.

### **The role of the Training and Employment Agency**

We drew two important conclusions from our research which might affect the way that the Agency pursues its role. First, different approaches suit different organisations. For some, the light touch of the Agency’s short afternoon seminars seems to be a good way of introducing them to management development.

Others want something more substantial, or more sophisticated, or more clearly directly related to their business and their sector. That may sound obvious, but the policy implication is that as there are many “points of entry” for businesses coming in to the management development arena, and many types of prompts to action. The Agency should accept that and work with the grain. We therefore urged it to “resist the urge to be too tidy”! (for example by seeking to channel all interest through one route).

Several of the firms we interviewed expressed surprise that the T&EA was active in the management development field. Their image of the Agency was primarily determined by their prior knowledge of the local T&EA office, the JobCentre, and on at least a couple of occasions this image was a negative one. The policy implication is that whatever impression it leaves, the local JobCentre is in quite a different market to the Agency’s Business Support Division, and marketing both under a single umbrella is unlikely to be the best way to promote management development.

### **Literature Review**

We conducted a brief literature review to complement the fieldwork and noted particularly that





much of the literature about arrangements overseas describes and analyses what goes on in large firms. Much less is written about management development and training in small firms. What there is suggests that there are many more similarities between small firms in different countries than there are between large firms. Whatever their big brothers and sisters do, small firms everywhere tend to invest much less in management development and training.

There are essentially three broad approaches to systematic management training and development in modern economies relevant to Northern Ireland:

- a specialist business degree at first degree level, followed by a continuing commitment to self-development through short, ad hoc, courses and other learning opportunities and usually also by an MBA ("the American approach").
- a technical degree (typically in engineering or some associated discipline), and a long apprenticeship before getting a foot on the managerial ladder, followed by a career pursuing that same technical specialism ("the German approach").
- a foundation education which commonly includes a

degree, but with no specialism linked to business, followed by structured post-experience training and development following the structures set out in Management Standards ("the UK approach").

These three approaches share three key characteristics:

- a belief that management makes a difference, and can be developed
- a structured and systematic approach to foundation knowledge and skills
- supplemented by a commitment to updating both knowledge and skills over the remainder of an individual's career.

Since seminal reports on the subject by Handy and Constable were published in 1987, all observers agree that both the extent and quality of managerial development and training in UK firms have greatly improved. No other comparable economy has made the changes in this field which the UK has made in the last decade, and some - notably Germany and Japan - are questioning whether the system they have continues to meet their need.

We did not find any other competence based approach to management training and development which betters the Management Standards. The nearest equivalents are

the Australian and New Zealand systems, which are derived from the MCI approach and appear to differ little from it.

## Recommendations

It was not directly the purpose of the research to come up with recommendations, but we offered four:

We recommended that the Agency consider how best to use its allies as ambassadors. By 'allies' we mean others who also wish to promote management development. That would include colleagues within the Agency (such as the Investors in People team), colleagues in sister agencies such as LEDU, the staff of the Sector Training Councils which the Agency sponsors and like-minded independent bodies such as the Northern Ireland Quality Council. Actions might include joint training of those who work directly with businesses and joint approaches to business.

Thinking further about how the Agency could do more to harness the efforts of others, we recommended it review how it could influence the work of further education colleges and universities in the management development field. This could include strengthening the management parts of professional qualifications and non-management Masters degrees. It was clear from our interviews that many senior

managers, especially those working within functional specialisms such as engineering, personnel or accountancy, take this route instead of full management qualifications. Strengthening the management element of their qualification, so that learners are better placed to use their specialism within its full business context, would add value to them.

In response to the clear brand confusion which several employers articulated in their surprise that the T&EA has an interest in management development, we recommended the Agency to consider differentiating a "premium" brand to distinguish its management development activities.

Our literature review indicated the value placed on informal networking between smaller businesses in Denmark and showed the importance of the huge market in self-help learning materials, especially in the USA. In addition to more conventional forms of networking such as business clubs, we recommended the Agency explore the possible use of the internet in two ways:

- through a management information web-site, providing hard information on what support is available to businesses in NI not just from the Agency but also from other supporters and providers of management development.

The site could also provide links to other management development sites;

- as a discussion group. Many organisations now maintain internet-based discussion groups which can be a useful forum for relatively isolated busy people to keep up with what is going on and to seek colleagues' advice.

Iain Mackinnon was head of the skills and employment team at Segal Quince Wicksteed Ltd when SQW undertook this work for the Agency. He now heads his own consultancy, The Mackinnon Partnership.



# PlayCare in Northern Ireland - An Evaluation

Jo Hutchinson, Policy Research Institute<sup>1</sup>;

with Maria Ferguson and Helen Judge, Local and Regional Development Planning<sup>2</sup>

For many people, and especially women, lack of childcare is a key barrier to labour market participation. This paper summarises evaluation research that has assessed whether the PlayCare Initiative offers one solution to overcome that barrier.

## The PlayCare Initiative

In Northern Ireland, female participation rates (defined as the percentage of the female population of a given age which is in the labour force) are low. The rate for all women of working age, early in 1999, was around 65% in N. Ireland compared with some 72% in the UK as a whole. The potential for women, and especially disadvantaged women, to re-enter the workforce or to pursue further education and training, is strongly dependent on the provision of appropriate support services and facilities and, in particular, childcare.

The nature of childcare provision has to be appropriate to the needs of individual families if it is to encourage women to participate in the labour market. Childcare has to suit the age of the children (it goes beyond crèche and nursery provision), be in a convenient and accessible location, and be available to the whole community. It should also be affordable, and offer good quality, reliable and child-centred care.

The PlayCare Initiative began in Northern Ireland in March 1996. The T&EA has responsibility for the programme which is co-financed by the EU Special Support Programme for Peace and Reconciliation. In delivering the Initiative the T&EA is supported by

PlayBoard which offers outreach and development support, training, and is responsible for the monitoring and financial management of the programme. Sub-regional planning and allocation of resources is provided through the Area Early Years Committees. The AEYC's are partnerships between the four Health Boards, Health and Social Services Trusts, Education and Library Boards, T&EA, the Northern Ireland Housing Executive and organisations representing childcare providers in the voluntary and private sectors.

PlayCare seeks to provide out of school care for children aged between 4 and 12 years. It is based on the Out of School Childcare Initiative, administered by Training and Enterprise Councils in Britain. Its objectives include:-

- developing an infrastructure that enables women to join the labour market by providing affordable childcare during out of school hours;
- giving lone parents the ability to participate economically and to become independent of state benefits;
- creating training opportunities both for those who wish to work for NVQs in Playwork which will lead to established jobs and for those who wish to train in other areas but cannot yet do so because of childcare responsibilities.

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- promoting social inclusion by addressing the special difficulties faced by children and parents in disadvantaged areas;
- affording children access to a range of play opportunities.
- fostering cross-community relationships through play;
- ensuring sustainable provision through high quality, child-centred facilities and building links with employers and/or support agencies.

The Policy Research Institute and LRDP were engaged to evaluate progress towards achieving these objectives.

### The Evaluation Research

The research for this evaluation was conducted in two phases. The first phase collated and analysed statistical evidence to provide a view of how the PlayCare initiative has performed. This came from surveys of individual Clubs (21 out of 94 Clubs responded) and of parents whose children attended those Clubs (274 responses). The second phase was more qualitative and involved carrying out six case studies to learn lessons from practice. This phase also included interviews with individuals from key agencies and organisations with an interest in the PlayCare Initiative.

This short article can only briefly summarise the contents of the comprehensive report on the evaluation. It should also be noted that it is an interim evaluation, concerned with processes as well as outputs and outcomes. The Initiative has been running for less than three years and many Clubs have been operating for less time than that. Full measurement of impact, and in particular long term impact, will be better developed with the final evaluation of the programme.

### Main Findings

The PlayCare Initiative has performed well against its employment objectives. With the support of PlayBoard, 94 new Clubs have been established, offering 2,500 places. This infrastructure is spread across the province. Almost one in five parents who responded to the survey said that they were able to take up new work as a result of having access to the Club (the corresponding figure for OSCI in England and Wales is around 10 per cent). In addition, one quarter of parents said that they were able to take up training or education as a result of having access to the Club.

Most of the staff employed by the Clubs have qualifications which are related to childcare. However, very few have qualifications specifically related to play for this age group. Accredited NVQ

training in Playwork is becoming more established across the region, although there are some initial problems with access to training. Nevertheless, staff at almost all Clubs have attended non-accredited training courses.

PlayCare clubs are principally operating in areas of disadvantage. Communities that are disadvantaged were targeted at the outset and the effort made by AEYCs to map need, by identifying gaps in provision and focusing on child-sensitive indicators, appears to have contributed greatly to ensuring that clubs are located in areas of need.

Clubs are also being used by parents who face particular difficulties in terms of labour market participation. Parents who use the Clubs have low earnings - 41 per cent of parents stated that their earnings were £10,000 or less per year. There is also a significant proportion of lone parents using the Clubs. One third of those using the Clubs are single parents. Half of those who reported that they have taken up work and ceased to claim benefit were lone parents. Two thirds of those who have been able to look for work as a consequence of having access to the Club were also lone parents.

Experience and discussion with policy makers and practitioners in the field of childcare also suggests that







the level of support provided to parents is extremely significant. That is especially the case where parents are disadvantaged, face many social and economic pressures, may be isolated and in particular if they are lone parents. It is therefore important that nearly two thirds of Clubs stated that they provided other supporting activities for parents, and the same proportion stated that they provided employment and training information.

Clubs are also making a positive contribution to community relations, with three quarters responding that they felt the Club had a role to play in building relationships across communities. Cross-community work emerged as an important activity being undertaken by four of the case study clubs. A number of parents also made positive comments about community relations in their responses. Although only a minority of parents felt that this dimension was important, among the respondents to the questionnaires taken as a whole, our findings can be considered to be relatively positive in respect of community relations.

PlayCare has been successful in delivering high quality, child centred provision. Over 90 per cent of parents said they were very satisfied with the care, treatment and respect shown to their children and the

reliability of provision. Parents also tend to believe that the Clubs generally offer a better quality service to that which they used previously.

Clubs are also very child-focussed and reported that their priorities are to offer play activities which are stimulating and challenging. Whilst Clubs are not offering education in the formal sense, play is a major learning experience in itself.

Both Clubs and parents are keen to improve the level and scope of provision. There are three key areas of potential improvement. The first is related to staff and training both in terms of retention and recruitment - an issue for nearly half the Clubs - and appropriateness of qualifications. The second is to improve premises, facilities and equipment all of which require further capital investment. For parents as well as for clubs, transport of children to the Clubs' premises is the third issue where improvement could be beneficial.

The evaluation research found that sustainability of provision is a key issue. Almost all Clubs have been established through the Peace and Reconciliation Fund. For most clubs this has represented over 90 per cent of their revenue. The majority of Clubs anticipate that they will never be able to make a profit. The ability of Clubs to attract leverage from other sources is

not well developed. Good quality childcare is expensive to provide and parents on low incomes cannot afford to pay fees sufficient to cover its costs.

Although businesses do benefit from childcare, they are unlikely to make significant contributions to its development. The parents' survey showed that only 5 per cent of parents had received help with childcare from their employer. The key arguments to encourage business involvement are that it will increase productivity, reduce sickness absence and reduce staff turnover. While other research conducted outside this evaluation suggests that attitudes amongst employers are beginning to change, it is a slow process.

There are some displacement and additionality issues. The Clubs have displaced some business activity from childminders, but this is not a case of straightforward substitution. The Clubs offer a different type of care and in particular they provide an opportunity for children to play with a number of other children, often from different backgrounds and different schools. The parents' survey also found that if the Clubs were to close it would have no affect on one in five parents' ability to work. While Clubs and the AEYCs need to be mindful of these issues, this does not represent an unusual level of unintended outcomes.

## Conclusions and Recommendations

The PlayCare Initiative has supported the development, from a very low level of activity, of a new form of childcare provision in the region. Support has been targeted at those areas most in need. The facilities are valued by those parents who use them.

There are however, tensions within the Initiative which are primarily the result of a set of objectives which are not necessarily compatible. For example, Clubs are revenue funded for a year, after which they are expected to be self-sustaining (either in terms of income generation or grant applications). However, they are also expected to operate in areas of deprivation where parental incomes are low, employment is low and the ability to pay for childcare is also low. Therefore income generation from fees is highly unlikely to cover costs, but alternative sources of income are also both scarce and uncertain.

A fundamental problem for PlayCare is that it is seeking to create a market. With high overheads, and limited hours within which to generate income, childcare provision after school hours is not attractive to private sector providers.

Secondly the initiative is a labour market initiative, and it assumes that once parents have access to reliable

childcare they are able to take up new job opportunities. However, in areas of deprivation the causes of labour market exclusion are often complex and can include lack of transport, poor health, lack of information and insufficient income to access opportunities.

For many groups whose needs can be set against a range of success criteria, the Initiative has performed well. However, there are a number of issues which need further attention. In the report these form the basis of a series of recommendations. These are briefly summarised below:-

- There is a need to enhance strategic links and develop closer partnership working at all levels.
- Realistic and attainable targets for provision should be set, monitored and regularly reviewed.
- Agencies which support and encourage labour market participation need to liaise with Clubs to offer parents advice, guidance, and support.
- Clubs need to be supported for longer periods to enable them to build their business and consolidate their provision.
- PlayCare training needs to be more widely provided and encouraged.
- The social and economic benefits of PlayCare must

be promoted amongst agencies and the private sector so that it is not just seen as a cost.

- Employers in both the public and private sectors should be encouraged to support childcare provision at both the strategic level and in the workplace.
- Wherever possible, links between Clubs from different communities should be sensitively encouraged and resourced in the future.

## The Future

New policy developments, new funding opportunities, and changes in the institutional and political infrastructure within Northern Ireland will all impact upon the development of PlayCare, and other childcare initiatives, in the future. In particular, 'Children First - the Northern Ireland Childcare Strategy', includes proposals for the creation of Childcare Partnerships. In addition, the New Opportunities Fund is being accessed to support more places.

## Acknowledgements

The researchers wish to thank the Steering Group from the T&EA for their support and advice, staff at PlayBoard for their assistance with the surveys, and the Clubs and parents who contributed to the research.



# Employment Support for People with Disabilities - An Evaluation

Ben Rowland, Cambridge Policy Consultants

In September 1998, the Training and Employment Agency (T&EA) commissioned Cambridge Policy Consultants (CPC) to conduct an evaluation of the Employment Support Programme (ES). The Programme, which began in 1984, enables people who cannot reach standard output levels because of their disability to work in real jobs and earn the full rate for the job. A wage subsidy to host organisations who provide the employment opportunity enables the participant to receive the full wage for the job, while allowing the host organisation to pay only for the (reduced) productive activity of the participant.

The Programme is administered by an operational branch of the T&EA, the Disablement Advisory Service (DAS). DAS has overall responsibility for the Programme and sources employment opportunities for suitable people with disabilities. Participants come to the Programme through a variety of routes, but their output level must be assessed by the T&EA's Occupational Psychology team to be between 30%-80% of the normal output level for the job - this percentage score is known as the 'output level'. The subsidy to the host organisation represents compensation for this output level being below the normal level. Although most host organisations only provide single posts, some provide several.

The Programme is channelled through three "sponsor organisations", Ulster Supported Employment Limited, the Industrial Therapy Organisation (now known as Action Mental Health) and Disability Action. These are responsible for the day-to-day management of the Programme. The sponsor organisations receive a per capita administration fee of £800 a year. The actual employer can either be the sponsor organisation or a host organisation (eg a private sector company), in which case the participant is 'placed' in the host organisation, with legal responsibility residing with the sponsor organisation.

At the time of the evaluation, there were 750 participants on the Programme in some 500 host organisations. The Programme's budget for 1998-9 was £3.3m.

It was agreed at the outset that the evaluation would have to incorporate a keen awareness of the sensitivities involved in the Programme - many participants did not want peers and colleagues to know that they were on the Programme. There were concerns that the more vulnerable participants could find taking part in the survey, stressful. The care taken at the questionnaire design stage and during the fieldwork itself (conducted by Ulster Marketing Surveys), ensured that there were no major problems.

## Findings

The evaluation was made up of five distinct parts: desk research and discussion with Agency staff to explore the programme's rationale and policy context; a survey of 135 current ES participants; a survey of 18 ex-participants; a survey of 128 host organisations; and a Programme of face-to-face interviews with 25 (additional) host organisations. This summary contains only highlights of the evaluation's findings.

The main finding of the evaluation is that the Programme is of great value

to people with disabilities who participate, it is viewed positively and enjoyed by host organisations who provide posts and it is seen as having great value by Programme staff both in the T&EA and the sponsor organisations.

Table 1 summarises the characteristics of participants using data from both the evaluation database (a composite of the separate sponsor organisations' databases) and the survey. The good match between the results from the evaluation database and the survey suggests strongly that the survey results are robust and representative.

Survey results showed that a clear majority of participants had experience of the labour market prior to joining the Programme e.g. through unsubsidised employment, through another labour

market programme (such as the Job Introduction scheme) or through unpaid informal work experience. However, the quality of participants' pre-Programme experience is unknown.

Two thirds of the posts are in private sector host organisations. Host organisations fall into a broad size range. Two thirds of host organisations have less than 50 employees. Over a third of host organisations said that they got involved because of an approach, either through an official channel (DAS, a sponsor organisation) or informally through a friend or relative of the participant. One in five host organisations said they were motivated by a sense of duty towards the community. Nearly 40% had previous experience of employing someone with a disability.

The survey results showed that many posts have been created by host organisations, initially by reassigning tasks from several other employees. In many such cases though, posts became self-justifying, in that if they were to become vacant, the host organisation would seek to take on someone to replace the person leaving, rather than reassigning tasks back to the employees who originally had them. It is estimated that about a third of all posts are created in this way.

Nearly nine out of every ten participants did not know their own 'output level'. This result is quite striking given the general policy emphasis on the empowerment of individuals with disabilities. This could well be explained by the current lack of emphasis on adjustment or progression in the Programme, which would



Table 1

		Population percentage	Survey percentage
Gender	Male	66.6	66.6
	Female	33.3	33.3
Type of disability	Hidden	5	13
	Learning	42.5	43.5
	Mental health problem	4.5	4.5
	Physical	34.5	36
	Sensory	13.5	18 <sup>1</sup>
Age	Less than 44 years old	88	89.5
Sponsor Organisation	USEL	74	70.5
	DA	21.5	15
	ITO	4.5	2 <sup>2</sup>
Type of job	Clerical/admin	28	24
	Manual	48	45
	Shop related	18	21.5
	Other	6	9.5

Note: 1. The figures add to over 100% because some interviewees reported more than one disability.

2. Not included are 12.5% who did not know or did not reply.

Table 2

	Percentage of total	Percentage of full-time	Percentage of part-time
Less than £2.00	1.5	2	0
Between £2.01 and £3.59 <sup>1</sup>	58	60	47
Between £3.60 and £5.00	29	28	32
Between £5.01 and £10.00	9	10	5
£10.01 or above	2.5	0	16

1. £3.60 is the level of the new minimum wage introduced on April 1st 1999.

hinge on changes in the 'output level.'

The levels of qualifications of participants was very low, with over two in every five having none. Also of concern, given the role qualifications can play in assisting people with disabilities overcome prejudice, is that less than one in ten reported receiving any formal training in their ES post. The low level of qualifications is reflected in the type of jobs (see Table 1) and wage levels.

Table 2 shows hourly wage rates as they stood at the time of the survey which was before the introduction of the minimum wage:

Nearly two thirds, therefore, were earning less than the minimum wage.

Host organisations have, on the whole, not experienced significant problems or obstacles. Less than a fifth said that they had experienced any disciplinary problems with participants, and in many of these cases the problem was minor (such as occasional poor punctuality). Of the quarter who reported any extra cash-costs or time implications from

taking on the participant, only a handful felt that it was unfair that they had been required to meet these costs themselves. Likewise, only a fifth of participants reported experiencing any problems (of varying significance). However, the finding that half of the participants experiencing such problems felt they were not getting help with them should guard against complacency.

Nearly three out of every four participants reported that their income had gone up since they had been in their job. Significantly, almost all have experienced at least one "non-material" benefit, such as improved confidence or going out more socially. The vast majority of participants are well integrated both socially and in terms of 'fringe' benefits (e.g. subsidised canteen), with the rest of the workforce. The success of participants is further emphasised by the finding that nine out of ten host organisations said that the participants had progressed in some way (e.g. better communication skills), including a third who said that the participant had improved at the job.

It is not surprising then that a high number of participants and host organisations were broadly satisfied with the Programme: three quarters of participants said that they did not want to leave their jobs and a significant proportion of the remainder wanted to leave for positive reasons (wanted a more challenging job, promotion etc.). Four fifths of host organisations would consider recruiting someone else through the Programme. The high levels of goodwill in host organisations towards the participants and the Programme is reflected by the fact that out of the 50% or so of host organisations who were not the legal employer of their participant, over half said they would be willing to become the legal employer.

There appears to be a significant gap currently between on the one hand, these very positive findings and on the other, how the Programme's administrative arrangements reflect them. For instance changes to output levels are very rare, with three quarters of host organisations reporting that the output level of the

participant (and hence level of subsidy) was “about right”. Further exploration, however, of this issue revealed that many host organisations had never considered the output level in the light of the progress of the participant and their own positive feelings towards the Programme - when invited to, nearly half said they would be prepared to receive a lower level of subsidy (another one in ten were undecided). In these organisations, the average (mean) downwards adjustment in subsidy acceptable to themselves is 15% - when grossed up this could represent a potential saving of £600,000 a year, which would not only cover for the minimum wage implications but also provide funding for an additional 25 posts.

Sponsor organisations were well regarded both by participants and host organisations. However, many host organisations did not appear to understand fully the role of sponsor organisations beyond that of dealing with problems, if and when they arise. Few host organisations appeared to be pro-actively engaged in the Programme or see the participant’s output level as potentially dynamic and reflective of progress and development. Very few appeared to know much about the participant’s “action plan”, drawn up by the sponsor organisations supposedly in association with the host. General

understanding of the Programme prior to taking part also appears to be poor among host organisations, with two fifths having expectations of the Programme which proved false.

The evaluation strongly suggested that there is considerable variation in the number of visits to participants by sponsor organisations (although there is no suggestion that any sponsor organisation does not fulfil the requirement to visit every participant twice a year) and in the intensity and depth of those visits. Much of this reflects desirable flexibility in the Programme set-up - those participants who are having problems should get more support than those who are settled. But, there is scope for improving host organisations’ understanding of the Programme, particularly as a means of fulfilling the potential of the participants (rather than just providing reactive support).

For those participants who are in the NI Civil Service, there are currently particular difficulties in terms of moving into unsubsidised employment. Although the participants may have proved their worth in the job, they may not be able to compete successfully in the entrance exams they are required to take to become a Civil Service employee or to participate in competitions for promotion.

## Conclusion

Whilst the evaluation demonstrated that the Programme has been largely functioning in a satisfactory manner, it did find areas where the consultants believe improvements can be made. These include tightening the Programme’s rationale, developing complementarity with other Agency programmes, and exploring systems and procedures that would better allow participants to progress off the Programme and into the openly competitive labour market.

The Report’s recommendations are now under active consideration by the Agency.





# The New Deals - A Brief Guide

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Training and Employment Agency

## LABOUR MARKET POLICY

Government's objectives in Labour Market Policy are to promote higher economic growth and prosperity by increasing labour market participation among people of working age and to counter poverty by helping people most at risk of exclusion from the labour market to compete effectively for jobs. In pursuing these objectives the fixed points of policy are: the continuation of an active labour market policy which links entitlement to benefit to job search; a continuing job broking function to match the unemployed to vacant jobs; a more coherent and work focused route of access to the benefit system; a strong emphasis on promoting movement from welfare to work through a combination of incentives to make work pay and active help to benefit claimants to compete effectively for jobs and help for those who cannot; and enhanced reliance on personal advisers to broker these services for workless people.

The New Deal Initiative plays a positive role in support of the Government's desire to

- a rebuild the welfare state around the work ethic;
- b provide work for those who can, security for those who cannot (Minister for Welfare Reform, 1998. New Ambitions for our country; A new contract for Welfare CM 3805 London Stationery Office).

## The New Deals

Government's "Welfare to Work" Initiative is designed to help people make the transition from being on benefit to being in employment. The Chart overleaf summarises the New Deals available for different groups of people.

### The New Deal for 18-24 year olds

The New Deal for 18-24 year olds is a mandatory programme which was introduced in Northern Ireland in April 1998 and is aimed at those people in the age range who have been unemployed and claiming Job Seeker's Allowance (JSA) for a period of 6 months or longer. Those joining New Deal first enter a Gateway period which is intended to last no longer than 16 weeks, during which participants remain on JSA. In this period participants work with personal advisers from

the Training and Employment Agency (T&EA) to improve their employability and find unsubsidised jobs for as many as possible. During the Gateway period the personal adviser gives the participant help with job search, interview skills, and in the design of a curriculum vitae and where necessary arranges courses for basic skills such as literacy and numeracy. Those who do not find a job or otherwise have not left JSA will then move into one of four options: Employment Option: a period of subsidised employment, lasting for 26 weeks including one day a week in education or training (support is also available for those who become self-employed); Full-Time Education and Training Option (FTET): a course of full-time education and training lasting for up to one year for those who have not yet achieved qualifications at NVQ level II; Voluntary Sector Option: a job or placement in the voluntary sector for 26 weeks, which includes one day a week in education or training; and the Environmental Taskforce Option: a job or placement in the environmental sector for 26 weeks, which includes one day a week in education or training. As far as possible participants have a choice of options but they do not have the option of remaining on JSA. If the participant reaches the end of their option and still has not found a job, they will normally reclaim JSA and will enter a Follow-Through period during which they will



## THE NEW DEAL:

From "PASSIVE" to "ACTIVE" Labour Market Policies

Group	MANDATORY Unemployed JSA	Programme	Introduced to NI
Age 18-24	6 months + or disabled returners lone parents ex offenders literacy or numeracy difficulties etc	"Gateway" (4 months max) <ul style="list-style-type: none"> <li>• Employment</li> <li>• FTET (1 year max)</li> <li>• Voluntary Sector Option</li> <li>• Environmental Task Force</li> </ul> + "Follow Through"	6 April 1998
25+	18 months + Early entry for those disadvantaged in their search for work. (But does not apply to ETO)	"Gateway" (3 months max) <ul style="list-style-type: none"> <li>• Employer subsidy</li> <li>• Education &amp; Training Opportunities (ETO) (1 year max)</li> </ul> "Intensive Activity Period" (13 weeks)	30 November 1998
	VOLUNTARY		
Lone Parents	Lone parents on Income Support whose youngest child is of school age. Other lone parents may join if they put themselves forward.	<ul style="list-style-type: none"> <li>• Advice of Personal Adviser</li> <li>• Access to Training</li> <li>• Assistance with Jobsearch</li> </ul>	6 April 1998 on a limited basis with full roll-out 26 October 1998.
Disabled People	On Incapacity Benefit, Severe Disablement Allowance or Income Support Disability Premium.	<ul style="list-style-type: none"> <li>• Seven Innovative Schemes designed to assist people enter the labour market</li> <li>• Advice of Personal Adviser</li> </ul>	Pilot 5 April 1999 Pilot 20 July 1999
Partners of the Unemployed	Partner unemployed for 6 months + and claiming JSA for spouse/partner	<ul style="list-style-type: none"> <li>• Assistance of Personal Adviser</li> <li>• Access to Training</li> <li>• Assistance with Jobsearch</li> </ul>	26 April 1999
50+	On Incapacity Benefit, Income Support Disability Premium, Severe Disablement Allowance	<ul style="list-style-type: none"> <li>• Assistance of Personal Adviser</li> <li>• Assistance with Jobsearch</li> <li>• Employer Credit (£60 per week)</li> <li>• Training Grant</li> </ul>	Piloted in October 1999. To be introduced in early 2000.

Employment may be subsidised whereby the employer receives a payment (£60 for 18-24 + Training Grant of £750 and £75 for 25+).



receive ongoing support from a personal adviser to help them to find a job.

### **The New Deal For 25+**

The New Deal for 25+ is a mandatory programme aimed at those people who have been unemployed and claiming JSA for 18 months or longer. The New Deal for 25+ has operated since 29 June in Northern Ireland but entry criteria and programme content were expanded from 30 November 1998. Those joining the New Deal first enter a Gateway period which is intended to last no longer than 13 weeks, during which participants work with their personal adviser from the T&EA to improve their employability and to find unsubsidised jobs for as many as possible. Those who remain on JSA after the Gateway take one of three routes:

Subsidised Employment: a period of subsidised employment lasting for 26 weeks; an Education and Training Opportunity (ETO): a course or courses of approved education and training lasting for up to one year while staying on JSA; or an Intensive Activity Period (IAP): a period of intensive activity with participants remaining on JSA and designed to last 13 weeks, which will aim to improve work skills, motivation and experience etc. Activities may include short work placements with employers, basic skill training and pre-employment training etc. If the Participant

reaches the end of their time on IAP or ETO and remains on JSA or returns to JSA after a period of subsidised employment, they will enter a Follow-Through period during which they will receive ongoing support from their personal adviser to help them find a job.

### **New Deal for Lone Parents**

This is a voluntary programme which was introduced for new claimants to Income Support whose youngest child is of school age on 6 April 1998 and available for all lone parents claiming income support with a youngest child of school age from 26 October 1998. Other lone parents may join if they put themselves forward. The programme offers the assistance of a personal adviser, access to training and assistance with jobsearch. The objective of the programme is to assist the lone parent from welfare to work by increasing motivation, confidence and skills.

### **New Deal for Disabled People**

This is a voluntary programme which is being piloted, designed to assist people on Incapacity Benefit, Severe Disablement Allowance or Income Support Disability Premium to re-enter the labour market. One part of the New Deal for Disabled People consists of seven Innovative Schemes, which

were introduced on 5 April 1999, provided by independent groups which are designed to assist disabled people enter the labour market by improving their skills and employability. The other part of the New Deal for Disabled People being piloted from the 20 July 1999 offers disabled people the services of a personal adviser to assist them in finding a job and improving skills.

### **New Deal for Partners of Unemployed People**

This is a voluntary programme designed for the partners of people who have been unemployed for six months or more and claiming JSA for their spouse or partner. The scheme offers the services of a personal adviser to assist in finding a job and develop skills and access to training. Information is also given about the benefits the family could still receive if the partner took a job. The role of the personal adviser is to provide help and guidance to help prepare the participant for work and identify a route into employment.

### **New Deal for 50+**

This is a voluntary programme designed to offer real and substantial support to people over 50 who want to find jobs. The programme will offer people 50 and over who have spent six months on either JSA, Income Support,



Incapacity Benefit or Severe Disablement Allowance, help with jobsearch through individual advice from a personal adviser and job centre provision. When an eligible 50+ client finds a job they can claim an Employment Credit of £60 per week for full-time work or £40 per week for part-time work for 52 weeks and training support of up to £750. The Employment Credit, when taken with the minimum wage will represent a minimum income guarantee of £9000 for people taking full-time jobs. This is judged to offer real help to older workers who find greater difficulties in finding sustainable employment. The New Deal for 50+ will be piloted in selected areas in Great Britain in October 1999 before wider introduction of the programme throughout the United Kingdom early in the year 2000.

### Single Work Focused Gateway ("ONE")

Some of the New Deals discussed above remain voluntary but labour market policy is increasingly moving towards a mandatory implementation. This is reflected in the Single Work Focused Gateway (under the title of "ONE") which will provide a common entry point to the benefit system for all potential clients, which focuses upon the opportunities for people to remain economically

independent through work and opens the way to the help people need to achieve employment. This programme is being piloted in four areas from June 1999 and in another eight areas from November 1999 and it is mandatory for all new claimants to benefit to attend an initial work focused interview with a personal adviser.

### Summary

This article briefly describes the different types of New Deal but it is a summary and some detail is therefore omitted. Other types of New Deal not described include the New Deal for the Self Employed and the New Deal for Musicians. For a fuller description of the New Deals in Northern Ireland contact: Gloria Henderson on 01232/257737



## BACKGROUND

Since the beginning of 1998, the Government has introduced a number of initiatives under the “New Deal” banner: these are outlined in a separate article in this issue of the Bulletin (see Chapter 19). The key programmes aimed at helping unemployed people out of welfare and back to work are the:

- \* **New Deal for 18-24 Year Olds**, aimed at those aged between 18 and 24 who have been unemployed and claiming Jobseeker’s Allowance (JSA) for 6 months or longer. The New Deal for 18-24 Year Olds became operational in Northern Ireland on 6 April 1998; and
- \* **New Deal for 25+**, for those aged 25 and over who have been unemployed and claiming JSA for 18 months or more. The New Deal for 25+ became operational in Northern Ireland from June 1998, initially for those unemployed for 2 years or longer, but extended in scope and to those unemployed for 18 months or more from 30 November 1998.

For more information on these programmes see Chapter 19 of this *Bulletin*. In Northern Ireland, these programmes are operated by the Training and Employment Agency (“the Agency”).

## Evaluation of the New Deals for Unemployed People

An article in last year’s *Bulletin* (No 12 Chapter 16) identified six key questions that the Evaluation Strategy for the New Deal in Northern Ireland would attempt to answer. That article related specifically to the New Deal for 18-24 year olds, but the same principles apply to the New Deal for 25+. Some of these questions (for example the effect of New Deal on total employment and unemployment) are only fully answerable at a national (ie UK) level, either because the models used to test them do not apply at regional level; or the data, especially sample data from the Labour Force Survey (LFS) are inadequate for rigorous analysis of the Northern Ireland situation as sample sizes are too small to be reliable. In these areas, therefore, much reliance will be placed on the macro-evaluation of New Deal being carried out by the Employment Service in GB. However, some analysis of NI data is possible to complement these analyses and work has already begun in this area (see below). The original six key questions for the evaluation as outlined in last year’s *Bulletin* were:

- (1) What is the impact of New Deal on youth unemployment and employment?
  - (2) What is the impact of New Deal on the wider labour market, particularly total unemployment?
  - (3) What is the impact of New Deal on participating individuals?
  - (4) What is the impact of New Deal on participating employers?
  - (5) How effective is the delivery mechanism of New Deal?
  - (6) How effective is New Deal in delivering wider social and economic objectives, for example social exclusion?
- To these original six questions, a seventh has been added in GB and will also be examined in Northern Ireland:
- (7) What is the impact of New Deal on exchequer costs and costs of welfare?

## How are these key questions going to be answered in Northern Ireland?

Table 1 outlines how these key questions will be answered in NI and the status of current work. The following section gives a brief outline of the work planned under each heading; and finally initial results are given, although it must be stressed that these at this stage are provisional and subject to change.



Table 1: New Deal Evaluation - Key Questions

Key Question	Methodology	Status
(1) Impact on youth employment/unemployment	<ul style="list-style-type: none"> <li>• Cognisance of GB macro-economic analysis</li> <li>• Analysis of claimant count data</li> </ul>	<ul style="list-style-type: none"> <li>• Work commenced</li> <li>• Work commenced</li> </ul>
(2) Impact on wider labour market	<ul style="list-style-type: none"> <li>• Cognisance of GB macro-economic analysis</li> <li>• Analysis of claimant count data</li> </ul>	<ul style="list-style-type: none"> <li>• Work commenced</li> <li>• Work commenced</li> </ul>
(3) Impact on Individuals	<ul style="list-style-type: none"> <li>• Initial Qualitative work with key New Deal Players</li> <li>• Quantitative Work with individuals</li> <li>• Qualitative Work with individuals and Case Studies</li> <li>• Analysis of NI New Deal Evaluation Database</li> <li>• Destinations Survey (18-24s only)</li> </ul>	<ul style="list-style-type: none"> <li>• Final Report due end 1999</li> <li>• Initial fieldwork to take place November/December 1999</li> <li>• Tendered October 1999</li> <li>• Database being developed</li> <li>• Final Report due end 1999</li> </ul>
(4) Impact on Employers	<ul style="list-style-type: none"> <li>• Initial Qualitative work with key New Deal Players</li> <li>• Case Studies</li> <li>• Possible evaluation work with employers</li> </ul>	<ul style="list-style-type: none"> <li>• Final Report due end 1999</li> <li>• Tendered October 1999</li> <li>• To be determined</li> </ul>
(5) Delivery of New Deal	<ul style="list-style-type: none"> <li>• Initial Qualitative work with key New Deal Players</li> <li>• Quantitative Work with individuals</li> <li>• Case Studies</li> <li>• Analysis of NI New Deal Evaluation Database</li> </ul>	<ul style="list-style-type: none"> <li>• Final Report Due end 1999</li> <li>• Initial fieldwork to take place November/December 1999</li> <li>• Tendered October 1999</li> <li>• Database being developed</li> </ul>
(6) Wider Social and Economic Issues	<ul style="list-style-type: none"> <li>• Quantitative Work with individuals</li> <li>• Possible work with Probation Board for NI</li> <li>• Analysis of NI New Deal Evaluation Database</li> </ul>	<ul style="list-style-type: none"> <li>• Initial fieldwork to take place November/December 1999</li> <li>• Under discussion</li> <li>• Database being developed</li> </ul>
(7) Impact on Exchequer and cost of welfare	<ul style="list-style-type: none"> <li>• Cognisance of GB macro-economic analysis</li> <li>• Quantitative Work with individuals</li> <li>• Analysis of NI New Deal Evaluation Database</li> </ul>	<ul style="list-style-type: none"> <li>• Work commenced in GB</li> <li>• Initial fieldwork to take place November/December 1999</li> <li>• Database being developed</li> </ul>

Note: This table lists key activities in summary form only. Other work will be developed to complement the research outlined above.



## Brief descriptions of methodologies employed

### (1) Initial Qualitative work with Key New Deal Players.

The Agency commissioned initial qualitative research in the Spring of 1999 to inform both the development of the New Deal programmes and future evaluation work. The main purposes of this research, contracted out to the consultancy firm KPMG, are:

- (i) To identify feedback from key players (participants, employers, consortia, personal advisers, and other key actors in the New Deal process ) on how New Deal is operating.
- (ii) To identify where New Deal is working well - examples of good practice.
- (iii) To identify problem areas for the operation of New Deal.

The main approach with participants and Personal Advisers was to use discussion groups. There were four discussion groups with New Deal Personal Advisers covering more than 40 Advisers. Sixteen discussion groups took place with New Deal participants, with more than 60 people taking part. These groups covered participants on both New Deals for 18-24 year olds and 25+; and included participants

at all stages of the New Deal, including Gateway, Options, Follow-through, and leavers from the programme. Individual interviews, a mix of face-to-face and telephone, took place with 20 participating employers and with representatives of New Deal delivery consortia. The final report is due in late 1999 but some provisional findings are outlined below.

### (2) Destinations Survey

In May and June 1999, a survey was carried out on all those who were recorded as leaving the New Deal for 18-24 year olds in the first six months of operation of the programme - ie April - September 1999. The survey work was carried out by the Central Survey Unit of the Northern Ireland Statistics and Research Agency (NISRA). The main factor behind this survey (which was similar to one carried out in GB) was concern at the numbers of people leaving New Deal for whom the Agency did not have destination information. In NI it was decided to follow up all leavers during this period and not just those for whom destination data were not known as was the case in GB. This is partly to obtain a fuller picture of the sustainability and wage levels of any employment obtained by those who left New Deal; and partly to gather some initial views of New Deal participants on the effectiveness of the programme. In all 1,267 leavers were targeted for

survey and 576 interviews with participants were obtained plus information on a further 196 by way of proxy interviews. The final report is due in late 1999 but some provisional findings are outlined below.

### (3) Quantitative Work with Individuals

Quantitative work with individuals in NI has been designed to largely mirror that in GB to allow broad comparisons to be made. Thus a cohort approach has been adopted, and although final decisions have yet to be taken, it is likely that individuals entering both New Deal for 18-24 year olds and New Deal for 25+ in April-July 1999 will be included. This work has been contracted out to the consultancy firm KPMG with interviews carried out by a local survey firm, Research and Evaluation Services. Initial interviews will take place around six months after participants enter New Deal, ie in late 1999. These interviews will supplement baseline information available on individuals from the NI New Deal Evaluation Database. They will also collect data on previous labour market experience; jobsearch patterns and aspirations of New Deal participants; experiences of the first few months of New Deal and so on.

This initial survey will be followed by a second round of interviews with as many of the same sample as can be

contacted some 9 months later - ie in the late summer/early autumn 2000. By this time most of the participants will have left the programme, and the survey will collect information on their experiences of the programme and subsequent labour market activity, for example jobsearch and employment including wage levels and job satisfaction. Sample sizes have yet to be finalised but provisionally the sample at the first wave will be around 1,000 18-24 year olds and 600 from the New Deal for 25+. This balance partly reflects the greater emphasis on young people (expenditure on this group is higher than for the 25+), and partly the greater number of options that are available for this group. Results from the first wave of interviews should be available by March/April 2000; second wave results should be available in early 2001.

#### **(4) Qualitative work with individuals and case studies.**

The Agency recognises that in-depth qualitative research is an integral and necessary part of the evaluation of New Deal. Furthermore, allied with a case study approach, the impact of the programme can be considered more fully by contextualising the experience of individuals within the whole process of delivery. The case study approach itself will help the Agency assess the effectiveness of programme delivery. Key aims of this work

will include:

- Examining the impact of New Deal on participants. For example, is there any evidence that New Deal improves or worsens the employability of participants; has it impacted on their motivation and jobsearch activities; or has led to a better/worse focusing of participants to occupational areas suited to their aspirations and abilities?
- Ascertaining the extent to which New Deal has met the expectations of participants, and to examine if there is any tension between the employment and employability objectives of New Deal.
- To examine the experiences of New Deal participants to consider which aspects are working well and could be promulgated more widely within the programme; and which areas appear to be performing badly and require revision.
- To examine the extent to which the different players in New Deal have a common view of the aims of the programme, and how differing views (if any) affect the efficiency of the programme.
- To review the sustainability and efficiency of the arrangements for the delivery of New Deal.

It is intended to tender for this work in October 1999, with timetable for reporting to be determined.

#### **(5) Analysis of New Deal Evaluation Database.**

The Agency is maintaining a database of individuals who have participated in New Deal. This database keeps information on the progress of all participants who pass through the programme, including data on immediate destination after leaving the programme and some data on the sustainability of any employment obtained post programme - this is initially being measured through re-entry to New Deal but it is intended to also use information on re-claims for JSA to help assess this (see next section). These data will feed into all the separate elements of the evaluation and will form a valuable source for analysis in their own right. For example, the database will record how many of those on the employment option of New Deal remain with their employer once the employment subsidy has finished.

#### **(6) Analysis of Claimant Count Data.**

The Department of Economic Development (DED) maintain a longitudinal database of all 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. It is also possible to link JSA data for research purposes with information from the New Deal database (see above). DED have already carried out some initial analyses of the New Deal 18-24 target group - see last section. This information - along with other labour market information eg from the Labour Force Survey, Quarterly Surveys of Employers etc - can be examined in its own right to see what it tells us about the Northern Ireland labour market, and it can be analysed in the light of findings from the GB macro-evaluations of New Deal to give an indication of the extent to which the NI situation follows or diverges from the national picture.

#### (7) Work with Employers.

Employers are being covered in the initial qualitative work with key New Deal Players, and will also be included in case study work. The Agency will review the outcomes of these research projects and other research in considering if any further work with employers is necessary.

#### Provisional Findings to Date (September 1999)

Some early findings are available in respect of three elements of the evaluation - the *Destinations Survey*; the *Qualitative Work with Key New Deal Players*; and analysis of *Claimant Count Data*. These findings are provisional at this

stage and should be treated cautiously.

**Destinations Survey.** This looked at those who left New Deal for 18-24 year olds in the first six months of the operation of the programme (ie April - September 1998). As such, this group is unlikely to be representative of all New Deal leavers as it will not include those who progress onto and complete New Deal options. Key findings, to be confirmed, are

- Nearly one-third of those who left New Deal in the first six months of the programme said they had no recognised qualifications.
- Nearly half (49%) of leavers said that they went from New Deal to a paid job (the vast majority of these full-time). 23% described themselves as being unemployed, and 8% left to other training or education, whilst 8% were too ill to work.
- At the time of interview (May/June 1999) 50% described themselves as in a paid job, and 27% unemployed. There was no difference between males and females in the proportions in work (males 49.4% in work; females 49.7%), but Protestant leavers were more likely to be in employment (56%) than Catholic leavers (46%).
- Although 28% of leavers did not think that New Deal would help them get a job, a higher proportion (39%) felt that New Deal

would help them in this regard. The rest couldn't or wouldn't say.

**Qualitative Work with Key New Deal Players.** Provisional findings include:

- The role of **Personal Advisers** is seen as crucial. On the whole, participants were positive about Personal Advisers, but there seems to be scope (identified by both participants and Advisers themselves) to further develop the role of Advisers during a participant's time on options to better help participants both during their training and to assist in moving to "real jobs". Personal Advisers were particularly concerned about having the time to do this within what were perceived as heavy caseloads.
- Amongst **participants**, views were mixed and extreme. Some participants were very content (especially those on the employment option), but others were concerned with what they saw as a lack of flexibility in New Deal and a concomitant lack of choice - some participants argued that the placement they were being offered was not suitable to their needs. The over 25 age group was generally more negative than young people, and pessimism was greater amongst those from rural

areas, especially those from the west of Northern Ireland. The view was articulated (corroborated by Personal Advisers) that employment levels were insufficient in these areas for programmes concentrated on the supply side to work - it was felt that there was a need for demand-side solution (ie more job creation to complement existing provision). The 25+ group were particularly critical of the short length (3 months) of the Intensive Activity Period - this was not seen as sufficient to address needs that had developed over long periods of unemployment.

- **Employers**, most of whom had no previous involvement with the Agency, were generally positive (although these findings are based on discussions with only 20 employers). The most positive finding was that employers' experience of the New Deal has resulted in them claiming that they would be more likely to take on unemployed people in the future. On the negative side, employers did report a number of problems with some participants - poor motivation and attendance, attitude problems; and some unhappiness about the logistics of the programme, especially in the

"bureaucracy" involved and in the time it took to recruit - sometimes this was allied with a poor response to vacancies as well (ie few people were being put forward to fill vacancies).

- The work also looked closely at the relationships between the key players in the New Deal process and how these could be improved: this element of the work is still in preparation and findings will be published in late 1999.

**Analysis of Claimant Count Data.** Analysis carried out by DED of the claimants in the target group for New Deal for 18-24 year olds up to July 1999 produced the following key findings:

- The target group for New Deal for 18-24 year olds (ie the stock of people unemployed for six months or more in the age range) fell considerably - from 14,600 to 5,800 - in the 5 year period before the introduction of New Deal (1993 - 1998). This fall was similar to the fall in unemployment generally, but was sharper than the fall in the "non-New Deal" group.
- Since the introduction of New Deal, the numbers in the New Deal target group have continued to fall, and in the period April 1998 -

July 1999 they fell by 46%. Numbers in the non-New Deal group fell by only 2% over the same period.

- The fall in the numbers in the New Deal target group have been occasioned mostly by an increase of those leaving the register, although there has also been a decline in onflows from pre-1997 levels. Most of the increase in off-flows is accounted for by an increase in those leaving the register to take up an education and training place (the vast majority of these, in turn, will have started on one of the New Deal options). The numbers moving into employment fell slightly (by 4% in 1998-99 compared to 1997-98). On the other hand, moves into employment for a "control group" (25-34 year olds claiming JSA for 6-18 months) fell by over 8% in the same period.

The above represent the findings of evaluation work to date. More will be published over the coming months as detailed in this article. Readers should also note that regular monthly statistics on the New Deal are published by the Training and Employment Agency, and are available from Research and Evaluation Branch, T&EA, Adelaide House, 39-49 Adelaide Street, BELFAST BT2 8FD.



# Religion in the Labour Market

Tony Mathewson, Human Resource Research & Evaluation Branch, Rosepark house

## BACKGROUND

The Labour Force Survey (LFS) has been conducted in Northern Ireland since 1973 in order to provide key information on the Northern Ireland labour market. As Fair Employment legislation and the requirement for employers to monitor their workforces was introduced, it became apparent that more regular information on the labour force activity of Protestants and Roman Catholics was required. To address this issue, a question on the religion of respondents was included in the 1990 LFS enabling labour market statistics to be produced annually on the two communities.

The most recent LFS religion report relates to 1997, the eighth year that labour market statistics by religion have been available from the LFS. The 1997 LFS annual dataset is based on a random sample of some 3,200 responding households throughout Northern Ireland. Information is collated on each household member aged 16 or older and is then weighted to give population estimates for Northern Ireland. The LFS religion report concentrates on Roman Catholics and Protestants (Presbyterian, Church of Ireland, Methodist and Other Protestant). Those with no denomination or those unwilling to state their religion are excluded from the LFS religion report.

This higher economic activity rate for Protestants was found across both males and females and was also reflected across all age groups.

The main reasons given for not seeking work (by the economically inactive of working age) were that they were 'looking after family/home' or that they were 'long term sick/disabled' or because they were 'students'. A greater proportion of Protestants than Roman Catholics were not seeking work because they were 'retired' whereas more Roman Catholics than Protestants were not seeking work because they were 'students'.

## Economic activity

The economic activity rates for the two communities are summarised in Figure 1 below. Overall, for both sexes, Protestants had a higher level of economic activity (76%) than Roman Catholics (69%).

## Religious composition of the economically active

The overall composition of the economically active workforce was 41% Roman Catholic and 59% Protestant. Roman Catholic representation was higher amongst economically active males (43%) than

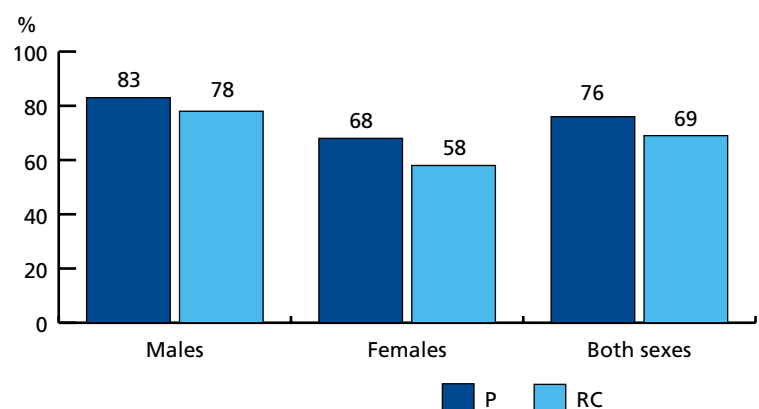


Fig 1: Economic activity rates (working age)

amongst economically active females (39%). Table 1 summarises the religious composition of the economically active by gender from the 1997 LFS religion report.

The overall Roman Catholic representation amongst the economically active was greater in the younger age groups (45% of 16-24 year olds) than in the older age groups (36% of 45-59/64 year olds)<sup>1</sup>.

## Unemployment

Figure 2 summarises the unemployment rates for both communities as identified in the 1997 LFS.

The overall unemployment rate for Roman Catholics (12%) was substantially higher than that of Protestants (5%). In particular, Roman Catholic males (16%) were much more likely than Protestant males (6%) to be unemployed. Amongst females the difference in unemployment rates was less marked (5% for

Table 1: Religious composition of the economically active (aged 16+)

Age Group	Male		Females		Both Sexes	
	P	RC	P	RC	P	RC
All ages	57%	43%	61%	39%	59%	41%

Table 2: Religious composition of the unemployed

Age Group	Male		Females		Both Sexes	
	P	RC	P	RC	P	RC
Long term Unemployed (unemployed for 12 months or more)	31%	69%	36%	64%	32%	68%
All unemployed	31%	69%	52%	48%	38%	62%

Protestant females and 7% for Roman Catholic females).

The higher Roman Catholic unemployment rate both overall and for males was reflected across all age groups. Fewer differences in the unemployment rates of Protestant and Roman Catholic females emerged across the various age groups.

the unemployment rates of the two communities and is calculated by dividing the unemployment rate of the group with the higher rate of unemployment by that of the group with the lower rate. The unemployment differentials between the two communities in the 1997 LFS were 2.9 for males, 1.4 for females and 2.3 overall.

## The unemployment differential

The unemployment differential is used to compare

## Religious composition of the unemployed

Of those identified as unemployed, 62% were Roman Catholic and 38% were Protestant. Amongst males, Roman Catholics accounted for over two thirds (69%) of the unemployed whereas amongst females they accounted for just under half of the unemployed (48%). The religious composition of the unemployed is summarised in Table 2.

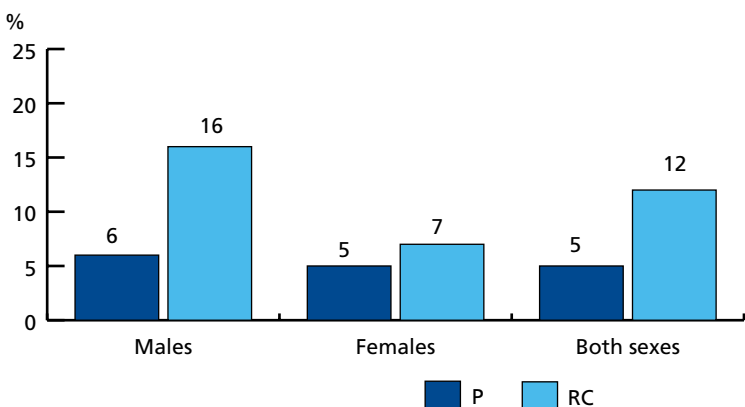


Fig 2: Unemployment rates (all economically active)



<sup>1</sup> The abbreviation 45 - 59/64 is used to signify 45 - 59 for females and 45 - 64 for males.

Amongst the long term unemployed (those unemployed for 1 year or longer) the Roman Catholic representation (68%) was even greater than amongst the unemployed as a whole (62%). In terms of gender, 69% of males who were long term unemployed were Roman Catholic whereas amongst females, 64% of the long term unemployed were Roman Catholic.

### Length of time seeking work

In terms of the length of time the unemployed had been seeking work, almost a third of unemployed Roman Catholics (32%) had been looking for work for 4 years or more in comparison to 19% of unemployed Protestants. Conversely, 43% of unemployed Protestants had been unemployed for less than 6 months in comparison to 31% of unemployed Roman Catholics.

### Employment

The 'employment gap' measures the difference between the representation of a community in the economically active population and its representation among those in employment. Overall in 1997, Roman Catholics accounted for 41.4% of the economically active and 39.6% of those in employment, resulting in an employment

gap of 1.8 percentage points. The gap for Roman Catholic males was 2.8 percentage points whereas for females it was 0.5 of a percentage point.

### Occupation

As regards the main occupational grouping of those in employment, Protestant representation was highest in Clerical and secretarial occupations (64%), while Roman Catholic representation was highest in Professional occupations (46%).

Amongst males and females there were no marked differences in the distribution of Protestants and Roman Catholics across the various occupational groupings.

### Industry

With respect to the industrial classification of those in employment, Protestant representation was highest in Financial intermediation i.e. banking, finance and insurance (67%), while Roman Catholic representation was highest amongst those employed in Hotels and restaurants (48%).

Amongst males, Protestants were more likely than Roman Catholics to work in Manufacturing and in Public Administration & defence. Roman Catholic males, on the other hand, were more likely to work in Construction,

Transport, storage & communication, Hotels & restaurants and in Education than Protestants. Amongst females, Protestants were more likely to work in the Wholesale and retail trade than Roman Catholics.

### Size of workplace

Across workplace size Roman Catholic representation was highest (41%) in medium sized workplaces i.e. 11-49 employees, and lowest in large workplaces employing fifty or more persons (37%). Amongst males, Roman Catholic representation was lowest (35%) in large workplaces (50 or more employed), whereas amongst females, it was lowest (36%) in small workplaces (1-10 employed).



# Qualifications

Figure 3 highlights the highest level of qualification attained by the economically active (both sexes). A greater proportion of Roman Catholics (15%) than Protestants (12%) had 'A-Levels' as their highest level of qualification whereas Protestants (18%) were more likely than Roman Catholics (14%) to have 'O-Levels' as their highest level of qualification. Similar proportions of Protestants and Roman Catholics had 'no qualifications' (21%). These differences in the highest level of qualification attained by either community were most apparent amongst females whereas amongst males few differences emerged.

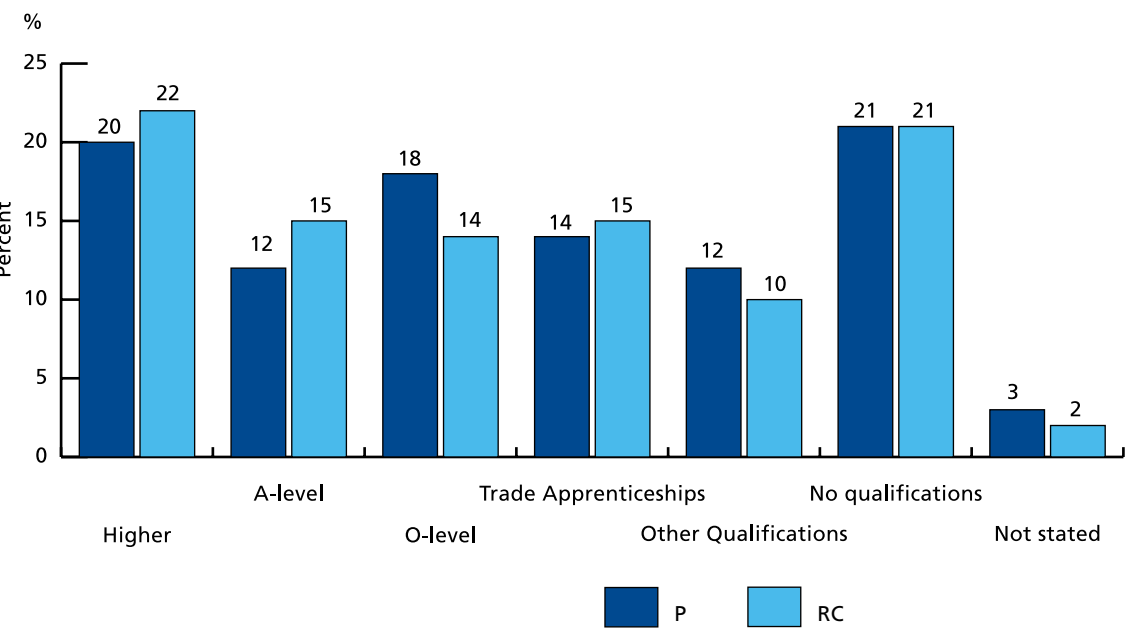


Fig 3: Highest level of qualification by religion (economically active persons)

# Disability Research in Relation to Employment Issues

Gloria Henderson, Research & Evaluation Branch, T&EA

Since 1997 the Training and Employment Agency has responsibility to meet the needs of the Northern Ireland Disability Council for research and information in relation to disabled people and employment issues. This paper provides a summary of research which was commissioned to examine the factors that influence the employment opportunities of disabled people, as perceived by disabled people themselves, in order to inform the advice given to Government by the Northern Ireland Disability Council. This responsibility will pass to the new Equality Commission from October 1999.

## The Disability Discrimination Act 1995

Disabled people are defined in terms of the Disability Discrimination Act 1995 (DDA). A person is deemed to have a disability if he or she has a physical or mental impairment which has a substantial and long-term (lasting more than one year) adverse effect on a person's ability to carry out normal day-to-day activities. The Act also covers people with a progressive illness (e.g. cancer, multiple sclerosis) even if the illness has yet to have a substantial adverse effect upon day-to-day activities. The DDA protects disabled people from discrimination in the field of employment and in access to goods and services. As part of this protection employers may have to make reasonable adjustments to their employment arrangements or premises if they place disabled people at substantial disadvantage compared with non-disabled people. The DDA also set up the National Disability Council (and in Northern Ireland, the Northern Ireland Disability Council) to provide advice to Government on disability issues. The Northern Ireland Disability Council has a statutory responsibility to advise Northern Ireland Departments on: matters relevant to the elimination of discrimination against disabled people; on matters which are likely to reduce or eliminate discrimination and on matters related to the operation of the

DDA. This responsibility extends to employment issues (Part II of the DDA) as well as access to goods, facilities and services (Part III of the DDA).

## Government Policy In Relation to Disabled People

The Government's emphasis on helping to support and encourage people into employment welfare-to-work includes disabled people. Many policies have been designed to encourage disabled people to participate in the labour market through work or training leading to work. For example, from October 1998 Incapacity Benefit claims can be broken up for up to a year whilst recipients try out work possibilities, allowing a return to the same level of benefits as before open. The in-work benefit Disability Working Allowance will be replaced by a tax credit in late 1999. This will include a 'fast-track' gateway for those on Statutory Sick Pay to facilitate job retention. There is also a New Deal for Disabled, a voluntary programme, currently being piloted, designed to assist people on Incapacity Benefit, Severe Disablement Allowance or Income Support Disability Premium to re-enter the labour market. One part of the New Deal for Disabled people in Northern Ireland consists of seven Innovative Schemes. Introduced on 5 April 1999, these are provided by independent groups and



are designed to assist disabled people enter the labour market by improving their skills and employability. The other part of the New Deal for Disabled people being piloted from the 20 July 1999 offers disabled people the services of a personal adviser to assist them in finding a job and improving skills.

### Labour Market Position among Disabled People

The Labour Force Survey for 1997, the first full year for which the provisions of the DDA were in operation, shows the following trends for disabled people of working age in Northern Ireland:

- 15% of the working age population were disabled using the DDA definition.
- Levels of labour market participation were low with only 30% of disabled people economically active ( 25% in employment and 5% unemployed of the working age population)
- 16.5% unemployment rate for disabled people
- 70% of disabled people of working age were economically inactive but 21% of these disabled people said they would like work
- Average hourly wages were lower for disabled people than for non disabled people
- A higher proportion of disabled people (50%) had no qualifications compared to non disabled people (23%)

### OBJECTIVES OF RESEARCH ON DISABLED PEOPLE IN RELATION TO EMPLOYMENT ISSUES

There are two pieces of research which are summarised in this article:

- (1) A disability and employment module which was part of the Omnibus Survey carried out by DFP in November 1998 . This survey was based upon face-to-face interviews using a questionnaire.
- (2) In July and August 1999 12 focus groups and 12 in depth interviews based upon different types of disability and disabled people in work and not working, were carried out. This research was designed to enable people themselves to express their views in relation to employment issues.

The research undertaken in relation to disabled, people and employment issues was designed to obtain information on:

- the experience of disabled people in the labour market
- the difficulties faced by disabled people in the labour market
- the barriers to disabled people becoming economically active
- the reasons for economic inactivity

- employers policies and practices with respect to disabled people
- awareness of the DDA and opinions on the effectiveness of the legislation

Research was designed to obtain information using both survey methods and focus group discussions and interviews to enable issues to be probed more deeply than possible in a questionnaire response.

### NORTHERN IRELAND OMNIBUS SURVEY NOVEMBER 1998: KEY FINDINGS FROM THE DISABILITY AND EMPLOYMENT MODULE

This survey was carried out in November 1998, and was part of the Omnibus Survey carried out by DFP. It gives descriptive data about one group of disabled people in Northern Ireland drawn from a sample of the working age population; the over all sample was 856, and the number of disabled people was 102. This number of disabled people is small, and care needs to be taken when making generalisations.





The following key facts are apparent in relation to the disabled group in the sample of the working age population in November 1998:

- 12% of the sample of the working age population were disabled using the DDA definition.
- Disabled people have an older age profile than non-disabled people: 55% of disabled people were in the oldest age group 45-64 compared to 28% for non disabled people.
- A higher proportion of disabled people had no qualifications (54%) compared to non disabled people (26%)
- 22% of disabled people were in employment
- 78% of disabled people were economically inactive which included 53% saying they were permanently unable to work, 12% saying they were looking after home and family and the remainder saying they were temporarily sick.
- 78% of disabled people said their illness or disability had affected their chance of employment: 67% said a lot and 11% said a little.
- 18% of disabled people said they had been discriminated against in employment by reason of their disability
- 20% of disabled people felt they were disadvantaged by lack of access to courses in work of their choice.
- 32% of disabled people felt they had lost a job because of their disability; 14% considered that disability stopped them getting promotion
- 49% of disabled people said they had left employment because of their illness or disability
- 13% of the disabled people had sought advice on finding a job and only 14% of those who had not sought advice said they would like advice on finding a job.
- Only 9% of disabled people had received assistance with their employment needs from Government schemes. The majority of disabled people (53%) said they would not go on a Government scheme.
- 54% of disabled people said they would like work and 44% said they did not want to work in the future.
- Amongst disabled people in work 42% said their ability to do their current job was affected by their disability in a variety of ways including attendance, type of work, hours of work, pay, mobility and conditions in which they could work.
- 25% of disabled people in work said assistance had been provided by their employer with altered working conditions, special aids and equipment and allowed time off. 46% of the disabled people in work said no assistance was required from their employer. 67% of disabled

people in work said their employer had given them enough support.

- 75% of disabled people were aware that under the DDA they had a right not to be discriminated against on the grounds of disability but 25% of disabled people were not aware of this.

### **DISCUSSION GROUPS AND INTERVIEWS WITH DISABLED PEOPLE JULY/AUGUST 1999: KEY FINDINGS**

This research was carried out by PricewaterhouseCoopers on behalf of the T&EA in July and August 1999. The summary findings presented are provisional. The research comprised 12 focus groups based on working and non working disabled people with different types of disability including: learning disability, mental ill health, visual impairment, hearing impairment, non progressive disability (coronary, stroke, ME etc), progressive illness (cancer, arthritis, multiple sclerosis etc), motor impairment (physical disability, including wheelchair users). These discussion groups were supplemented with 12 in depth interviews covering all the disabilities.

### **Perceived barriers to work (based on discussions with disabled people who were not working)**

- Concerns about coming off benefits - many disabled people are afraid that if they start work and are unable to cope they will not be able to claim benefits again
- Benefits offer an element of security in disabled peoples lives
- Lack of opportunities - many disabled people feel that there are few jobs that will suit their individual needs e.g. those who suffer pain, severe fatigue, tension headaches would need a lot of time off - they feel their employer would not be flexible enough to meet their needs
- The perception that employers are not interested in employing disabled people
- The type of work available is perceived to be low paid - many disabled people believe they would be better off on benefits
- The perception that they cannot work - many of those disabled people who had to give up work because of their disability feel they can no longer work
- Not being able to travel very far to work - opportunities are limited in their local area
- Access - some disabled people believed that many employers premises are

inaccessible to wheelchair users

- Some disabled people had been told by their doctor or psychiatrist that they could not work
- Some disabled people felt that working would make their illness or disability worse
- Fear of other employees finding out about their illness (mental ill health) - many disabled people feel there is a stigma attached to mental ill health

### **Views on what can be done to improve job opportunities for disabled people (based on discussions with disabled people who were not working)**

- Employers encouraged to be more flexible with regard to the individual needs of the disabled person
- Advice and guidance to assist disabled people in applying for jobs
- Advice and guidance to assist disabled people find work that suits their needs
- A guarantee that benefits will not be lost if the disabled person cannot hold down the job
- Opportunities for disabled people to try out work and retain benefits
- Protection from redundancy for disabled people
- Opportunities to retrain in a different field (for those who have had to give up a particular job)

- More stringent legislation to prevent discrimination against disabled people

### **Difficulties experienced by disabled people in the work environment (based on discussions with disabled people who were working)**

- Attitudes of other employees - many disabled people reported that they are treated the same as everyone else. However many examples were given of disabled people being treated differently than their work colleagues:
  - not being invited to social occasions
  - social occasions being organised in inaccessible locations
  - jokes about disability in the office
  - lack of awareness of disability issues
  - 'jibes' from other employees about taking a lot of time off work
  - patronising attitudes and behaviour e.g. talking slowly and loudly, patting on head
  - low expectations of what a disabled person can do
  - unwillingness to get to know more about the disability e.g. schizophrenia
- Employer's expectations - many disabled people feel that employers have low expectations of what disabled people can do.



- Many disabled people feel they have to try harder and perform better than able bodied people in the same job.
- Many disabled people feel their opportunities are limited with regard to: promotion prospects, earnings ("only low paid jobs are available") and the type of work they can do - employers often do not give them a chance
- Travelling - many disabled people experienced no problems travelling to work. Of those who reported problems, types included: the high cost of travelling by taxi, difficulties in sitting in one place on long journeys, wheelchair users having difficulty in and out of their car, not enough disabled parking spaces (or being taken by the non disabled) and the difficulties of using public transport
- Hours worked - many disabled people are able to work full time but others have to work part-time because of health problems e. g. severe fatigue
- Communication - mainly a difficulty for disabled people with a hearing or visual impairment. Disabled people would welcome more widespread use of Braille and technology such as typetalk and minicom. Many feel that sighted and hearing people are

hesitant about trying to communicate with deaf and visually impaired people.

- Access problems - some examples of access problems were reported but in most cases the buildings in which disabled people worked were wheelchair accessible. There was however much discussion regarding access in general - problems are encountered at banks, hotels, restaurants etc.

### **Do disabled people feel at a disadvantage? (based on discussions with both non working disabled people and disabled people who were in work)**

The majority of disabled people felt they are at a disadvantage because of their disability.

- Many disabled people could give examples of where they had been discriminated against in the past when applying for jobs.
- The majority of disabled people agreed that job opportunities in the private sector are severely limited for disabled people.
- Many disabled people feel that employers are not interested in giving 'real' jobs to disabled people.
- Most disabled people agreed that promotion prospects for disabled people are limited.

- There is a widely held view that the jobs available to disabled people tend to be low paid.
- Some disabled people felt that they had to try much harder than non-disabled people to obtain training.
- A number of people had to change jobs as a result of becoming disabled.
- A number of people had to give up work completely as a result of becoming disabled.

### **CONCLUSION**

The research findings in relation to the November 1998 Omnibus Survey have been presented to the Northern Ireland Disability Council, Employment Sub Group for consideration. A final report on the focus group research in relation to disability and employment issues will be available in September 1999 and will be presented to the Employment Sub Group of the NI Disability Council. The information on these disability and employment issues will be supplemented by a literature review which was also part of the PricewaterhouseCooper research. This forms part of the process of assisting the NI Disability Council in relation to the advice given to Government in relation to disability and employment issues.

The Training and Employment Agency has been monitoring its major Employment and Training Programmes for Equality of Opportunity for 7 years.

This flowed from the Agency's adoption of an Equality of Opportunity Policy in 1991 which formalised its commitment to equal treatment for all who used or sought to use its services.

The Agency published a Report (Equality of Opportunity Monitoring Results) in June 1994 which gave a picture of its programmes in terms of their compositions on the equality dimensions of gender, community background (religion), and disability.

In October 1995, the Agency published an update of the major statistics included in the original Report (Labour Market Bulletin No 9, pp 28-31), and data to 1997 appeared in the Labour Market Bulletin No 11, pp 46-49. This article updates the figures to 1999.

Previous updates have contained descriptions of programmes covered and commentary on programme compositions and changes. These have been omitted from this article because it is planned that next year's issue of the Bulletin will be able to cover these areas in more detail. There are three main reasons why detailed commentary has been held over to 2000:

- Revision of Target Group Information: estimates on the composition of the target groups for the main Agency programmes are currently being updated, but work on this was not possible until key religion data were available from the Labour Force Survey (LFS) to allow community background target groups to be delineated. In the

absence of revised target group information comparisons of programme composition with target group data, especially for 1999, should be treated with a degree of caution.

- Impact of New Equality Measures: the T&EA, along with other government departments and agencies, is currently reviewing information requirements and monitoring arrangements in light of the New TSN initiative and the Statutory Duty contained in the Northern Ireland Act 1998. It will be in a better position to report on these next year once full consultation over New TSN has taken place.
- Disability Monitoring: the Agency is moving towards a standard system of monitoring disability to be consistent with that used in the Disability Discrimination Act. This is being progressed in a rolling programme from September 1999. Meaningful monitoring results will not be available for any programmes until next year when analysis and commentary will be more appropriate.



The 1999 data relate to the end of March 1999.

Table 1 shows the programme compositions in September 1993, June 1995, March 1997, and March 1999. Each programme is aimed at a particular target group, and the estimated composition of

the target group is also shown in the Table (the principles behind the estimation of target group compositions are discussed in the 1994 Report). Finally, Table 1 also contains the total numbers in each programme on which the March 1999 figure is based.

Table.1: T&EA Programme Composition September 1993, June 1995, March 1997, and March 1999

Programme		1993	1995	1997	1999	Target Group Composition	Number of Participants
Action for Community Employment	% Female	47%	49%	53%	61%	22% - 44%	3,144 Employees
	% Catholic <sup>2</sup>	[58%]	[58%]	[58%]	[59%]	[62%]	
	% Disabled	13%	9%	12%	12%	2%	
Enterprise Ulster	% Female	46%	48%	54%	56%	23% - 42%	786 Trainees
	% Catholic	[59%]	[58%]	[60%]	[61%]	[60%]	
	% Disabled	3%	6%	4%		2%	
New Deal for 18 - 24 Year Olds	% Female	-	-	-	28%	25%	6,377 Participants
	% Catholic	-	-	-	[61%]	[60%]	
	% Disabled	-	-	-	n/k	n/k	
New Deal for 25+	% Female	-	-	-	14%	16%	4,332 Participants
	% Catholic	-	-	-	[59%]	[65%]	
	% Disabled	-	-	-	n/k	n/k	
Jobskills (Young People)	% Female	n/a	n/a	33%	31%	34%	12,465 Trainees
	% Catholic	n/a	n/a	[52%]	[53%]	[52%]	
	% Disabled	n/a	n/a	1%	2%	2%	
Training Centres	% Female	4%	3%	3%	2%	33%	1,882 Trainees
	% Catholic	[54%]	[56%]	[53%]	[62%]	[49%]	
	% Disabled	< 0.1%	< 0.1%	< 0.1%	0.2%	0.2%	
Management Development Programmes	% Female	39%	30%	49%	50%	n/a	626 Trainees
	% Catholic	[50%]	[43%]	[52%]	[50%]	n/a	
	% Disabled	0.2%	0%	0%	0%	n/a	
Vacancy Submissions	% Female	44%	44%	41%	n/a	42%	
	% Catholic	[45%]	[47%]	[46%]	n/a	[49%]	
	% Disabled	1%	1%	2%	n/a	2%	
Training Submissions	% Female	35%	34%	41%	n/a	28%	
	% Catholic	[45%]	[61%]	[47%]	n/a	[53%]	
	% Disabled	2%	2%	2%	n/a	2%	

Note: Target group estimates for New Deal are provisional.

- Data for vacancy Submissions and Training Submissions have been temporarily suspended following the introduction of a new computer system.



1 Details of how target group compositions were calculated were given in the 1994 Report. For a number of programmes (eg ACE, EU), the composition of the target group in terms of gender differs depending on how some women who are not economically active are counted. The percentage shown gives the possible range of target group compositions.

2 In common with the practice adopted in the 1994 Report, 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%].



# Status 'O' Four Years On: A Progress Report

Duncan McVicar, Northern Ireland Economic Research Centre

In 1995, the T&EA commissioned a team from NIERC and the University of Ulster to carry out research on young people aged 16-18 neither in employment nor in full-time education and training in NI (Status 'O'). The team was assisted by two researchers from the University of Wales responsible for pioneering the original work in this field.

Existing data sources suggested the extent of Status 'O' in NI was surprisingly low, at around 4-6% of the age group in 1993/94, although proportions varied considerably across the region. However, these existing data sources could only give part of the picture (snapshot estimates). In order to examine the dynamic nature of Status 'O' (ie: the flows into and out of Status 'O'), NIERC carried out a survey of 1,492 young people first eligible to leave school in June 1993.

This survey suggested that around a quarter of the cohort had experience of at least one spell of Status 'O' between July 1993 and June 1995. Of these, nearly two-fifths had experienced a spell of at least 6 months and some had been continuously in Status 'O' for the full 24 months. Qualitative analysis, based on in-depth interviews with young people and relevant professionals suggested that the causes of Status 'O' form a complex web of relationships between young people's attitudes, their family background and their experiences of school and post-school institutions. These results were summarised in an article in Labour Market Bulletin No. 10 'Young People on the Margin in Northern Ireland' and in a special publication available on request from Research and Evaluation Branch.

It is widely believed that young people who are in Status 'O' for considerable lengths of time tend to become discouraged with respect to their chances in the labour market. These young people are therefore more likely to experience long-term unemployment as adults. To what extent does this hold true in NI? Are those young people most marginalised at the age of 18-22, for example, the same as those most marginalised at the age of 16-18? Do some young people manage to move out of marginalised positions? Equally, are there young people who become increasingly marginalised over time despite positive early labour market experiences? What policy lessons can we learn from both sets of young people? To answer these questions, the T&EA has commissioned a team from NIERC and the University of Ulster, assisted by the University of Wales, to carry out a follow-up to the 1995 research project on the subsequent labour market experiences of the original cohort of young people 4 years on.





First, existing data sources will be examined to provide snapshot estimates of the labour market activities of the 1993 5th-Form leavers cohort over the last 6 years.

Unsurprisingly, the pattern of labour market activities for 16 and 17 year olds is quite different to that for 21 and 22 year olds, as shown by Figure 1. Of course, the substantial improvement in the NI labour market over recent years is acting to obscure age-related trends. Figure 2 more clearly shows the age-related pattern in labour market activities for a given point in time.

As before, these existing data sources cannot be used to answer the dynamic questions of flows into and out of excluded positions. The second strand of the project is therefore a follow-up survey of the young people surveyed in 1995. Pilot study indications suggest a response rate of around 60% will be achieved. The survey data will enable the activities of a significant number of young people to be traced through from completing compulsory schooling in 1993 to June 1999. In addition, a qualitative analysis based on a number of in-depth interviews with professionals and young people aged 19-22 will be carried out. This will provide valuable detail on the experiences of those young people who have switched out of or into excluded positions over the last 6 years.

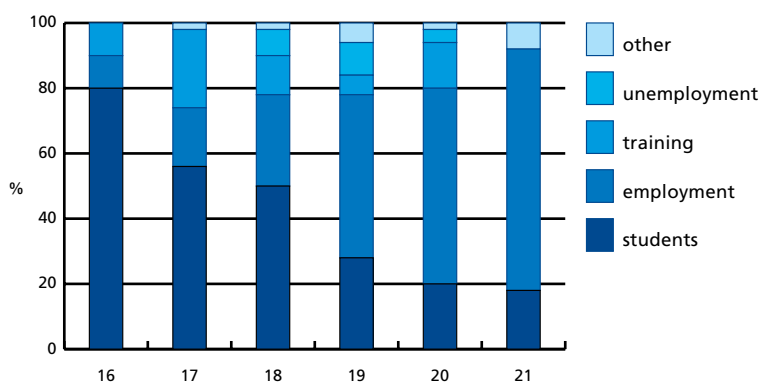


Fig 1: Cohort Labour Market Status, 1993 - 1998

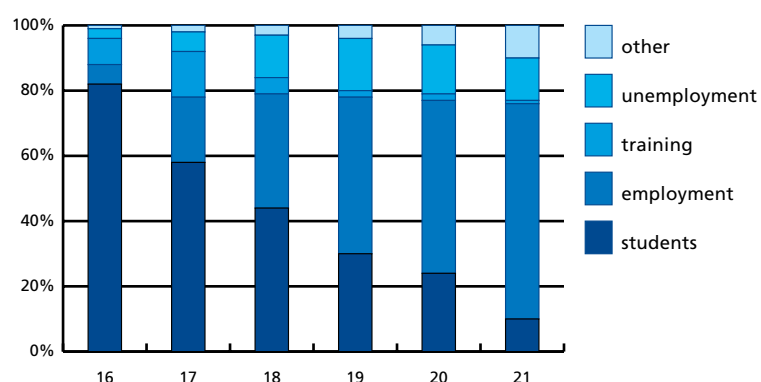


Fig 2: Labour Market Status by Age, 1991

Notes: Figure 1 data from Labour Force Survey. Data for 16 year olds is for 1993, 17 year olds for 1994 and so on. Other denotes all those who are neither full time students, working, training, or covered by ILO unemployment. This includes those looking after family or the home. The LFS only reports figures that are greater than 1000. The zero entry for ILO unemployment for 21 year olds in 1998 therefore represents between 0 and 1000 people. Figure 2 data from 1991 Census of Population.

The research is highly policy relevant. One of the Prime Minister's first actions was the formation of a Social Exclusion Unit for England in the Cabinet Office. In July 1999, the Prime Minister launched a major report by the Unit, with resulting actions to be led by David Blunkett. In addition,

the research will offer an opportunity to assess the micro-level effects of a number of recent policy developments in Northern Ireland, such as the New Deal for Young People and the Job Seekers Allowance. The project is due to be completed early in 2000.



# What is the Inter Departmental Business Register (IDBR)? Can it be of use to you?

Statistics Research Branch, Department of Economic Development

The Inter Departmental Business Register (IDBR) is a statistical register comprising 2 million UK enterprises (the statistical term that most closely equates to a business); 51,500 of these are in Northern Ireland. The register includes companies, sole proprietors, partnerships, public authorities, central government departments, local authorities and non-profit making organisations.

The objective is to maintain an integrated and comprehensive list of all businesses to support statistical inquiries and promote consistency in government statistics. It is a dynamic register which is updated daily to reflect the latest information collected from various economic surveys and inquiries as well as data on firms registered for both VAT and PAYE.

All sectors of the economy are covered, although no extensive analysis is available for agriculture. Statistics Research Branch, DED is responsible for maintaining the Northern Ireland element of this UK-wide register so that it can be used as the sampling frame for Government business surveys.

In May of this year a booklet was published which presented (for the first time) information on the Northern Ireland businesses whose details are held on the register - for example, how many there are, what they do and how many people they employ. A selection of this information has been reproduced below:

Table 1 shows that Northern Ireland is a small business economy, where 84.5% of businesses have less than 10 employees, compared with only 2.9% with 50 or more. However most employees work in large businesses - 44.2% work in a business that has 500 or more employees, just 0.3% of all businesses in Northern Ireland.

Table 1: Businesses and employees in Northern Ireland at February 1999<sup>1,2</sup>

## a) Private and public sector

Sizeband	0*	1-9	10-19	20-49	50-99	100-199	200-499	500+	Total
Businesses	11,680	25,680	3,435	2,110	660	325	190	120	44,205
Employees	0	79,635	45,770	63,155	44,645	44,900	57,550	266,390	602,040

\* This figure includes sole proprietors and partnerships, holding companies and those companies which are not yet trading, for example, if a factory is under construction.

## (b) Private sector

Sizeband	0	1-9	10-19	20-49	50-99	100-199	200-499	500+	Total
Businesses	11,680	25,660	3,410	2,050	635	300	165	65	43,965
Employees	0	79,540	45,440	61,070	42,910	41,405	49,240	90,245	409,850

## (c) Public sector

Sizeband	0	1-9	10-19	20-49	50-99	100-199	200-499	500+	Total
Businesses	0	20	25	60	25	25	25	55	240
Employees	0	95	335	2,085	1,735	3,490	8,310	176,140	192,190



<sup>1</sup> All figures are rounded to the nearest five and thus may not add to totals.

<sup>2</sup> The figures in this table exclude (i) agriculture and (ii) a small number of businesses which are imputed to have 20 or more employees but for which DED have no information. Such businesses are commonly referred to as "unproven" and proving forms are regularly and continuously issued in order to obtain the relevant details.

The public sector's importance as a major employer in Northern Ireland is clear—almost one out of every three employees works in the public sector (including both central and local government).

In 1998, one third of private sector businesses registered for VAT in Northern Ireland

were in agriculture. These businesses employed 1.8% of private sector employees. A further 23.7% of private sector businesses were in the wholesale and retail industries, employing just over one fifth of private sector employees. The manufacturing sector employed 29% of private sector employees.

Table 2 Businesses and employees in Northern Ireland by broad industry group, 1998<sup>3</sup> (VAT registered businesses only)

SIC(92)	Section	Businesses	Employees
A	Agriculture, Hunting and Forestry	17,370	6,290
B	Fishing	220	230
C	Mining and Quarrying	100	1,625
D	Manufacturing	3,790	99,130
E	Electricity, Gas and Water Supply	25	3,460
F	Construction	6,025	23,730
G	Wholesale & Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	12,285	73,985
H	Hotels and Restaurants	2,705	25,215
I	Transport, Storage and Communication	1,855	12,535
J	Financial Intermediation	160	6,310
K	Real Estate, Renting and Business Activities	4,815	27,710
L	Public Administration and Defence; Compulsory Social Security	25	21,810
M	Education	90	13,270
N	Health and Social Work	255	6,630
O	Other Community, Social and Personal Advice Activities	2,080	18,235
<b>Total</b>		<b>51,795</b>	<b>340,165</b>



## VAT REGISTRATIONS AND DE-REGISTRATIONS

The following table shows the number of businesses that registered and de-registered for VAT in the regions of the United Kingdom for the period 1994-1997. VAT registrations and de-registrations are the best official guide to the pattern of business start-ups and closures.

Coverage includes both companies and self-employed run businesses but excludes those businesses that operate below the VAT threshold.

Outside London, Northern Ireland is the only region of the United Kingdom which has seen an increase in the number of businesses registered for VAT over the period 1994-1997.

Table 3 VAT registrations and de-registrations by UK region, 1994-1997

Region	1994		1995		1996		1997	
	Reg.	De-reg.	Reg.	De-reg.	Reg.	De-reg.	Reg.	De-reg.
North East	4,455	5,150	4,085	5,055	4,085	4,505	4,170	4,390
North West	16,470	19,490	15,915	18,435	16,475	17,245	18,120	17,120
North West (GOR)	13,950	16,665	13,480	15,535	13,695	14,430	14,880	14,515
Merseyside	2,520	2,825	2,435	2,900	2,780	2,815	3,240	2,605
Yorks & The Humber	11,620	13,565	11,095	13,210	11,315	12,000	11,825	12,250
East Midlands	10,860	11,905	10,695	11,445	10,845	11,365	11,745	11,235
West Midlands	13,665	15,215	13,290	14,670	13,295	13,670	13,635	13,885
Eastern	16,070	18,115	16,010	16,530	16,140	15,600	18,270	15,750
London	32,530	33,240	32,650	29,055	34,055	29,320	37,165	28,295
South East (GOR)	27,360	29,680	26,470	27,085	27,055	25,680	29,955	25,665
South West	14,155	16,960	12,955	15,465	13,840	14,315	15,315	14,400
England	147,190	163,325	143,165	150,965	147,105	143,705	160,200	142,990
Wales	6,280	8,545	5,985	7,125	6,105	6,750	6,240	6,320
Scotland	11,345	12,560	11,195	12,020	11,275	11,535	12,280	11,540
Northern Ireland	3,425	3,710	3,615	3,120	3,715	3,080	3,850	3,605
United Kingdom	168,240	188,140	163,960	173,230	168,200	165,065	182,570	164,455

Source: DTI SME Statistics Unit Press Release, August 1998.



## FOREIGN OWNERSHIP ANALYSES

Information from the market information company Dun and Bradstreet on foreign owned businesses operating in the United Kingdom is loaded onto the IDBR annually. Statistics Research Branch, DED supplement this with information from internal sources plus data published by the Investor Responsibility Research Center, Washington

D.C. (The IRRC is an independent, non-profit making research firm founded in 1972.) The following tables show some of the analyses from these combined sources.

Table 4 shows the number of foreign owned businesses and the employees within them operating in Northern Ireland over the last few years. In 1998, there were approximately 390 foreign owned businesses in Northern

Ireland employing almost 57,500 people. Foreign owned businesses are therefore key players providing jobs for local people as they employ 9.5% of all employees in Northern Ireland. 21 countries had businesses operating in Northern Ireland with the Republic of Ireland and USA owning more than 100 businesses. These two countries accounted for 56.8% of employees in foreign owned businesses.

Table 4 Number of foreign owned businesses and employees in Northern Ireland

Country	1996		1997		1998	
	Businesses	Employees	Businesses	Employees	Businesses	Employees
Republic of Ireland	100	12,365	109	15,740	123	15,405
USA	71	10,035	112	16,145	111	17,235
France	23	2,005	30	3,930	23	2,650
Netherlands	17	*	25	2,220	30	2,010
Germany	17	*	22	1,075	22	955
Denmark	13	*	8	*	12	*
Japan	11	*	12	*	15	*
Switzerland	10	*	7	*	5	*
Canada	8	*	7	*	9	*
Australia	7	*	7	*	6	*
South Korea	6	*	8	*	8	*
Sweden	4	*	5	*	2	*
Finland	3	*	3	*	3	*
Hong Kong	3	*	2	*	0	*
Belgium	3	*	4	*	5	*
South Africa	2	*	0	*	2	*
Luxembourg	2	*	2	*	0	*
Italy	1	*	1	*	1	*
Portugal	1	*	1	*	1	*
Norway	1	*	1	*	1	*
Liechtenstein	1	*	1	*	0	*
Channel Islands	0	*	0	*	5	*
Isle of Man	0	*	0	*	4	*
Malaysia	0	*	1	*	1	*
<b>Total</b>	<b>304</b>	<b>42,810</b>	<b>368</b>	<b>55,850</b>	<b>389</b>	<b>57,465</b>

### Notes:

1. As the number of businesses is collated from several sources, the actual numbers are given and are not disclosive. However the employee figures are taken from the IDBR and are thus subject to confidentiality constraints.
2. The 1998 figures are not directly comparable with earlier years as Dun and Bradstreet introduced a new system for collecting information on the country of ownership of businesses during the year.



## FURTHER INFORMATION

**If you have any further questions about the IDBR or require a copy of the original booklet on which this chapter is based:**

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[ian.gallagher@dedni.gov.uk](mailto:ian.gallagher@dedni.gov.uk)

**If you would like ad-hoc analyses run from the IDBR.**

Contact: Business Registers  
Unit, Room 1.062,  
Office for National Statistics,  
Government Buildings,  
Cardiff Road, Newport South  
Wales NP9 1XG  
Telephone: (0800) 731 5761 or  
(01633) 813269  
Fax: (01633) 812477  
E-mail:  
[claire.powell@ons.gov.uk](mailto:claire.powell@ons.gov.uk)

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# Labour Market Evaluation Methodology

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## GOVERNMENT HEALTH WARNING!

This article is primarily for the labour market analytical specialist.

A Treasury Conference on the Evaluation of Labour Market and Social Policies held on the 10 and 11 November 1998 arose from the recent introduction of the range of "New Deal" policies aimed at increasing participation in the labour force and employment. These have increased the demand for evaluation studies. It was felt there was a need for an assessment of the United Kingdom evaluation capacity, both qualitative and quantitative and a need to examine international experience especially from the United States. The Conference was designed to address methodological issues and exchange ideas and experience in labour market and social policy evaluation.

## GENERAL EVALUATION METHODOLOGY

There are basically two types of labour market evaluation approaches: the "gold standard" which makes use of a control group and the other method where a variety of descriptive information is collected on the programme often using ad hoc surveys.

## EVALUATION METHODOLOGY IN THE UNITED KINGDOM

The essential problem of programme evaluation is how to assess what would have been the outcomes for the participants in the absence of the programme. The focus of debate is whether experimental designs, where the comparison group is excluded from the programme by means of a random draw, are superior to non experimental designs, where the comparison group is constructed from individuals who have independently decided not to participate in the programme. In the discussion at the Conference it was felt there should be a greater use made of random assignment experimental design in the UK. Legal constraints had prevented the adoption of experimental random design in programme evaluation in the UK given that until 1994 there was no provision in social security law for variation in benefit payments which is a feature of American Welfare

experimentation. Programmes in the UK have been introduced on a national scale which has prevented random assignment in the design of evaluation of the New Deal for 18-24 year olds being used. However the New Deal for 25+ is being tested in pilot areas and the evaluation design includes some random assignment in 2 areas. Employers and trade unions had been involved in the discussion of this policy and the random experimental design was regarded as unethical and politically difficult. The New Deal was being marketed as something good but then access was being denied to some people in the 25+ evaluation design.

Generally in the UK access services was based solely on eligibility criteria relating to need, so individuals could not be excluded from the programme. Analysis of labour market initiatives had relied on descriptive information with reliance on short-term outcome measures derived from ad hoc surveys. The reliance on short-term outcome measures results in the practical difficulty of long-term evaluation without the availability of longitudinal administrative data for tracking outcomes and follow-up surveys were costly and suffered from sample attrition. Change was taking place with administrative developed considerably for the tracking and evaluation of New Deal. In general it was felt it had been difficult to mount



experimental designs in the UK and there had been a dearth of linkable administrative data where it was possible to follow individuals sufficiently long to measure and to assess the programme impact. The New Deal evaluation for 18-24 year old is based upon differencing (before and after) design: comparisons are being made between the eligible group and other ineligible groups over a period of years spanning before and after the New Deal programme. The broad design is being supplemented with macro-level analysis of aggregate labour market data. The design involves making comparisons across time and depend critically upon the absence of changes over time which differentially affect programme and non-programme groups. It will be crucial to investigate time related effects which could bias the estimated programme impact in each application of the approach. The availability of more administrative data would it was felt make experimental designs more attractive and for all types of design would make it possible to study larger samples for longer time periods at lower costs. There was a need for a better balance between experimental and non experimental design.

## THE US EXPERIENCE: EXPERIMENTAL METHODS

A representative from the Manpower Demonstration Research Corporation (MDRC) gave a paper on US experimental methods and introduced his talk by explaining the functions of the MDRC as a:

- Not for profit corporation, based in New York city.
- Evaluates success of new social programmes introduced to help disadvantaged people become self sufficient.
- Designs and tests new interventions as research demonstrations or pilot projects.
- Funding from federal and state Government and private foundations.
- Goal is to bring 'hard evidence' about which works and what doesn't to the debate over social policy.
- Pioneered the use of random assignment in the large scale evaluations of new programmes.

Simple random assignment designs involves the selection of a control group and programme group. The control group establishes the benchmark for assessing the programmes achievement. It indicates what would have happened in the absence of the programme. Many welfare recipients became employed and leave welfare on their own. A no service control group is rare and this affects

the interpretation of results. Outcomes are measured in terms of average earnings. Components of treatment can be measured with two programme groups and a control group.

He gave examples of the impact of a programme for lone parents with two groups and a control group with the emphasis on job entry for one group and education and training for the other. Outcomes were measured showing average earnings over two years, with higher earnings for the employment group than the education/training group. This could relate to postponement of entry into the labour market for the education/training group.

### Random Assignment Advantages:

- It's feasible as proven by the huge number of individuals successfully randomly assigned.
- It's ethical where interventions being tested are not entitlements. It's a fair way to allocate scarce slots.
- Community outreach to legislators, welfare advocates and civic and community leaders to explain research and design and gain support is essential as is ongoing dissemination of findings.
- When done right few clients will protest random assignment. Staff training essential.



- When done right it will not interfere with local programme operation. Staff, training essential.
- Differential impacts using random assignment are easier to sell because everyone gets something.

#### Random Assignment Analysis Issues

- Understand the counterfactual. Random assignment studies show the incremental effects of a treatment compared to the absence of that treatment rather than compared to no services or treatment.
- Subgroups can matter a lot, so hypothesise about them and try and ensure adequate sample size to test impacts on them when designing the study.
- In multi-site studies conditional impacts are helpful comparing the effectiveness of different site approaches when participant characteristics also vary across sites.
- Exploit the opportunity to learn from the control groups outcome.
- Experimental and non-experimental data (including qualitative data) are important for interpreting the results and maximising what's learned from an evaluation.

#### The Limitations of Random Assignment

- Its not suitable for studying some types of policies or programmes eg community wide initiatives or changes in a national policy affecting an entire target group.
- Getting 'inside the black box' (determining how much of an effect is caused by different aspects of treatment) usually requires other types of analysis - although a differential impact design can help.
- Generalising to a larger population can be problematic because any programme effects on the types of people who are targeted but don't show up for random assignment (eg are deterred from the programme, are uninterested or have other options) would be missed.
- In general where in the intake process random assignment is placed and who can opt into or out of it will influence the interpretation of findings.
- Random assignment does not help in assessing the effects of a programme relative to no programme at all if members of the control group have access to alternative services of their own.
- The difficulty of measuring the effects in labour markets (eg wage rates, displacement, substitution effects) is not solved by random assignment.

#### SUMMARY

There was a need for a variety of techniques in evaluation using both qualitative and quantitative methods. There was a need for the integration of administrative data series and they should be made more widely available. There was felt to be a need for more experimental design based on random allocation in evaluation studies following the American model. There was a wealth of evaluation methodology in the United Kingdom but there was a need for better dissemination and critical review. There is no budget provision for methodological dissemination which could form part of future contracts. The aim was to provide a high quality public service with a partnership between the public and private sector. Evaluation was a key tool to ensure value for money and standards of best practice in evaluation methods had to be achieved.

## **"Towards a National Skills Agenda". First Report of the National Skills Task Force**

The Skills Task Force was established by David Blunkett to help in the creation of a National (actually English) Skills Agenda. In 1998 The Task Force produced its first Report "Towards a National Skills Agenda".

"Towards a National Skills Agenda" represents the first phase of the Task Force's work setting out initial findings and proposals and identifying those issues to be further explored.

The three key issues dealt with in the Report are current skills shortages, underlying skill gaps and addressing longer term needs and underlying these issues four key themes have emerged which would merit further work :

- ensuring a stronger focus on priority skill needs in education and training provision, building on better information and a more responsive system;
- better targeted help for employers, particularly SMEs, in the overall recruitment process to ensure the best use of the existing skills base;
- a renewed emphasis on raising the extent, quality and relevance of learning in the workplace as one of the most effective mechanisms to respond

quickly to evolving skills needs and gaps;

- effective strategies for responding to critical skills shortages and gaps bringing together employers, national training organisations and public and private training providers - with an initial focus on IT skills.

The Report examines a number of relevant issues including the vocabulary and framework for discussing skills issues, an analysis of recruitment difficulties/skills gaps, employability concepts, types of skills and reviews of existing evidence on skills nationally and by sector.

While some recommendations are made these are largely aspirational and detailed recommendations would be considered in the next phase. The Report is therefore more of a scene setting/review document rather than a fully researched set of recommendations but is important in highlighting many of the key issues which underlie the skills agenda and which will be further explored in the second report.

Copies of the Report can be obtained (quoting ref SKT1) from: Prolog, PO Box 5050, Sudbury, Suffolk, CO16 6YJ. Tel: 0845 60 222 60. Fax: 0845 60 333 60.

## **"Delivering Skills for All". The Second Report of the National Skills Task Force**

In 1998 the National Skills Task Force (England only) published its first Report "Towards a National Skills Agenda" which examined the available evidence on skills shortages and skills gaps in the labour force. It also set out the issues which should be addressed in order to build a system which more closely matches the supply of skills to the needs of the economy. The first Report outlined a vision for modernising the education and training system to create a high skills, socially inclusive economy. The Second Report, "Delivering Skills for All", follows on from the first to make substantive recommendations.

"Delivering Skills for All" sets out detailed recommendations in response to three fundamental issues :

- How to build a system which provides a high level of skill for all young people, not just those who go on to degree level study;
- How to equip all people with the key skills needed for employability, including those who may have missed out on educational opportunities earlier in life;

- How to ensure that all students, potential students and education and training institutions have the information they need about the labour market to make informed choices and to plan ahead.

The recommendations may be summarised as :

- The development of a “mixed economy” system which ensures greater transferability of acquired skills and knowledge and which provides a “ladder of progression” which offers individuals the opportunity to move to higher levels of attainment, irrespective of the starting point;
- In addition to raising participation and skills levels generally, there is a need to address the issue of key skills, those broader transferable skills and capabilities that are essential for the initial and continuing employability of individuals. It is recommended that there is an initial focus on the known problem areas of ‘application of number’ and broader mathematics skills and IT skills in addition to the need to clearly embed the delivery of key skills within the national curriculum and teaching methods.
- Finally recommendations are made to improve the quality, scale and relevance of nationally collected

labour market and employment data, to ensure that there are effective and reliable systems for ensuring that individuals have easy access to the information they need to make informed choices and to identify suitable education and training provision, and to better define the responsibilities of national and local bodies involved in collecting and disseminating labour market and skills information.

While the Report and recommendations relate solely to England (Scotland, Wales and Northern Ireland all have their own separate arrangements) the issues raised in “Delivering Skills for All” apply also to the local workforce and any recommendations adopted which relate to UK wide policies will also impact locally.

Copies of the Report are available free of charge (quoting ref SKT5 for the main Report and SKT5ex for a short Executive Summary) from :  
Prolog , PO Box 5050, Sudbury, Suffolk, CO16 6YJ.  
Tel : 0845 60 222 60.  
Fax : 0845 60 333 60.

#### **“Future Skills Wales” Summary Report for Wales 1998-2007**

Future Skills Wales is claimed to be “the largest and most sophisticated project yet undertaken in Europe to identify and analyse the skills which will be needed by a

national or regional economy”. The project, which was commissioned by a broad consortium of public and private sector organisations in Wales has sought to answer some key questions including :

- What are the growth prospects for the different industries in Wales over the next decade?
- What types of jobs are likely to be created and what particular skills are needed?
- Do employers and individuals feel they have the skills to meet these needs?
- Are employers investing enough in training and are individuals prepared to learn for the future?
- How can talented young people be kept in Wales?
- Will employers provide the necessary training for the years ahead?

The report summarises the results of a programme of research which included :

- large scale surveys of Welsh employers and residents focusing on a range of skills issues including perceptions of the need for and gaps in a range of generic skills;
- macro-economic forecasts of future employment levels by occupation and by industry.

Copies of the Summary Report can be obtained from the Welsh Office.

Tel: (01222) 825809.

#### **CEDEFOP Publications**

CEDEFOP - Centre Européen pour le Développement de la Formation Professionnelle - is the European body concerned with vocational training. It is based in Thessaloniki, Greece. Whilst under the EC Treaty (Article 127) vocational training is the responsibility of the member states, the EU supports these efforts using methods ranging from research to financial assistance.

For example the Editor of this Bulletin is a member of a research group CIRETOQ which is concerned inter alia with forecasting future skill demands.

Access to its extensive range of publications can be either obtained through the local EU office or its internet homepage <http://www.cedefop.gr> or its website [www.trainingvillage.gr](http://www.trainingvillage.gr) or by writing directly to CEDEFOP P.O.B. 27-Finikas GR - 55102 Thessaloniki, Greece.

#### **The IES Annual Graduate Review**

The Institute for Employment Studies Annual Graduate Review comments on noteworthy current and likely future developments in the higher education sector and the labour market for graduates. This is supplemented with key data on topics such as student numbers and entrants to first degree courses broken down by subject area; profiles of the student population; and graduate employment patterns.

Topics of special interest are also featured. These include, for example, the employment experience of ethnic minority graduates and the links between graduates' IT skills and employers' demand for these skills. It draws its data from a variety of primary sources (including the Higher Education Statistics Agency. See the Review of HESA's First Destinations of Students Report.)

Available from:  
The Institute for Employment Studies  
Mantell Building  
University of Sussex  
BRIGHTON  
BN1 9RF  
Tel: 01273 686751  
Fax: 01273 690430

#### **First destinations of students leaving higher education institutes**

This is an annual reference volume covering data on qualifications and employment destinations for students in some 180 UK universities and other higher education institutions.

The target group is all higher education students for whom first destination data were expected.

A wide range of academic and vocational subjects is covered mainly to first degree and post graduate levels. Males and females entering employment in the UK (and also entering employment overseas or undertaking study or training) are classified both by Standard Industrial Classification and by academic or vocational subject area.

Available from:  
Higher Education Statistics Agency  
18 Royal Crescent  
CHELTENHAM  
Gloucester  
GL50 3DA  
Tel: 01242 255577  
Fax: 01242 232648

**Northern Ireland Education  
Statistics 1985/86 - 1997/98**

This A4 booklet from DENI is a handy source of Key Education Statistics including numbers of schools, teachers and pupils and pupil-teacher ratios, participation rates in full-time education post 16, destinations and qualifications achieved by school leavers. Further and Higher Education enrolments and numbers of academic staff in universities. Data are presented for the years 1985/86 and 1997/98 highlighting trends over time.

Copies of the publication are available from:

Department of Education  
Northern Ireland  
Statistics & Research Branch  
Room G2  
Rathgael House  
Balloo Road  
Bangor  
Co Down BT19 7PR

Tel: 01247 279401  
Fax: 01247 279100  
E-mail: [stats.deni@nics.gov.uk](mailto:stats.deni@nics.gov.uk)

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## **Issue No 2 May 1991**

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## **Issue No 3 November 1991**

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## **Issue No 11 October 1997**

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## **Issue No 12 October 1998**

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Copies of the Labour Market Bulletin can be obtained by contacting:

## **Clair McCready**

Address on back of bulletin.





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