TWELFTH

Labour Market Bulletin

INVESTOR IN PEOPLE

Training & Employment Agency

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EDITORIAL

A very eventful year has passed since the last issue of the Bulletin, a year in which unpredicted events happened and the predicted did not, which should engender appropriate levels of humility in those who have a forecasting role as part of their job - such as this author!

The big international economic story was the collapse of the Asian tiger economies. Back home was the pleasant surprise of a hopefully enduring political settlement and break-out of peace.

For us in Research & Evaluation Branch our big event was the decision taken in May to form a Skills Unit to introduce new systems for skills monitoring and later for skills forecasting. This represents a major challenge both in its complexity and importance - see article in this issue.

Another major extra responsibility for the Branch is the area of work around the New Deal - estimating demand, monitoring its effectiveness and equality impacts and, importantly, a large body of evaluation work. In this regard we were flattered because of our past inputs to be invited to join as full members of the GB New Deal Evaluation Groups.

In choosing articles for the Bulletin the Editorial Board is faced with two dilemmas. The first is choosing what to put in and what to leave out; the work presented in the Bulletin is only a fraction of what is done in the course of a year; but we think the Bulletin is already big enough (it is three times the size of the early versions): the second is to do with timing.

Being an annual Bulletin means some of the work can be 'dated' by the time it appears. To reduce this effect, for the first time we have included several work-in-progress reports. The full final reports, which will not be completed until well after this publication date, will appear in next year's Bulletin.

We hope we have achieved the right balance, if not, do let us know. We can now offer you an Internet number to contact as well as the usual fax and address (see back page).

Not many people living in Northern Ireland seem to be aware that we currently have the highest birth rate in the EU out of 77 regions. Our average completed family size has fallen from 3.3 children per family in 1970 to just over 1.9 children per family in 1996 ("replacement rate" - that family size which results in zero population growth - is 2.1). Equivalent data for GB and RoI are: 1970 (2.5: 3.9); 1996 (1.7: 1.9). The average for the EU is now 1.4 with Italy - once famous for its large happy families - the lowest at only 1.2 children per family!

Whether this is good or bad news is too complex a question to answer (for whom? for the economy? for the environment?) but in the future the opportunities for young people should improve as there is less competition for a given number of jobs.

But for local employers and inward investors the good news is that the past high birth rates are now feeding into the labour market a large supply of potential employees; furthermore as our age participation rates in higher education show (NI: 40%; GB: 31%) they are of high educational quality.

The local economy continues to do well although there are concerns over the strength of sterling and its effects on exports and tourism - for example the Northern Ireland Tourist Board blames the punt sterling relationship for the decline in RoI visitors to its lowest level this decade and IDB client company sales to the EU were static whereas to GB (less affected of course by the exchange rate) they were up 9%.

Nevertheless employment continues to rise and unemployment to fall (although this may not continue through 1999 as there is a predicted slow down in economic growth). It is not therefore surprising that there are increasing reports of recruitment difficulties by employers and the whole area of skills and skill shortages is thus the theme for this issue of the Bulletin.

But perhaps the best measure of a country or region's social and economic progress is the extent to which people wish to live there and bring up their families.

In this regard therefore is the encouraging fact that last year the Province - for long a net exporter of people - had the highest net in-migration on record at 6,000 - continuing a pattern of in-migration since 1990. But it has taken over 150 years (to 1996) to pass the pre-famine peak of 1,649,000 recorded in 1841!

Terry Morahan
Editor - Labour Market Bulletin
Head - Research and Evaluation Branch

CHAPTER ONE

THE NORTHERN IRELAND LABOUR MARKET "AT A GLANCE"

Spring 1998

Statistics Research Branch, Department of Economic Development

The Labour Force Survey (LFS) is a quarterly sample survey whereby some 4,400 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 distributions 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 employees to economically inactive people who do not want a job. The results are for Spring 1998.

POPULATION AGED 16+	
Total:	1,229
Men:	592
Women:	638

IN EMPLOYMENT	
Total:	675
Men:	379
Women:	296

FULL TIME	
EMPLOYEES	
Total:	441
Men:	267
Women:	174
SELF-EMPLOYED	
Total:	78
Men:	72
Women:	6

GOVERNMENT-SUPPORTED TRAINING & EMPLOYMENT PROGRAMMES	
Total:	19
Men:	13
Women:	6

UNPAID FAMILY WORKERS	
Total:	4
Men:	0
Women:	3

PART TIME	
EMPLOYEES	
Total:	123
Men:	23
Women:	99
SELF-EMPLOYED	
Total:	10
Men:	3
Women:	7

COULD NOT FIND A FULL-TIME JOB	
Total:	26
Men:	11
Women:	15

DIDN'T WANT/NOT AVAILABLE FOR A FULL-TIME JOB	
Total:	107
Men:	16
Women:	81
OF WHICH:	
IN FTE*	
Total:	16
Men:	7
Women:	9

Figures are in thousands and may not sum due to rounding

* FTE= Full Time Education

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ILO UNEMPLOYED

Total:	53
Men:	38
Women:	15

LOOKING FOR FULL-TIME WORK OR HAS NO PREFERENCE

Total:	47
Men:	37
Women:	10

LOOKING FOR PART-TIME WORK ONLY

Total:	5
Men:	0
Women:	5

ECONOMICALLY INACTIVE

Total:	501
Men:	174
Women:	327

WANTS JOB

Total:	38
Men:	14
Women:	23
OF WHICH:	
IN FTE*	
Total:	5
Men:	3
Women:	3

NOT SEEKING WORK BUT AVAILABLE

Total:	5
Men:	3
Women:	2

SEEKING WORK BUT NOT AVAILABLE

Total:	5
Men:	2
Women:	3

NOT SEEKING WORK AND NOT AVAILABLE

Total:	27
Men:	9
Women:	18

DOES NOT WANT JOB

Total:	463
Men:	160
Women:	303
OF WHICH:	
IN FTE*	
Total:	62
Men:	24
Women:	38

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CHAPTER

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IMPROVED LABOUR MARKET STATISTICS - AN INTEGRATED APPROACH

Statistics Research Branch, Department of Economic Development

This article summarises the changes in the presentation of Northern Ireland Labour Market Statistics introduced in April 1998. It identifies the main aims of the new approach and outlines the dissemination arrangements which have been developed in response to user requirements.

BACKGROUND

In the summer of 1997, a wide ranging public consultation was carried out throughout the United Kingdom amongst users of Labour Market statistics. The purpose of this was to identify the specific information requirements of customers in order that data dissemination might be tailored accordingly. In short, both NI and GB users were supportive of an approach which would pull together timely data from a range of sources and present it in a single document produced each month. They also expressed a desire for the publication of more regular estimates from the Labour Force Survey, the major strength of this source being its use of internationally agreed definitions of employment, unemployment and economic inactivity.

AIMS

As a consequence, a new Labour Market Statistics Report was launched in April of this year with the primary aim of providing a high quality, authoritative, clear and coherent picture of the Northern Ireland labour market. By closely reflecting user requirements, it was also hoped that the changes would restore public confidence in labour market statistics and particularly the official measure of unemployment.

NEW ARRANGEMENTS

(i) More use of LFS data

The changes represent a move away from reliance on a single measure of labour market performance (claimant unemployment) towards the greater use of household and employer based surveys in order to present a more coherent assessment of an increasingly complex labour market. More weight has been given to estimates derived from the Labour Force Survey (LFS) which are consistent with internationally agreed (ILO) definitions. This source not only provides information on the employed and unemployed but also the economically inactive population. This includes such categories as those who are out of work and want employment, but for a variety of reasons are not engaging in job search activities; and also those who state that they do not want a job, perhaps because of early retirement or long term sickness/disability. By including this information, the new report offers a more complete picture of the working age population, classifying them according to their degree of labour market attachment.

(ii) More regular publication of LFS data

A major development has been the monthly publication of data from the Labour Force Survey. This survey was conducted annually in NI on a consistent basis from 1984 to 1994. In 1994, the sample size was increased, continuous interviewing throughout the year was introduced and results published quarterly relating to the four standard seasons - spring, summer, autumn and winter (see Table 1 opposite). However, due to the continuous nature of the survey, the production of estimates did not need to be restricted to these particular three month periods, rather, any 13 week period would suffice. Therefore, in response to requirements for more regular LFS based

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estimates, from April 1998 onwards, figures from this source have been produced each month on the basis of the latest three months data available at the time. Hence in April, data for December - February were released; in May, January - March; in June, February - April and so on (see Table 2).

(iii) Integration with data from other sources

While the overall focus has moved towards the Labour Force Survey, the new Labour Market Report also contains important data available from other sources (ie. the Claimant Count of Jobseeker's Allowance, the Quarterly Employment Survey, The Production Inquiries and the New Earnings Survey).

In terms of unemployment, the LFS estimates published every month, while consistent with ILO definitions, have some limitations. They are not monthly estimates but three-month averages (unadjusted for seasonality) and as such cannot be compared over short periods of time. In response to user demand, from August 1998, the new publication has included claimant unemployment rates for each of the 26 District Council Areas (DCAs) within Northern Ireland. These are now the smallest areas for which official rates are calculated. However, as DCAs are not self contained labour markets the figures should be treated with some caution. The Report also incorporates information from employer surveys such as the number of jobs within each industry sector, the output of these sectors and the average earnings of employees in various occupations. Data on vacancies and T&EA employment and training measures are also included.

Table 1. Quarterly Publication of results from the LFS (1994-1997)

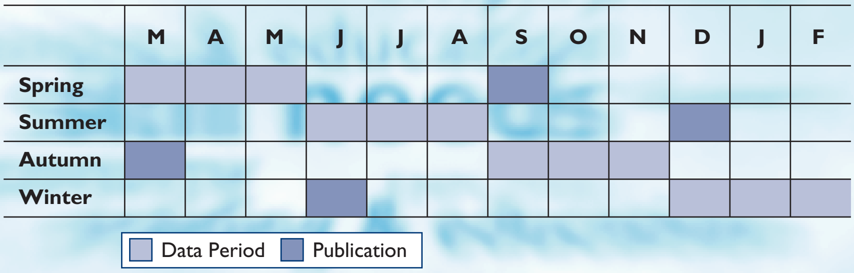
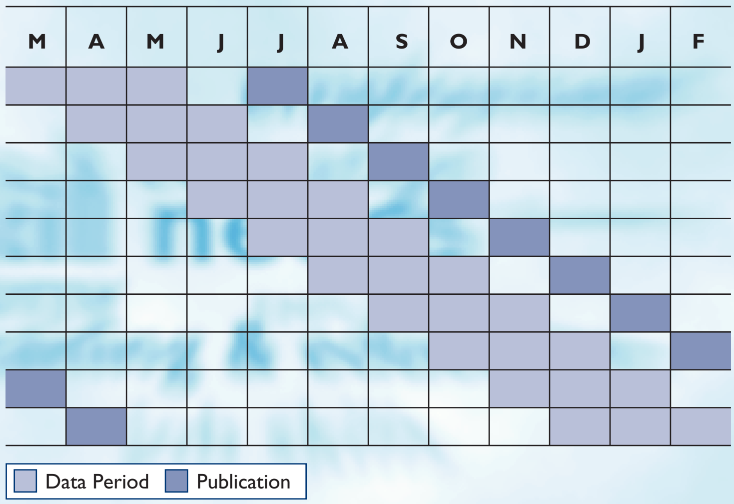


Table 2. Monthly Publication of Up-to-date Quarterly Data from the LFS (1997 onwards)



(iv) National and International comparisons

The overall aim has been to present the most comprehensive picture possible each month with the most accurate data available at the time. To complete the picture, key estimates are provided for other UK regions, members of the European Union and various other countries around the world.

DISSEMINATION ARRANGEMENTS

Dissemination arrangements for the monthly statistics have been tailored to

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suit user needs. These ensure that information is provided quickly and flexibly both on paper and electronically via the Internet (http://www.dedni.gov.uk/statsres/). An ad hoc information service is also available to deal with requests for specific information which is not included in the main publications.

If you wish to have your name added to the mailing list for the monthly Labour Market Statistics Report, please contact Statistics Research Branch DED on Belfast (01232) 529399.

CONCLUSION

DED Statistics Branch continues to be committed to meeting the needs of customers by providing a responsive, high quality statistical service. While the current publication may not be ideal in every respect, it is part of an ongoing process of improvement. Further feedback from users will be sought in the coming months and the content of the monthly Labour Market Statistics Report revised accordingly.

LABOUR MARKET STATISTICS

Statistics Research Branch, Department of Economic Development

This article outlines current trends in the Northern Ireland labour market. It differs from similar articles produced in earlier issues of this bulletin by giving greater prominence to 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 1998 and these are provided throughout.

SUMMARY

Table 1 provides a summary of the NI labour market position at March-May 1998 and an indication of change over the year. The figures show that there has been a growth in employment of 2,000 and a corresponding fall in unemployment. Economic inactivity has risen by 7,000, reflecting annual population growth of similar magnitude.

EMPLOYMENT

The total number of persons in employment at March - May 1998 was 675,000. Of these 441,000 (65%) were full-time employees, 123,000 (18%) were part-time employees, 88,000 (13%) were self-employed, 19,000 (3%) were on Government employment and training programmes, and approximately 4,000 (1%) were doing unpaid family work.

Table 1. Summary of Labour Market Statistics March to May 1998

	Level	Sampling variablity of level +/- #	Change over year	Sampling variability of change +/-#
ILO employment	675,000	18,000	2,000	25,000
ILO unemployment	53,000	8,000	-2,000	10,000
Economically active	728,000	18,000	1,000	25,000
Economically inactive	501,000	18,000	7,000	25,000
of which: not wanting a job	463,000	18,000	28,000	15,000
wanting a job	38,000	6,000	-21,000	6,000
ILO unemployment rate	7.3%	1.0%	-0.2pp[1]	1.3%
Economic activity rate	59.3%	1.5%	-0.3pp[1]	1.3%
Economic inactivity rate	40.7%	1.5%	0.3pp[1]	1.3%

[1] pp percentage points
 # 95% confidence interval

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Figure 1 shows how the relative size of these categories differs for men and women. While self-employment accounts for 20% of the total number of male jobs, it makes up just 4% of female employment. Another feature of the NI labour market is the significant contribution which part-time jobs make to female employment - 34% of all females in employment are part-time employees compared with just 6% of males.

REASONS FOR PART-TIME WORK

Figure 2 shows that the reasons given for part-time working also differ for men and women. While the majority of males (73%) 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%).

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 1998 an average of 23.6 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 37.7 hours per week and the self employed 50.5 hours per week.

Figure 1. Categories of Employment

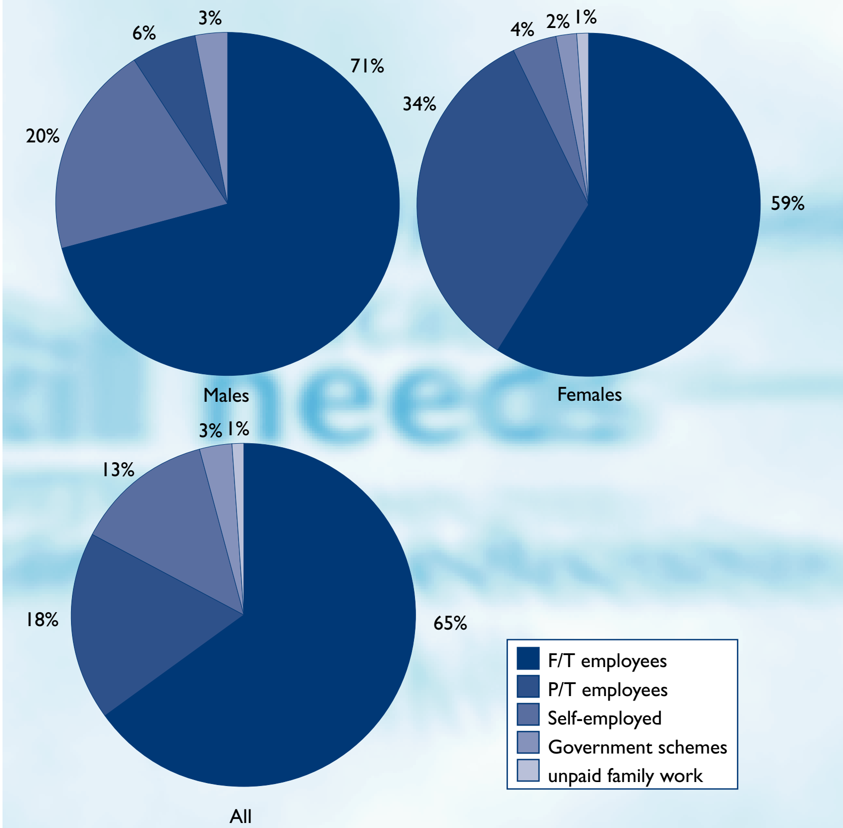

Figure 2. Reasons for Employees Working Part-time

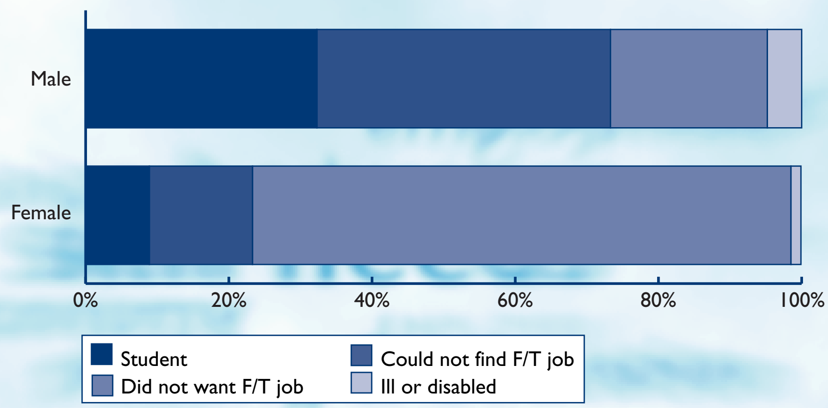

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Figure 3. Average Actual Weekly Hours

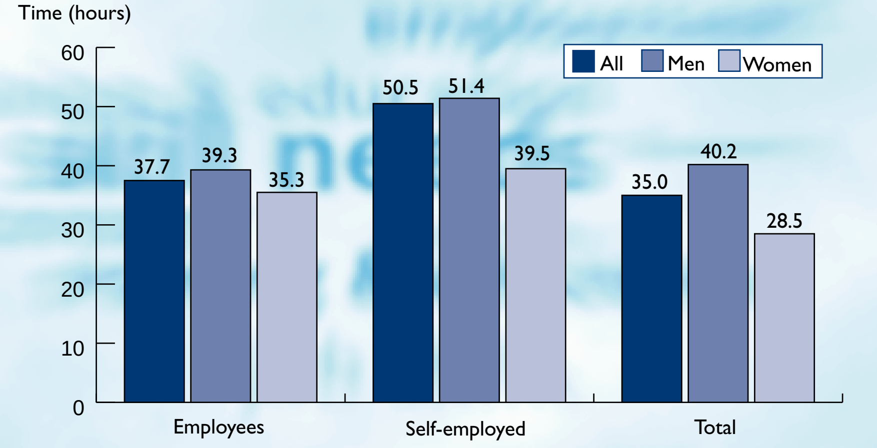


Figure 4. Unemployment Rates

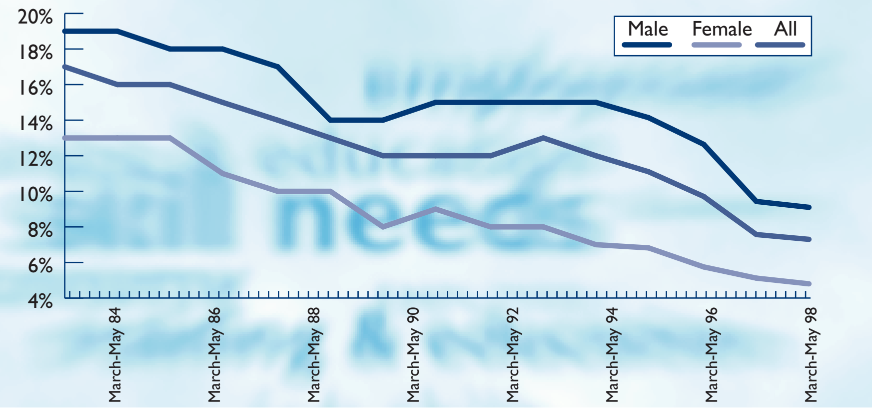
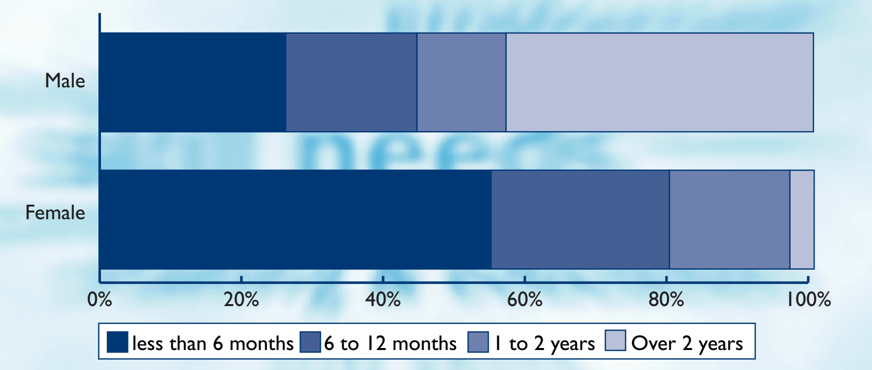


Figure 5. Duration of Unemployment



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 1998 there were 53,000 persons ILO unemployed in Northern Ireland - 7.3% of the total workforce.

Figure 4 shows that ILO unemployment rates have been on a downward trend for a number of years and are now at their lowest level since comparable definitions began (1984). 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 1998, 24,000 (45%) 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 - 55% compared to 20%. The gender differential is even greater for those who have been out of work for over 2 years with 43% of males in this position compared to 3% females.

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 total population. In

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Figure 6. Economic Activity Rates by Age

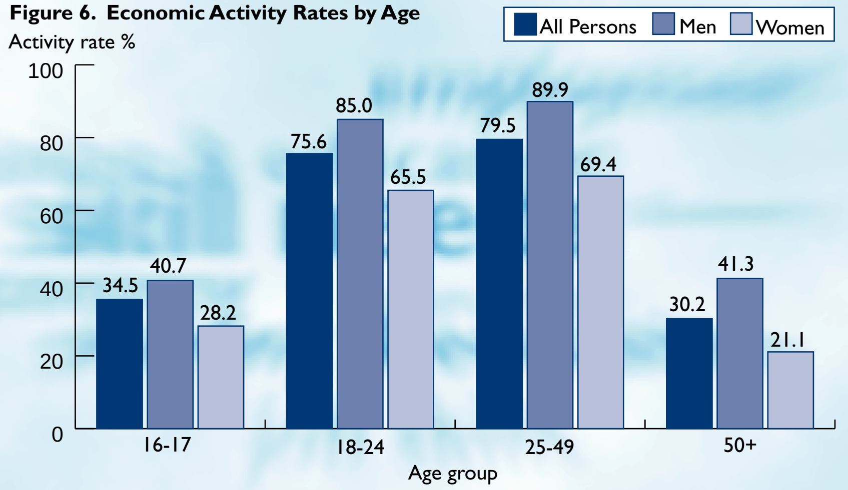
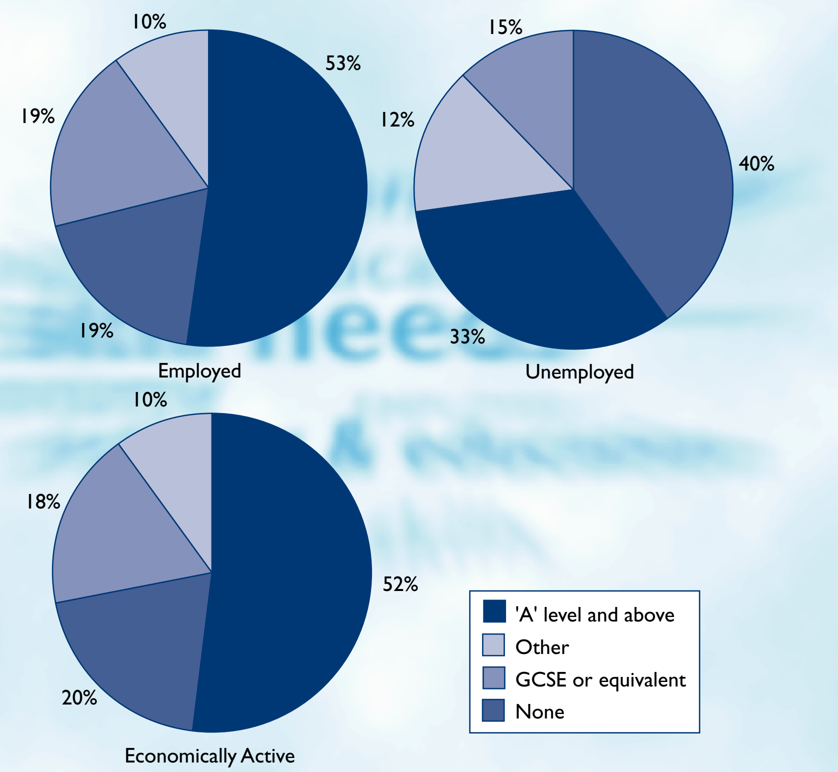


Figure 7. Qualification Levels of the Economically Active



the period March - May 1998, there were 728,000 economically active people in Northern Ireland - an overall activity rate of 59.2%.

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. [For a more detailed discussion of trends in female economic activity see chapter 13 entitled "Women in the Northern Ireland Labour Market"].

QUALIFICATION LEVELS

Figure 7 shows the qualification levels of the workforce at March - May 1998, with separate estimates for the employed and unemployed. Overall, 52% 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 - 40% 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

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period March-May 1998 there were 501,000 economically inactive persons in Northern Ireland - 7,000 higher than the figure one year earlier.

The economically inactive population can be divided into two main groups; those who do not want a job (92%) and those who do want a job but fail to satisfy the ILO unemployment requirement for active job-search (8%). A breakdown of the former category is shown at Figure 8. Overall, the main reason for not wanting work was retirement; 49% of men and 46% of women who did not want a job were retired. The other reasons for not wanting work varied according to the gender of the respondent, with men more likely to cite sickness/disability as their reason and women domestic commitments. Indeed, 27% of women gave 'looking after family home' as their reason compared to just 4% of males.

At March - May 1998 there were 33,000 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 27% were inactive due to sickness or disability and 9% were 'discouraged workers', i.e. they had not sought work in the past four weeks because they felt there were no jobs available.

Figure 8. Reason for Not Wanting Work

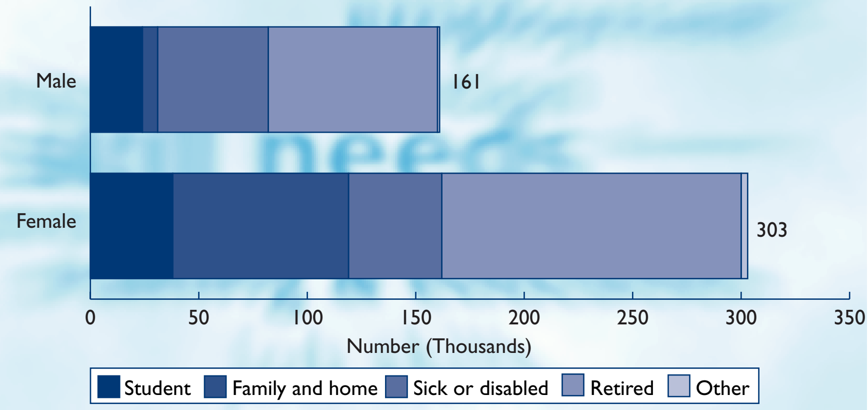
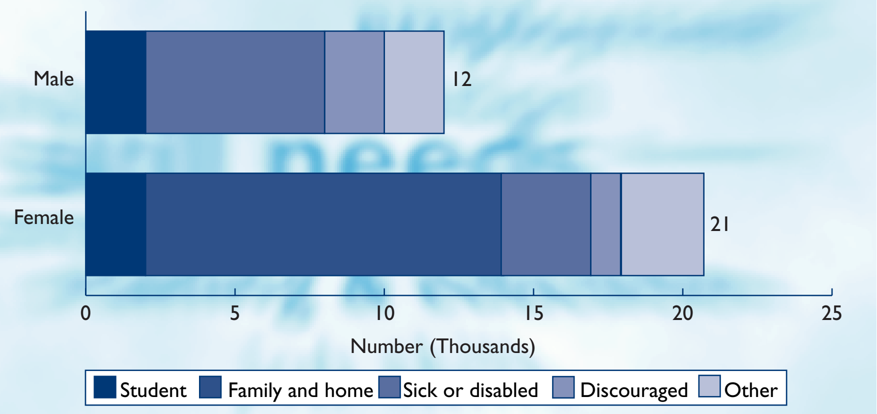


Figure 9. Reason for Not Looking for Work



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LABOUR MARKET STATISTICS

Statistics Research Branch, Department of Economic Development

REGIONAL & 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 1998. This shows that the ILO unemployment rate in Northern Ireland is the fifth highest of all regions - there are higher rates in Merseyside (10.9%), the North East (8.2%), London (8.1%) 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.

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	2,039	72.7%	95	8.2%	39.7%	11.7%
North West	4,284	75.1%	145	5.6%	33.7%	9.0%
Merseyside	1,087	69.6%	64	10.9%	39.7%	11.6%
Yorkshire and the Humber	3,953	77.4%	170	7.0%	32.4%	8.7%
East Midlands	3,277	80.2%	102	4.9%	26.2%	6.5%
West Midlands	4,143	78.9%	164	6.3%	31.9%	8.4%
Eastern	4,184	81.8%	137	5.0%	31.2%	5.2%
London	5,491	76.1%	282	8.1%	35.3%	8.3%
South East	6,176	82.5%	175	4.3%	30.1%	6.0%
South West	3,866	81.5%	109	4.5%	30.0%	6.1%
England	38,500	78.6%	1,443	6.0%	32.8%	7.9%
Wales	2,300	72.3%	86	6.7%	39.1%	9.9%
Scotland	4,026	77.2%	183	7.4%	28.5%	8.5%
Great Britain	44,826	78.1%	1,713	6.1%	32.7%	8.1%
Northern Ireland	1,229	72.1%	53	7.3%	45.4%	18.3%
United Kingdom	46,056	78.0%	1,766	6.1%	33.1%	8.4%

LTU - Long term unemployed (1 year or more)
VLTU - Very long term unemployed (5 years or more)

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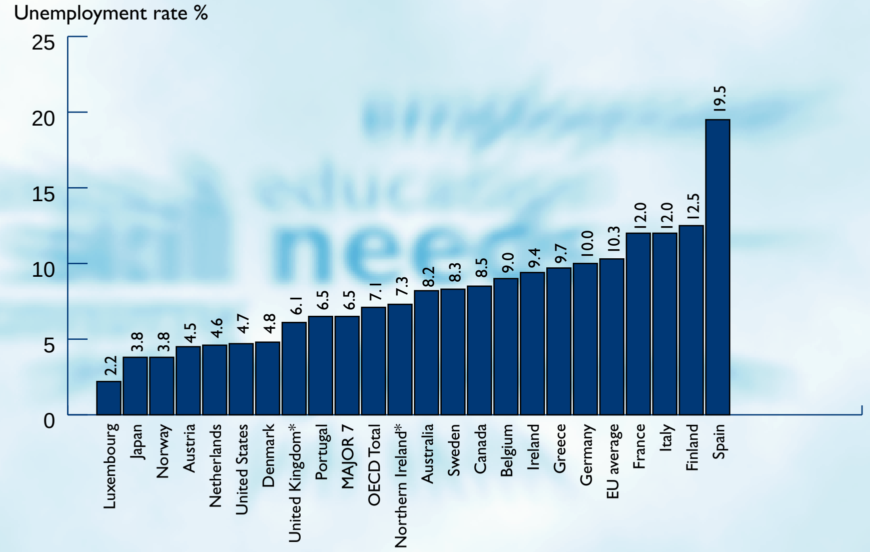
Figure 10. International Comparisons of Unemployment



** All data in this graph is seasonally adjusted with the exception of Northern Ireland and the United Kingdom.*

Figure 10 shows how the unemployment rate in Northern Ireland compares to others in the European Union and beyond. The NI rate (7.3%) is 3.0 percentage points lower than the European Union average (10.3%) and also significantly below the rates in Australia (8.2%) and Canada (8.5%). It is also more than 2 percentage points below the current rate in the Republic of Ireland (9.4%).

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

THE FASTEST IMPROVING REGIONAL ECONOMY IN THE UK

Terry Morahan, Research & Evaluation Branch,
Training & Employment Agency

This article updates the article in last year's Bulletin (No 11) which examined the recent performance of the Northern Ireland economy compared with the other UK Regions.

As the Agency was formed in 1990 and the first issue of the Bulletin was issued that year, 1990 seems a good starting point; data are supplied for the latest available date; earlier data may vary slightly from those in last year's article due to minor revisions.

One major change however is a change in the definition of the regions in **England**; the 8 Standard Statistical Regions have been replaced by 9 Government Office Regions (GORs) the new GOR being London (with several others being redefined and renamed)[1]. Thus there are now 12 regions in the UK; England (9), Wales, Scotland and NI.

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.

GDP GROWTH

Table 1 shows our per capita GDP Growth 1990-1996 *relative* to the other UK regions. The data show that Northern Ireland and Scotland have made the biggest improvements.

Table 1. GDP per Head 1990-1996 (% of UK GDP per Head)

Region	1990	1996	1990-1996 Absolute Change
London	124.1	123.3	-0.8
South East	111.7	114.5	+2.8
Eastern	110.2	108.8	-1.4
South West	94.6	94.7	+0.1
East Midlands	97.0	94.3	-2.7
West Midlands	93.5	93.5	0
Yorkshire & Humber	91.3	89.5	-1.8
North West	91.8	90.9	-0.9
North East	84.3	84.3	0
Scotland	96.1	99.1	+3.0
Wales	86.0	83.1	-2.9
Northern Ireland	78.0	81.2	+3.2
UK*	100.0	100.0	0

*Source: Economic Trends January 1998. *GDP figures for 1996 are provisional UK less Continental Shelf. North West includes Merseyside.*

1 See Annex 2 and page 2 Regional Competitiveness Indicators, July 1998, DTI.

THE FASTEST IMPROVING REGIONAL ECONOMY IN THE UK

Terry Morahan, Research & Evaluation Branch,
Training & Employment Agency

In Table 2 changes in Northern Ireland GDP growth relative to the UK over the period 1990-1996 are shown. Forecasts by the Northern Ireland Economic Research Council for 1997 to 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. However in the 1996 year we fell behind the UK although this is expected to be the only year in the decade this occurs.

Table 3 gives Northern Ireland and UK GDP indexed to 100 in 1990 and shows the cumulative effect of these changes. It can be seen that Northern Ireland grew at just over 1% per annum faster than the UK over the period 1990-1996.

EMPLOYMENT GROWTH

Table 4 shows the change in number of employee jobs in each UK Region and the percentage change, 1990-1998. Unfortunately 1990 data are not available for the new Government Office Region basis so the old Standard Statistical Regions of England are used here.

Clearly NI had easily the strongest growth in jobs; only the South West of England also had a substantial increase.

Table 2. GDP % Change in Real Terms 1990-1999

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
NI	2.1%	3.2%	0.1%	3.1%	3.9%	4.0%	1.0%	(4.1%)	(2.6%)	(1.5%)
UK	0.6%	-1.9%	-0.6%	2.0%	4.3%	2.6%	2.1%	(3.1%)	(2.2%)	(1.5%)

**GDP figures for 1996 are provisional. Sources: Economic Trends Jan 1998: UK National Accounts (The Blue Book)*
Forecasts for NI by NIERC/Oxford Economic Forecasting, Regional Economic Outlook, 1998 (Update).

Table 3. NI and UK GDP Change 1990-1996

	1990	1991	1992	1993	1994	1995	1996
NI	100%	103.2%	103.3%	106.4%	110.6%	115.0%	116.1%
UK	100%	98.1%	97.6%	99.6%	103.9%	106.6%	108.9%

Table 4. Employees in Jobs by UK Region, June 1990-June 1998

Region	1990 ('000)	1998 ('000)	Absolute Change	1990-98 % Change
London	3,492	3,360	-132	-3.8
South East	4,163	4,316	153	3.7
Eastern	811	841	30	3.7
South West	1,771	1,892	121	6.8
East Midlands	1,573	1,621	48	3.1
West Midlands	2,118	2,160	42	2.0
Yorkshire & Humber	1,923	1,906	-17	-0.9
North West	2,434	2,442	8	0.3
North East	1,118	1,097	-21	-1.9
Scotland	1,988	2,026	38	1.9
Wales	991	981	-10	-1.1
Northern Ireland	536	596	60	11.1
United Kingdom	22,918	23,237	319	1.4

Source: DED Statistics Branch: Figures for changes are based on unrounded figures. 1998 data are provisional.

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THE FASTEST IMPROVING REGIONAL ECONOMY IN THE UK

Terry Morahan, Research & Evaluation Branch,
Training & Employment Agency

Table 5. Numbers Unemployed: June 1990-June 1998: Seasonally adjusted.

Region	June 1990 ('000)	June 1998 ('000)	Absolute Change ('000)	Change %
London	203	227	25	12.2
South East	105	108	4	3.4
Eastern	82	85	3	4.0
South West	93	86	- 7	- 7.8
East Midlands	96	81	- 15	- 15.7
West Midlands	148	123	- 26	- 17.5
Yorkshire & Humber	157	135	- 22	- 14.0
North West	241	166	- 75	- 31.1
North East	110	83	- 27	- 24.7
Scotland	201	140	- 61	- 30.3
Wales	84	70	- 14	- 17.0
Northern Ireland	95	58	- 37	- 38.8
United Kingdom	1615	1361	- 254	- 15.7

Source: DED Claimant Count.

Table 6. Inward and Outward Migration - Northern Ireland: 1989-1996

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
In	15,149	17,936	18,544	17,344	15,367	15,884	22,757
Out	19,724	15,900	14,894	13,703	14,303	16,123	16,520
Net	-4,575	2,036	3,650	3,641	1,064	-239	6,237

Source: NISRA

Table 7. Manufacturing Output 1990-1998

	1990	1998 (Q1)
Northern Ireland	100	121.7
United Kingdom	100	104.1

Source: DED

CHANGE IN UNEMPLOYMENT

Table 5 shows the numbers unemployed and the percentage change 1990 to 1998. Here the Northern Ireland performance has been particularly impressive with a large fall of 38.3%, more than double the fall in the UK as a whole and well ahead of the next best regions of the North West and Scotland.

EFFECT ON MIGRATION PATTERNS

Traditionally there has been substantial emigration from Northern Ireland - mainly to the South of England to find work. Since 1990 there has been net immigration to NI (see Table 6) - 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, 1100 left NI for RoI but 2000 came in - a gain of 900; in 1995/96 the situation reversed as the RoI economy powered ahead; 3300 came in from RoI but 4500 left NI for RoI, a loss of 1200.

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 much better local performance. Very recently due to the strong pound, this rise has been halted in NI and the UK generally.

THE FASTEST IMPROVING REGIONAL ECONOMY IN THE UK

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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. Indeed unofficial estimates by the NI Economic Research Centre put GDP growth in 1997 above 4% - the first time in two decades this has happened.

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.

THE NI LABOUR MARKET OUTLOOK - SOME UNCERTAINTIES

• **Technological**	- Year `2000' effects.
• **International**	- Asian Tiger Difficulties
	Eastern Europe Difficulties
	- Asset Price Bubbles (Stock Market: Housing)
• **EU**	- EMU - January 1999
	- 'Objective One' Status - Loss of
	- Social Policy (Labour Market) Directives
	- Agenda 2000 (EU Policy changes)
• **UK Economic Policy**	- New Deal - April 1998 onwards
	- Minimum Wage - 1999
	- Monetary Policy - Rate of Interest
	- Strength of Sterling
	- Fiscal Policy - Budget UK/NI - Tax and Benefit Changes
• **Local**	- Peace Process/Assembly Decisions
	- Extra aid; Chancellor's package plus EU/USA/IMF and World Bank aid to encourage political progress.
	- Already planned Public Expenditure cuts for NI but recent Budget additions.
	- Agricultural Difficulties.
	- Economic Policy Review by DED

OUTLOOK

Looking to the future will our economy grow faster than the UK's? The Box below gives a long list of uncertainties affecting the NI Labour Market in the next few years. However there are grounds for a canny optimism:-

(i) there is an export boost potential from the strong performance of RoI's economy although the strength of sterling relative to the 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.

However we are vulnerable to such external factors as the strength of the pound which particularly affects exporters and tourism, 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.

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1998 NORTHERN IRELAND SOCIAL OMNIBUS SURVEY

Mark Livingstone, Research & Evaluation Branch, Training and Employment Agency

This article is the latest in a series of Bulletin articles which have presented the results of T&EA sponsored questions from the Social Omnibus Survey. For 1998 the Agency sponsored questions have been revised to reflect changes in the labour market and the changing focus of the Agency's interests. Some questions e.g. 'The most Important Problem' have been retained and will be familiar to previous readers of the Bulletin and allow for broad trends in perceptions to be traced. Other questions are new for this year and examine themes such as teleworking and the working experiences of those suffering from illness or disability.

INTRODUCTION

The 1998 Northern Ireland Social Omnibus Survey, conducted in March/April 1998 by Research & Evaluation Services (a locally based private sector research company), provided an opportunity for the T&EA and other interested organisations to ask questions of a representative sample of adults (aged 18 + years[1]) in Northern Ireland without the associated expense of a specially commissioned survey. This article contains a brief summary of some of the key findings of the T&EA sponsored questions[2].

FINDINGS OF GENERAL INTEREST

The most important problem facing Northern Ireland

As in previous years the Survey was an opportunity to ask respondents what they felt were the major problems in Northern Ireland at the time the Survey was conducted. In previous years responses to this question have appeared to show some correspondence with economic and political trends. Respondents were asked to state what they considered to be the most important problem in Northern Ireland at present[3].

Figure 1 presents the findings for 1998 and 1997. The problems most frequently reported were: The Troubles/Political Instability (63%), Unemployment (15%), Crime (6%) and the High Cost of Living (5%). This compares with the 1996 results which highlighted the same problems (Community Conflict/The Troubles (51%), Unemployment (26%), Crime (5%) and Drugs (8%)) but to differing degrees. The period from March 1997 to March 1998 has continued the trend whereby the perception of unemployment as the most important problem has continued to lessen while The Troubles/Political Instability continues to grow in importance. One finding of interest is that 'the High Cost of Living' has replaced 'Drugs' as the fourth highest response.

The Most Important Problem 1995-1998

Data on the most important problem are available for the years 1995 to 1998[4] allowing for trends in perceptions to be examined. Figure 2 shows trends over the period in the four most frequent responses.

The most notable changes over the four year period have been the decline in the perception of 'Unemployment' as the most important problem from 45% of all respondents in 1995 to 15% in 1998 undoubtedly reflecting the fact that as the number of unemployed continues to fall, the effects, while still acutely felt by those without work, are less widespread within the population. In contrast 'The Troubles/Political Instability' replaced unemployment as the most important problem in 1996 and this perception has continued to increase over the period. There has been no discernible pattern for 'Crime' since 1995 while the perception of 'Drugs' as the most important problem has declined since 1996 but this change is within the margins of error associated with the sample size[5].

1 The Survey was designed to yield a representative sample of males and females aged 18 and over living in NI. The 1998 Register of Electors was used as the sampling frame. These responses relate to the target age group in which the Agency are most interested - i.e. those aged 18-59 - unless otherwise stated.

2 Further details can be had on request from Mark Livingstone, Tel (01232) 257624.

3 This 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)

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Figure 1. The Most Important Problem 1998

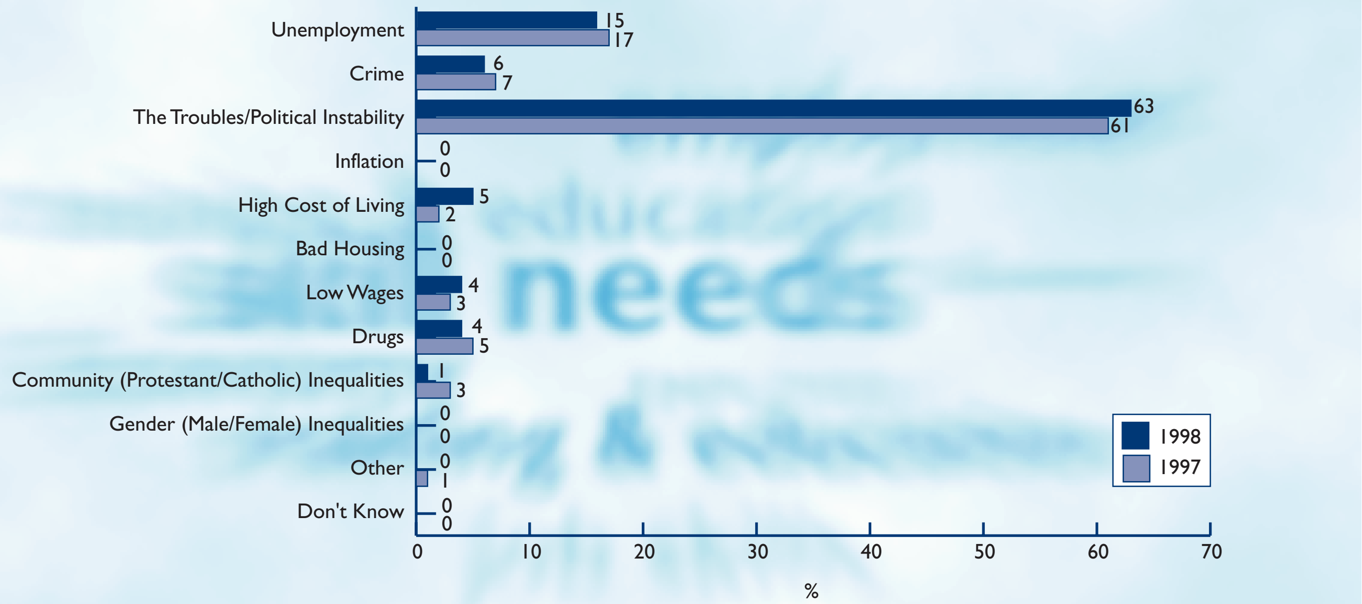
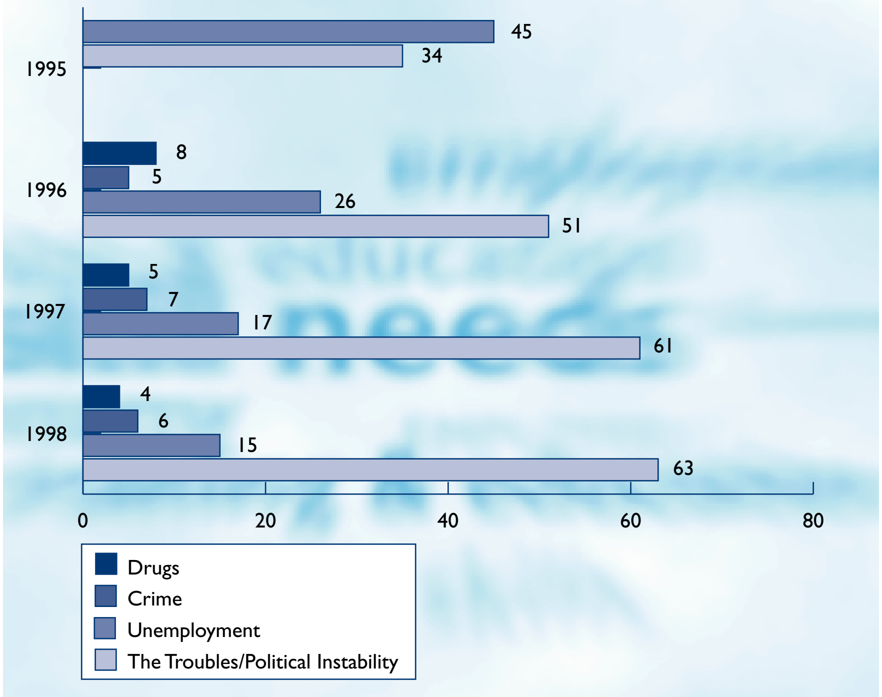


Figure 2. The Most Important Problem 1995-1998



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 1995 and 1998 cover those aged 18-59 while the 1996 and 1997 data cover those aged 16-59. The categories of 'Drugs' and 'Crime' were added in 1996 and prior to 1998 the category 'The Troubles/Political Instability' was referred to as 'Community Conflict/The Troubles'.

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

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Figure 3. The Most important Problem - Social Class

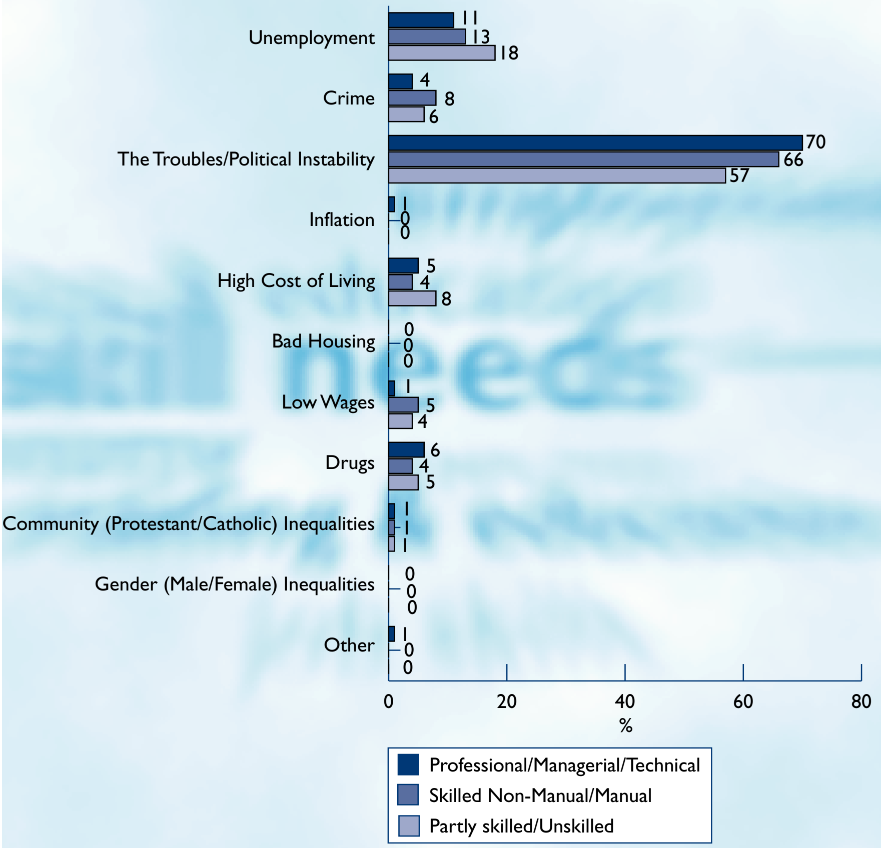
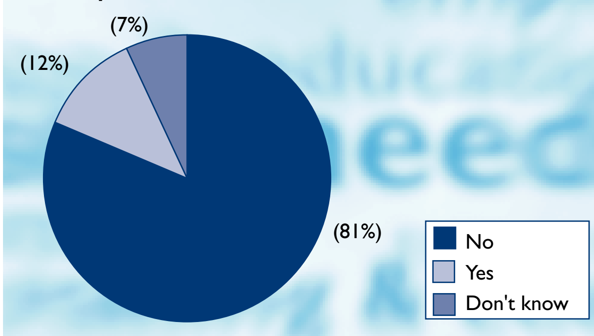


Figure 4. Would working from home be a realistic possibility in your current profession?



The Most Important Problem - Social Class

The inclusion of background variables for each individual respondent giving 'biographical' data (e.g. age, gender, religion, employment status, number of children, salary level etc.) allows for the data to be analysed to examine the ways in which responses may vary for respondents with different characteristics. The degree to which responses vary by gender and religion have been examined in previous Bulletin articles. Figure 3 explores the effect of Social Class[6] on the perception of the most important problem.

Although it is inappropriate to attribute too much importance to social class in what is a limited analysis[7] of the perceptions/attitudes displayed, some interesting observations can be made. As expected, unemployment is considered to be a problem by more of the Partly Skilled/Unskilled than either of the other two categories however, somewhat contrary to the fact that 'The Troubles' have impacted disproportionately on the most disadvantaged areas, the smallest percentage who regarded The Troubles/Political Instability as the most important problem were the Partly Skilled/Unskilled.

LABOUR MARKET ISSUES

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

6 Social Class categories covered were Professional, Managerial/Technical, Skilled Non-Manual, Partly Skilled, Unskilled, Armed Forces and Unknown. Because of the small numbers in some categories they were amalgamated to give 3 broader categories of Professional/Managerial/Technical, Skilled Non-Manual/Manual and Partly Skilled/Unskilled.

7 Social class was available for 654 respondents. The individual bases were Professional/Managerial/Technical (136), Skilled Non-Manual/Manual (285) and Partly Skilled/Unskilled (233).

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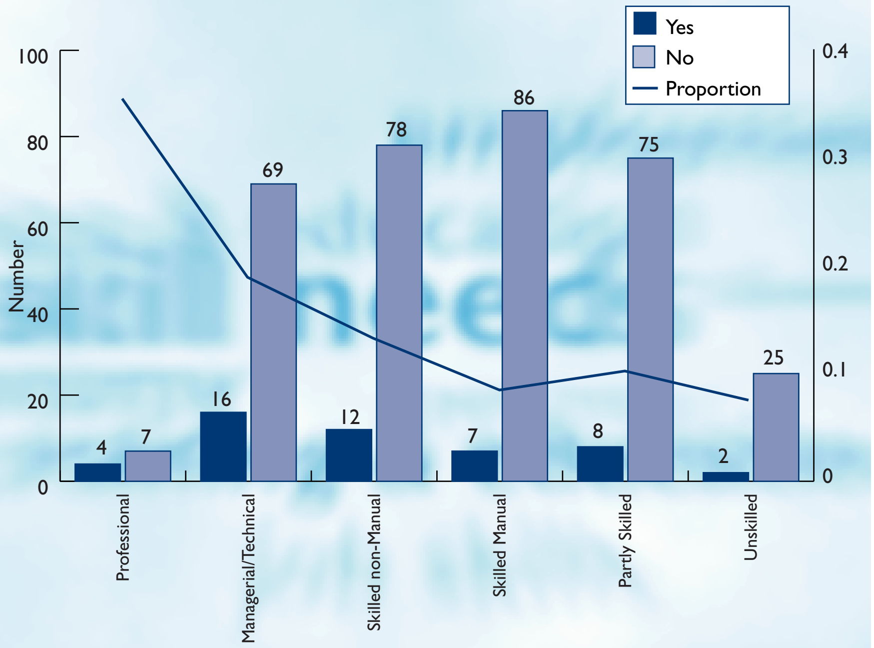
Figure 5. Teleworking by Social Class



Base=417

Teleworking

Recent advances in technology, in addition to changes in family structures and in working practices have meant that working from home via teleworking has become both more desirable and feasible. Government's stated policy on transport and responses to environmental concerns have focused on the need to reduce traffic congestion, particularly through reducing the use of private motor cars. A reduction in the numbers commuting to work through teleworking would be one route to achieving a reduction in congestion. Those currently working were asked to state if working from home would be a realistic possibility in their current profession.

Of the 424 respondents currently working some 12% (50 respondents) said that teleworking would be possible, 7% (29) were unsure and 81% (345) stated that teleworking would not be a realistic possibility. Respondents were also asked to state the reason for their response. Of those who stated that teleworking would be a realistic possibility the most common reason given was "Because of technology - computers - telephone - fax etc." (10 respondents) followed by "Already doing so" (9 respondents) and "I work at farming" (5 respondents). Of those who stated that teleworking would not be a realistic possibility the most frequent reasons given related to characteristics of respondents particular occupations such as "I am a teacher/lecturer", "I work in a Shop/Factory", "Required to be on the premises", "I travel a lot in connection with work" and "personal contact is required".

Teleworking by Social Class

Figure 5 shows the number of respondents who did and did not feel that teleworking was a realistic possibility split by social class. Because of the small numbers in some categories (e.g. there were only 11 respondents who were Professional) it was not sensible to calculate percentages for each Social Class. Instead the proportion of those who said yes has been calculated as a proportion of all responses excluding don't knows and is shown as the solid line (a value of 1 means that all respondents said yes and zero means that none said yes). As can be seen the highest proportion of yes responses (0.4) was in the Professional category followed by 0.2 for Managerial/Technical falling to around 0.1 for the remaining categories.

Teleworking by Employment Status

This analysis was repeated for employment status. Not surprisingly, the highest proportion (approximately one in three) who felt that teleworking was a realistic possibility were Self-Employed, with a slightly higher proportion (one in eight) of those in Part-time Employment who felt teleworking was possible compared to those in Full-time Employment (one in ten).

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Mark Livingstone, Research & Evaluation Branch,
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Figure 6. Incidence of Illness/Disability

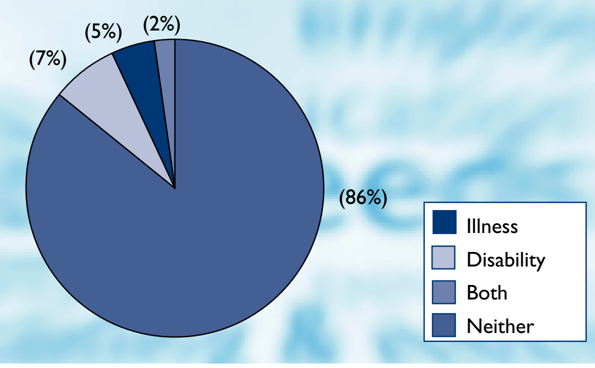
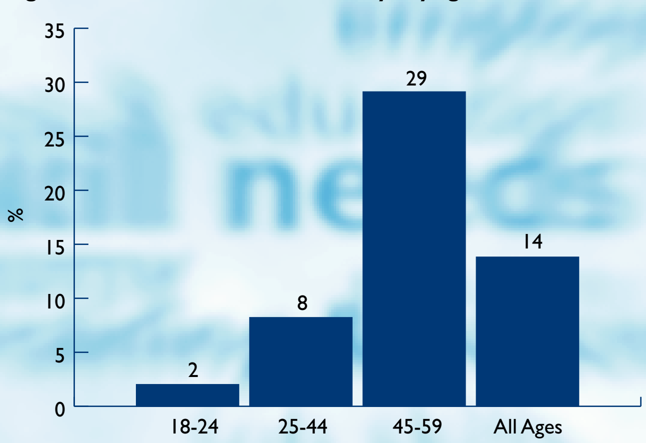


Figure 7. Incidence of Illness/Disability - by age band



LABOUR MARKET EXPERIENCES OF PERSONS SUFFERING FROM ILLNESS/DISABILITY

The Disability Discrimination Act (1994) gave disabled persons the right not to be discriminated against in employment on the grounds of disability. The Act is designed to improve the employment prospects of disabled people and previous surveys have shown that those with disabilities are more likely to be unemployed or inactive and therefore less likely to be employed than persons without disability.

In 1998, responsibility for overseeing the employment provisions of the Act passed to the T&EA. The Agency has used the Social Omnibus Survey to collect 'baseline' data on the position of disabled persons in the workforce which will be used to supplement other data from published sources; and to gauge disabled persons' own perceptions of the impact of their disability on their labour market prospects.

Incidence of Illness/Disability

All respondents were asked if their day-to-day activities were substantially affected by illness or disability, both illness and disability or neither. As shown in Figure 6 some 5% (34 persons) considered that their day-to-day activities were affected by illness, 7% (51 persons) by disability, 2% (16) were affected by both illness and disability and 86% were affected by neither. In total some 14% of respondents (101 persons) felt that their day-to-day activities were substantially affected by illness disability or both. The prevalence of illness or disability was seen to vary by employment status. Of the 299 respondents not currently working 15% felt that their day-to-day activities were substantially affected by disability, 10% by illness and 5% by both. In total some 30% of the unemployed felt that their day-to-day activities were substantially affected by illness disability or both compared to 2% for those in employment.

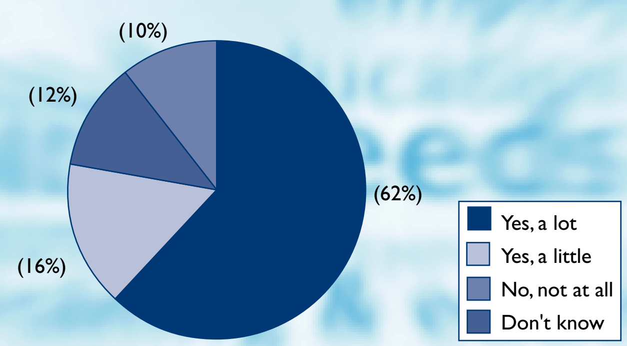
Incidence of Illness/Disability - By Age Band

Responses were grouped by age band and responses relating to the incidence of illness, disability and both illness and disability were aggregated as shown in Figure 7. The incidence of illness, disability or both illness and disability was highest for the 45-59 age band at 29% of all respondents and lowest for those aged 18-24 at 2% of all respondents.

1998 NORTHERN IRELAND SOCIAL OMNIBUS SURVEY

Mark Livingstone, Research & Evaluation Branch,
Training and Employment Agency

Figure 8. Has your illness or disability affected your chances of employment?



Incidence of long Term Illness or Disability

Respondents were asked to state if their illness or disability had lasted for more than one year, or if not, did they expect it to last for more than one year. Of the 101 respondents who felt that they were affected by illness and/or disability, 95 felt that it had lasted or was likely to last for more than 12 months, 4 that it had not and 2 were unsure. Of those currently working, 6 out of 10 felt that their illness or disability had lasted or would last 12 months or more.

Effects of Illness/Disability on Employment Prospects

Those whose illness or disability had lasted or was expected to last for longer than one year were asked if their illness or disability had affected their chances of employment. Their responses are summarised in Figure 8. Of the 95 respondents 59 (62%) felt that illness or disability had affected their employment prospects a lot and 15 respondents (16%) felt that it had affected their employment prospects a little. Some 10 respondents (10%) felt that their illness or disability had not affected their employment prospects while a further 11 (12%) were unsure. In total 74 respondents (almost 78%) felt that illness or disability had affected their employment prospects a lot or a little.

Perceived Discrimination in Employment as a Result of Illness or Disability

Those whose illness or disability had lasted or was expected to last for longer than one year were further asked if they had ever been discriminated against in employment by reason of their illness or disability. Of the 95 respondents, 8 (8%) felt that they had been discriminated against, while 73 (77%) felt that they had not. Some 14 respondents (15%) were unsure. These responses appear to somewhat contradict the findings on the effects of illness/disability on employment prospects. It is possible (but this is conjecture) that, while respondents felt that their employment opportunities were disadvantaged due to their illness or disability, this was in some way unavoidable and in the majority of cases was not considered as discriminatory. Of the eight respondents who felt that they had been discriminated against seven stated that they had 'Been discouraged from seeking employment', five had 'Been treated less favourably compared to persons without illness or disability' and three had 'Been refused employment'[8].

SUMMARY

The results from the T&EA sponsored questions in the 1998 Social Omnibus Survey provide further evidence that the Northern Ireland labour market has changed in recent years reflected in the decline in the perception of unemployment since 1995 as "The most important problem". The 'tightening' labour market is a theme which recurs throughout this Bulletin hence the growing emphasis on meeting the skills needs of employers. The results also again illustrate the value of using a non-specific survey instrument as a cost effective way to 'pilot' a number of questions on current issues. These responses can act as a guide to more focused research at a later date if necessary.

8 The response categories given were : 'Been refused employment due to illness or disability', 'Left employment due to illness or disability', 'Been treated less favourably compared to persons without illness or disability', 'Been discouraged from seeking employment'. More than one response could be chosen.

S I X S I X S I X CHAPTER S I X

A SKILLS UNIT FOR THE AGENCY

By Terry Morahan and Mark Livingstone,
Research and Evaluation Branch, Training and Employment Agency

In 1990 when the Agency was formed the NI economy then was not in a great shape. Unemployment was 14% - among the highest in Europe. Emigration had been running at about 5,000 per annum through the decade of the 1980s largely as a result of this high level of unemployment. Not surprisingly recruitment difficulties - never mind skill shortages - were not on top of the agenda.

Now that unemployment is 7% - an 18 year low - and three percentage points below the EU average - employers are increasingly having to work harder to fill vacancies. This is despite a large increase in labour supply caused by a combination of rising female participation rates, NI having one of the highest birth rates in Europe (and currently the highest of the 77 EU regions) and net in migration since 1990. (Thus in 1995/96, 16,500 left NI but 22,800 came in).

As a result of this welcome tightening of the labour market, the Agency through its Research and Evaluation Branch began a study on the issue of labour and skills supply.

The review, titled `The Skills Study', adopted a three-stage approach:

- Stage 1 analysed the available evidence on labour supply difficulties to determine the extent to which these have been due to skill shortages.

- Stage II reviewed the methods currently adopted in Northern Ireland to address current and future skill needs and examined national and international best practice.

- Stage III recommended appropriate action on the basis of the conclusions drawn from Stages I and II.

RESULTS

Stage I concluded that we did not have a good system in place to monitor current skill shortages (for a fuller account see Labour Market Bulletin No 10).

Stage II found a wide variety of practices in place in terms of the public and private sectors forecasting the future demand for skills. The picture is very complex; from sophisticated systems to none. The clear conclusion was that a more comprehensive and systematic approach was required.

As regards best practice in monitoring current skill requirements, the best systems were to be found in The Netherlands and Belgium.

Stage III of the Skills Report - completed earlier this year - consisted of a series of recommendations and an Action Plan.

A NEW SKILLS UNIT

Arising from the work carried out the Agency has established a Skills Unit as part of Research and Evaluation Branch. It will work closely with a widely based Skills Task Force which is currently being established and which will advise on the direction and interpretation of research and its impact on vocational education provision.

SKILLS MONITORING

The first task of the Unit will be to introduce the 'world class' monitoring system required if we are to achieve our Agency vision of having a world class workforce.

There are already a number of sources of information on labour market demand in

A SKILLS UNIT FOR THE AGENCY

By Terry Morahan and Mark Livingstone,
Research and Evaluation Branch, Training and Employment Agency

Northern Ireland including hard to fill vacancies in Training and Employment Agency offices, ad-hoc surveys carried out by various bodies, (for example the recent Institute of Directors, Ulster Marketing Surveys Study), ongoing work aimed at planning the demand and supply of particular occupations (eg DENI have a sophisticated system covering teachers) and training needs analyses carried out by the Sector Training Councils. These sources are however less than systematic and comprehensive and often provide information of insufficient quality or depth to be of full use in identifying current skills needs.

CRITERIA FOR SKILLS MONITORING SYSTEM

To be fully effective a skills monitoring system must satisfy a number of criteria:-

- *Timeliness* - This is a principal requirement for a good monitoring system. Up-to-date information is a crucial ingredient in tracking imbalances and emerging skill trends and a time series trend is invaluable.

- *Relevance of Outputs* - The information provided by a monitoring and forecasting system needs to be useful from a policy perspective. Producing large quantities of information is of little value unless the data provides meaningful information from a policy perspective. The relevance of outputs is in turn affected by their level of detail, including geographical and sectoral coverage.

- *Accuracy* - On the monitoring side the data collected needs to be of sufficient quality that it adequately represents the current situation. Surveys will be subject to error, which can be reduced, albeit at a higher cost.

- *Consistency* - The Agency is concerned with the regional economy as a whole. Consistency is therefore an important criterion in assessing alternative approaches to monitoring and forecasting. In projecting occupational requirements it is desirable that the total projected requirements, summed over all occupations, are mutually consistent. For example, they should not exceed the forecast supply of labour. If monitoring systems are to underpin future forecasting efforts, then the same requirements for consistency apply. While a strong case could be made for monitoring only key sectors of the economy, it must be acknowledged that this could lead to gaps in the knowledge base required for consistent forecasting.

- *Value for Money* - While acknowledging the need for the highest degree of coverage and accuracy, consideration of costs is essential and will constrain the approach taken.

With these (often competing) requirements in mind we are currently examining in detail whether we should use the Dutch or Belgian systems, which currently appear to be examples of best practice, or some combination of both.

THE NETHERLANDS SURVEY

In many ways the Netherlands approach offers the ‘ideal’ solution for skills monitoring and consists of detailed and regular survey-based analysis of all vacancies and their characteristics. The approach adopted has been to supplement vacancy registrations data with a survey of employers. The Netherlands’ Survey is, to the best of our knowledge, the only such comprehensive survey in the EU.

A simplified survey is conducted quarterly which aims simply to enumerate job vacancies. No other details are collected. This quarterly survey is supplemented by a much more sophisticated annual survey covering about 10% of the total population of firms which includes questions on location of establishment, occupation and skill requirements.

The data are published inter alia by region, so that variations in local labour markets can be examined. Results are also published by occupation, required educational level and by type of economic activity.

Overall, the Netherlands Survey deserves serious consideration as a ‘Gold Standard’ option. This approach meets most of the objectives and assessment

A SKILLS UNIT FOR THE AGENCY

By Terry Morahan and Mark Livingstone,
Research and Evaluation Branch, Training and Employment Agency

criteria required of a monitoring system but at a cost. The benefits are:

- detailed information can be provided on recruitment difficulties and their causes;

- the survey instrument is dedicated to skills shortages and is therefore less of a 'compromise' compared to more general surveys such as the 'Skill Needs in Britain' Survey;

- the large sample size allows for detailed disaggregation of results; and

- in addition, this approach would provide a more robust foundation on which to build the forecasting system although these benefits need to be weighted in the context of overall resource constraints.

THE BELGIAN SYSTEM

A somewhat different approach is taken in Belgium which has certain attractions - mainly cost and ease of management - from a Northern Ireland perspective. The Belgian approach focuses on the top twenty hard to fill vacancies - ie the twenty 'bottleneck' vacancies where there is a problem with unmet demand and then attempts to determine the main causes of these bottlenecks.

Bottleneck vacancies are identified through analysis of a database which holds details of vacancies notified to the Flemish Employment and Vocational Training Office. Typically monthly data is held on applicants, companies and vacancies including occupational group, area, industry, study level, linguistic knowledge, hours of work, experience required etc.

Typical findings include:

- The most common bottleneck professions are maintenance/ repair/ mechanical technicians.

- Reasons for shortages include shiftwork, unattractive to females (the jobs are often dirty and physically heavy), lack of practical experience.

- Actions recommended included a revamp of education and training to better meet needs, educating employers to be more flexible in hiring and training - informing employers that it would be unrealistic to expect 'ready-made' candidates.

A NORTHERN IRELAND SKILLS MONITORING SYSTEM

Proposals on the best way forward on skills monitoring and forecasting will be made drawing on these 'best practice' examples and the experiences of those involved in operating these systems.

In the meantime the Agency has already decided to participate in the 8th annual 'Skill Needs in Britain' Survey which has been extended in June/July 1998 to cover Northern Ireland. This Survey, covering some 600 companies, will produce many benefits including regional comparisons of recruitment difficulties. The results will be available shortly.

Regardless of the method chosen it is also likely that the data gathered will need to take into account other 'softer' information gathered through consultation with key actors in the labour market including the Sector Training Councils and the education and training sector both to confirm the data collected and to establish how best to effectively tackle any shortages found. Effective responses to skills shortages are likely to require the co-ordinated efforts of a number of organisations and for this reason the findings of the Skills Unit will feed directly into a Skills Task Force.

SKILLS FORECASTING

At present unlike many other advanced economies Northern Ireland does not have a comprehensive skills forecasting system. Ironically enough perhaps the most advanced system - and certainly the most detailed - is to be found in the USA - where the US Bureau of Labor Statistics carried out forecasts for 250 occupations by state. This system is not used as a state planning system but rather on the premise that the efficient functioning of a market economy depends on good quality information.

In the UK there are two major sets of forecasts carried out. The Department for Education and Employment (DfEE) has contracted with Business Strategies Ltd (BSL) a private consultancy firm based in

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London - to produce annually estimates of occupational change - the latest forecasts cover the period to 2006 and are carried at regional level - see Table 1 for the occupational results for Northern Ireland.

The approach used is based first of all on an economic model which gives growth in GDP - this then is disaggregated to give employment changes by industrial sector and by occupational change within sectors.

The system of occupational classification is the usual Standard Occupational Classification or 'SOC'. Occupational detail is given at major and sub-major occupational group (22 in all[1]).

The other major source of comprehensive forecasts is the Institute for Employment Research (IER) at the University of Warwick. IER forecasts are based on the Cambridge Econometrics Model - which annually carries out forecasts to 2010 by occupation by region.

Table 1. Northern Ireland: Employment by Occupation Forecasts - Business Strategies Limited - thousands

	1991	1996	2001	2006
Corporate Managers and Administrators	37.1	41.6	44.3	47.5
Managers/Proprietors in Agriculture & Services	51.4	47.0	47.3	46.5
Science and Engineering Professionals	7.4	8.0	8.3	8.8
Health Professionals	6.4	7.1	7.6	8.2
Teaching Professionals	24.8	24.0	23.2	23.4
Other Professional Occupations	14.1	14.3	16.5	18.4
Science & Engineering Associate Professionals	10.0	10.6	11.7	12.6
Health Associate Professionals	25.6	28.5	30.2	30.9
Other Associate Professional Occupations	15.4	16.6	20.2	23.1
Clerical Occupations	69.1	71.0	74.2	76.9
Secretarial Occupations	25.0	26.1	27.4	28.3
Skilled Construction Trades	14.9	14.1	14.6	14.1
Skilled Engineering Trades	25.8	22.9	21.8	20.4
Other Engineering Trades	63.9	57.3	58.1	59.1
Protective Service Occupations	17.8	20.6	21.7	23.1
Personal Service Occupations	48.7	59.9	66.2	73.4
Buyers, Brokers and Sales Representatives	9.8	9.2	10.0	10.4
Other Sales Occupations	34.3	40.7	46.5	51.4
Industrial Plant and Machine Operators etc	38.0	40.2	37.8	37.6
Drivers and Mobile Machine Operators	26.7	27.3	27.3	27.1
Other Occupations in Agriculture etc	14.5	13.9	12.4	11.0
Other Elementary Occupations	54.9	56.3	56.8	56.9
TOTAL	**635.6**	**657.2**	**684.1**	**708.9**

1 For further information see 'Occupations in the Future'. The UK and the Regions BSL.

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CHAPTER

S I X

A SKILLS UNIT FOR THE AGENCY

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Both models give similar results; briefly for the period to 2000:

- steady employment growth;
- unemployment falling at a lower rate than the employment growth rate due to rising labour supply;
- the growth in employment will be in the Service Sector;
- and a rise in higher level occupations with a fall in manual;
- the only rise in lower skill occupations will be in personal and protective services.

Presently in NI the business of forecasting is fragmented or non-existent.

BRIEFLY:

- in the Universities the pattern was very uneven ranging from some faculties having extensive consultation with industry to relatively sophisticated models eg for teachers, to others stating the whole idea of taking labour market needs into account was not the function of a University department.

* for some professions employed in the public sector or trained by it substantial efforts are made eg medical staff in the DHSS and food technologists in the Department of Agriculture.

* the approach to date taken by the 16 Sector Training Councils (STCs) which were assigned the role of forecasting by the Agency in the early 90s, is variable and the sophistication of skills forecasting varies greatly.

It will however be some time before it will be possible to take on this complex task; finding out where we are - that is skills monitoring - will have priority. In any event skills forecasting is a necessary but not sufficient condition for giving for example careers advisors advice on the numbers required in future for various occupations as considerable other data are required eg on retirements; on how many training in occupation ‘x’ practice it (even with the highly categorised German system only just over half practice their qualification in that specialism) and so on.

The benefits of a better system for monitoring current skill needs and forecasting skill requirements are immense as NI PLC spends around £2,000m per annum on skills supply with too little on skill demand analysis. We who specialize in this area are aware of the immense complexities of the topic but are convinced we can do much better to the good of all concerned; students and their advisers (including parents), suppliers of education and training, jobseekers, employers and society in general can all benefit.

TRENDS IN WAGE DIFFERENTIALS IN NORTHERN IRELAND

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This article is based on research commissioned by the Research and Evaluation Branch of the T&EA as part of their programme aimed at understanding the interaction between the supply of, and demand for skilled and unskilled workers. In a perfectly functioning labour market there would be "no skills shortages" as wages would adjust according to demand and supply conditions and eradicate any labour shortfall that may occur. Of course in reality labour markets do not work like that as rigidities of one kind or another ensure that the equilibrium state is never quite reached. Nevertheless rising or falling relative wages do reflect changes in the demand and supply for skills.

This article looks at the interaction between the demand for skilled workers and wage dispersion in Northern Ireland as well as providing some alternative explanations for the observed rise in wage inequality within the Northern Ireland labour market over recent years.

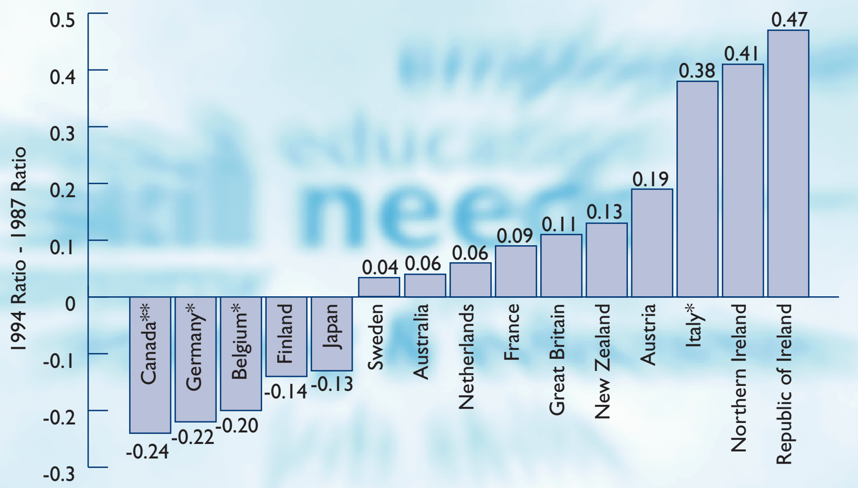
The 1980s and 1990s was a period of increased earnings inequality in many developed economies. A widening of the wage gap between skilled and unskilled workers was observed with the rise in inequality particularly rapid in developed economies with flexible labour markets. The ratio of the upper to the lower decile of the earnings distribution gives us a measure of wage inequality between the most skilled and the most unskilled workers within any particular economy[1]. The level of earnings inequality in Northern Ireland in 1994 was relatively high within an OECD context i.e. 12th highest from 16 countries (Table 1). Figure 1 measures the change in the ratio

Table 1. Ratio of the Top to the Bottom decile 1994 (All workers)

Country	
Sweden**	2.13
Belgium**	2.24
Germany**	2.32
Finland	2.38
Netherlands	2.59
Italy**	2.80
Australia	2.87
Japan	3.02
New Zealand	3.05
France	3.28
Great Britain	3.31
Northern Ireland*	3.44
Austria	3.66
Canada	4.20
US	4.35
Republic of Ireland	4.54

Source: OECD Employment Outlook (1996), Callan et al (1997), NES
**mean of Male and Female ratios **1993*

Figure 1. Change in the Level of Earnings Inequality 1987-1994



1 The highest paid ten percent of employees (and presumably the most skilled) earn a wage greater than the top decile of the earnings distribution whereas, the poorest paid ten percent of employees (and presumably the most unskilled) earn a wage less than the bottom decile of the earnings distribution.

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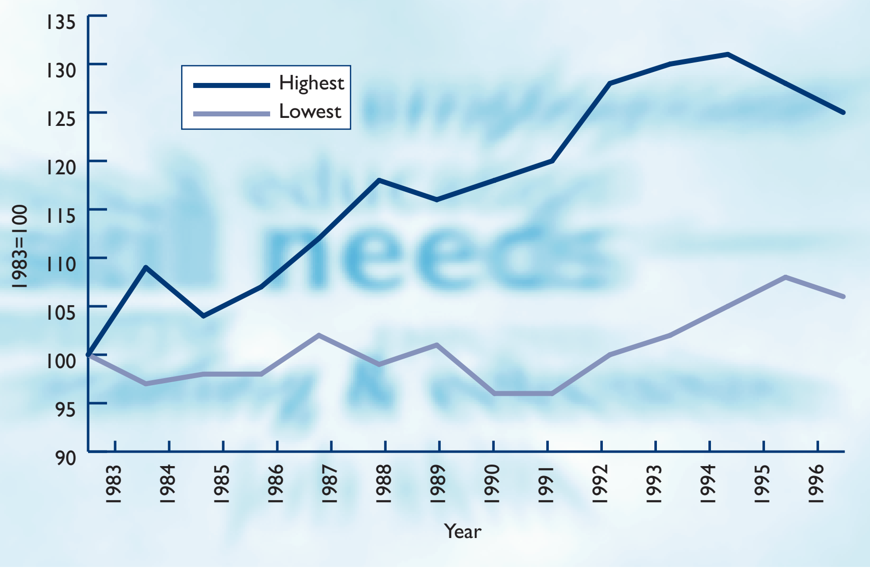
of the top and bottom deciles of the earnings distribution over the 1987 to 1994 period. If the ratio becomes larger over time in any particular country then we can conclude that the distribution of earnings in that country has become more unequal and vice versa. It is clear from Figure 1 that increased earnings dispersion is not a universal phenomenon and that the experience differs substantially from country to country. Between 1987 and 1994 inequality has fallen in Canada, Germany, Belgium, Finland and Japan, whilst rising in France, Great Britain, New Zealand, Austria, Italy, Northern Ireland and the Republic of Ireland. Dispersion in Sweden, the Netherlands, and Australia remained relatively static over the period. The growth in inequality within Northern Ireland was particularly rapid and second only to the Republic of Ireland where the rise in inequality was the largest observed.

Figure 2 looks at the pattern of male earnings in Northern Ireland from 1983 to 1996. Over the period the average gross weekly earnings of the top decile of the male earnings distribution (expressed in 1996 prices) grew by 25.4% from £438.39 to £549.83. Over the same period the average gross weekly earnings of the lowest decile grew by only 6.4% from £153.24 to £163.0. However, growth in the earnings of the highest decile slowed dramatically and actually fell after 1992, falling by 3.6% between 1992 and 1996 which may indicate the beginning of a slow down in the growth of male wage dispersion in Northern Ireland; the pattern of wage dispersion for females in Northern Ireland over the period was very much similar to that of males.

Figure 2. Highest and Lowest Deciles of the Northern Ireland Real Male Earnings Distribution 1983-1996 (1983=100)



FACTORS LIKELY TO EXPLAIN INCREASING WAGE DISPERSION

The economics literature has focused on three potential explanations for the increased earnings gap between skilled and unskilled workers within the USA and the UK i.e.;

- The relationship between trade, technical progress and the demand/supply for skilled/unskilled workers.
- The decline of trade unions.
- Variations in Educational Standards

INTERNATIONAL COMPETITION; TECHNOLOGICAL CHANGE

Some academic studies have suggested that increased international trade with "low wage" economies may be responsible, at least in part, for the widening earnings gap between the skilled and unskilled within the developed world.

The rationale behind this competition effect derives what economists call The Theory of Comparative Advantage which states that countries will specialise in the production and export of goods which use the factors of production with which they are relatively abundantly endowed. Thus developed economies, should by implication, specialise in the export of goods intensive in skilled labour such as aircraft components and import goods intensive in low skilled labour such as basic clothing/textile products from

2 Within the existing literature there is no consistent approach to the measurement of skills. Most authors such as Machin (1996) for the UK and Berman et al (1994), Caves and Kreps (1993), Lawrence and Slaughter (1993) and Revenga (1993) in the USA use the ratio of production to non-production workers (or manuals to non-manuals) as a measure for skill intensity within a particular industry. This definition is far from satisfactory .e.g. within the US airline pilots are classified as non-productive (skilled) whereas co-pilots are classified as productive (unskilled). Within a UK context experienced foremen would be cited as unskilled whereas junior office clerks are classed as skilled. A more acceptable means of classification for the UK is developed by Haskel and Jukes (1995) who use the LFS to classify eight socio-economic aggregates into skilled and unskilled categories .e.g. junior non-manual and semi-skilled manual workers are grouped as unskilled whereas managers and foremen are grouped as skilled. Haskel and Dukes illustrate

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Table 2. Percentage Change in the Employment Share of Skilled Workers in Northern Ireland 1984-1990

Sector	Total % Change	% change in employment share resulting from *between* industries changes	% change in employment share resulting from *within* industries changes
Economy	0	0	0
Manufacturing	17.8	-0.54	18.34

Source: LFS (1984 -1990), Regional Trends (1984 -1990)

under-developed economies (which by implication have a comparative advantage in unskilled labour). As developed economies continue to specialise according to their comparative advantage this should have the effect of raising the demand for skilled labour relative to unskilled labour and produce a widening of the skilled/unskilled wage differential as the earnings of skilled workers are pushed up through increases in relative demand.

Attempts have been made to measure the impact of trade on the demand for skilled labour in manufacturing by conducting shift-share studies. These studies decompose increases in the overall employment share of skilled workers within manufacturing into a "between industry effect" and a "within industry effect". The between industry effect measures the extent to which workers are moving out of unskilled industries and into skilled industries, such a development is in keeping with the trade effect which predicts that skill intensive industries will become increasingly dominant within developed economies as they adjust according to comparative advantage. The within industry effect measures the extent to which skill levels have risen within industries and this is generally attributed to technical progress. Studies by Machin (1996) and Bernard et al (1994) indicate that most of the change is concentrated within industries. Machin reports that the employment share of skilled workers in UK manufacturing rose by 0.4 % per annum between 1979 and 1990 and that 82% of this occurred within industries. Berman reporting for the US estimates the annual change to be 0.55% between 1979 and 1987 of which 70% took place within industries. Thus it seems that the decrease in the overall proportion of unskilled labour is not due to a decrease in the employment share of labour intensive industries as proponents of a trade effect argue, but has occurred within industries as a result of increased technical progress[2].

However, it must be pointed out, that although economists such as Machin and Berman cite this as evidence rejecting the trade hypothesis this is not necessarily a correct inference. It may well be the case that industries have responded to competition from low wage economies by reducing costs through increased use of technology in the production process or increasing product quality to survive. In either case the proportion of unskilled workers is likely to decline, either as productivity rises or product quality rises.

In order to estimate the extent to which skilled labour has risen in the Northern Ireland economy NIERC estimated within and between industry changes and the results are summarised below;

Table 2 highlights the fact that within the economy as a whole there was no increase in skill intensity. Between 1984 and 1990 the percentage of skilled workers in the economy remained static at 48 %. Therefore there is no evidence of either a trade effect or a technology effect at the aggregate level.

However, manufacturing did experience a very significant increase in skill intensity over 1984 to 1990. Over this period the percentage of skilled workers in manufacturing rose from 34 percent to 40 percent (i.e. an increase of 17.8%). This comprised a reallocation of employment towards unskilled industries of 0.54% and an increase in skill intensity within industries of 18.34%. Therefore there were significant rises in the level of skill intensity over the period, all of which can be attributed to technological change. There is certainly no evidence of a reallocation of employment towards high

that resulting analyses will differ substantially depending on which definitional methodology is applied. In this study we follow the approach taken by Haskel and Jukes (1995) by classifying the Labour Force Survey (LFS) and New Earnings Survey (NES) occupational aggregates into skilled and unskilled categories. In this way we hope to overcome the difficulties associated with the manual/non-manual approach. The LFS and NES data utilised refers specifically to employees in employment. A definitional problem arises from the fact that in 1991 the LFS and NES methods of occupational classification changed from the KOS system to the SOC system and *as a result our analyses could not be extended beyond 1990.*

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skilled industries as the trade hypothesis would predict. However, as pointed out earlier, import competition may be one factor influencing the introduction of new technology within the manufacturing industries as firms strive to remain competitive. It should also be noted that whilst the proportion of skilled workers within manufacturing expanded significantly this was counteracted by rising employment levels within unskilled service sector industries such as Hotel and Catering with the result that the overall proportion of skilled workers within the economy remained unchanged over the period.

Table 3. Trade Union Density in Northern Ireland Manufacturing 1995

Food, Beverage Manufacture	31.4
Tobacco Products	100.0
Textiles	33.4
Clothing and Fur	47.6
Leather and Leather Goods	100.0
Wood and Wood Products	28.3
Pulp, Paper and Paper Products	66.5
Printing & Publishing	53.5
Coke, Petrol Products, Nuclear Fuels	100.0
Chemicals	N/A
Rubber & Plastics	54.8
Other non-metallic products	40.5
Basic metals	0
Fabric metal production	35.2
Machine equipment	0
Office machinery	0
Electrical Machinery, equipment	39.1
Communications equipment	70.0
Medical, precision, optical equipment	0
Motor Vehicles	58.5
Other transport equipment	83.8
Furniture	9.2

Source: LFS

THE ROLE OF TRADE UNIONS

From a theoretical perspective the influence of trade unions on the distribution of earnings is unclear. Theoretically, unions can have either a positive or negative influence on the distribution of earnings. Neo-classical economists such as Hayek (1980) and Minford (1983) argue that unions, by pushing up the earnings of certain select groups within the economy, will increase inequality and dislodge lower paid workers from employment. Others, such as Freeman and Medoff (1984) and Lewis (1986) argue that unions have the effect of squeezing the earnings distribution both within and across firms through the organisation of low paid workers for the purpose of collective bargaining.

Most of the evidence suggests that unions are associated with reduced earnings dispersion. Compression results from the standardisation of pay for given job definitions. Many economists argue that unions act as a redistributive force within the economy and can have a desirable influence on economic outcomes. This is the mechanism behind what Flanders (1970) terms the "sword of justice" effect of trade unions.

TRADE UNIONISM IN NORTHERN IRELAND

If we accept that trade unions reduce earnings dispersion through the organisation of low paid workers for collective bargaining purposes, and that the decline of unionisation may play a significant role in determining the level of wage dispersion amongst workers with differing skills endowments, then it is useful to look at the levels of trade union membership in Northern Ireland. Unfortunately, information on union density within Northern Ireland only exists from 1989 onwards. It is therefore not possible to estimate the level of union decline over the 1980s or the extent to which this contributed to the observed

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increases in wage inequality. However, insights relating to the role of trade unions within Northern Ireland may still be drawn from the available data.

The rate of trade union membership within Northern Ireland is substantially higher than that for the UK as a whole. In 1989, 46.5% of workers in Northern Ireland belonged to either trade unions or staff associations as opposed to 38.5% for the UK. However, over the period 1989 to 1995 the level of union membership has declined in both the UK and Northern Ireland by approximately 21%. We could conclude that if this pattern of union decline continues within Northern Ireland it will contribute to future increases in the level of earnings dispersion.

For most industries the level of union density is higher within Northern Ireland relative to the UK. Union activity is particularly high in Northern Ireland within the Manufacturing and Electric, Gas, Water industries and within the public sector. It is also useful to note that density levels are particularly low in the Hotels and Restaurants sector which contains a high proportion of low skilled workers. The bargaining power of workers in this sector is, therefore, restricted relative to the rest of the economy, a factor which is likely to contribute to increased earnings dispersion

Table 4. Results from the International Adult Literacy Survey 1997 and Inequality Ratios 1994

Country	Inequality Ratio 1994	Prose	Document	Quantitative
Sweden*	2.13	32	36	36
Belgium*	2.24	14	17	23
Germany*	2.32	13	19	24
Netherlands	2.59	15	20	20
Australia	2.87	19	17	19
New Zealand	3.05	19	18	17
Great Britain	3.31	17	19	19
Northern Ireland	3.44	15	15	19
Canada	4.20	23	25	22
US	4.35	21	19	23
Republic of Ireland	4.54	14	12	16

*Source: OECD Employment Outlook (1996), NES. * 1993*

UNION DENSITY IN NORTHERN IRELAND MANUFACTURING

Within the manufacturing sector (Table 3) the levels of union density are particularly low in the Food and Textiles industries. Again, these are industries which are of particular importance in terms of employment and also contain a high proportion of low skilled and low paid labour. In contrast, the Other Transport industry which contains a very high proportion of skilled craftsmen in ship-building and aircraft engineering has an extremely high level of union density. Thus, the ability of unskilled workers to achieve higher wage rates is limited whereas the bargaining power of the skilled and highly paid workers is quite strong. Such a situation can only contribute to widening earnings differentials between skilled and unskilled workers.

VARIATIONS IN EDUCATIONAL STANDARDS

Results from the International Adult Literacy Survey (IALS) are given in Table 4. Each country in the study receives a score in terms of general literacy in prose, reading a document and quantitative skills. It is obvious from the results that Northern Ireland did not perform well.[3]

The question is, do countries that have a higher standard of literacy have lower earnings inequality? We might well expect a relationship between earnings dispersion and general literacy levels i.e. given that we are dealing with developed economies, it would be reasonable to assume that the lower the score in these tests the greater the variation in educational standards in an economy. Therefore we might expect an inverse or negative relationship

3 It should be noted that the IALS figures are for the "stock" of the Northern Ireland working population and that new entrants to the labour market (younger age-groups) perform much better.

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Table 5. Results from the Correlation Matrix

	Earnings Inequality
Prose	-0.064
Document	-0.37
Numeracy	-0.48

between the literacy score and the inequality ratio i.e. those countries who scored highest should have the lowest variations in educational standards and therefore have lower levels of earnings inequality. The output from a correlation matrix is given in Table 5.

Table 5 indicates that there is a substantial inverse correlation between the general standard of numeracy and the level of earnings dispersion in any particular country i.e. the poorer the standard of numeracy the higher the level of inequality is likely to be, the same is true to a slightly lesser extent for literacy in relation to the document score, whereas the result for prose is largely insignificant. Therefore, the relatively high variation in educational standards within Northern Ireland may well be another factor contributing to the relatively high level of earnings inequality here.

CONCLUSION*

There is evidence that the level of earnings dispersion increased in Northern Ireland during the 1980s and 1990s and that unskilled workers are becoming increasingly worse off relative to their skilled counterparts. It is unlikely that any of the three explanations put forward in this article can adequately explain this phenomenon in isolation, however, each is likely to have impacted on the level of inequality to some extent. Factors likely to have contributed to increased earnings dispersion within Northern Ireland are
(i) the relative increase in the demand for skilled labour within manufacturing.
(ii) falling trade union density, and a particularly low level of trade union representation in those sectors of the economy which are predominately unskilled.
(iii) a relatively high level of variation in educational standards. In addition, wage inequality in Northern Ireland will also be influenced by the level of wage inequality in the Republic of Ireland as employers there recruit highly skilled Northern Ireland workers thus exacerbating supply shortages here; for example, over one quarter of last year's software graduates went to work in the Republic. We may see some reduction in wage differentials during 1999 in Northern Ireland as the minimum wage of £3.60 is introduced. Furthermore, younger entrants to the labour market are much better qualified and there has been a large reduction in those with no qualifications which will tend to reduce earnings dispersion by reducing the level of variation in educational standards within the working population. On the other hand rapid technological change within both the manufacturing and service sectors is likely to drive earnings dispersion up as the labour market continues to experience skill shortages.

* For a full list of references contact the author

TRAVEL-TO-WORK PATTERNS IN THE BELFAST URBAN AREA

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Spatial concentrations of urban unemployment exist in Northern Ireland and in all advanced economies (Green 1994; SACHR 1997). Explanations of these pockets of joblessness are varied but one significant theme is that of spatial mismatch. This points to a geographical mismatch between the places where unemployed people live and the locations of employment opportunities and suggests that siting jobs in areas of high unemployment might help to get unemployed people into work[1].

INTRODUCTION

However, alternative perspectives on the causes of urban unemployment, such as that of skills mismatch, emphasise non-spatial factors, and contend that although jobs exist and are spatially accessible, they are functionally inaccessible because of a lack of appropriate education and training amongst unemployed people. The extreme case of this is the East End of London - huge numbers of jobs have been generated in "The City" but close by are areas with high unemployment; the city jobs are taken by long-distance commuters rather than the nearby inappropriately skilled or unskilled residents.

It is important for policymakers to understand more about the geographical context of urban labour markets not only because of these debates but because of recent policy developments which have had significant spatial dimensions relating to the location of jobs. These include the creation of Employment Zones in Great Britain (Green and Owen 1998) to target jobs to those most in need, the reformulation of Making Belfast Work (MBW[2]) strategy in 1995, and the expansion of the Targeting Social Need (TSN) initiative in Northern Ireland (Partnership for Equality 1998). These initiatives make it important to be able to estimate who gets jobs where and, in particular, to learn more about the spatial behaviour of residents of areas of high unemployment.

This article looks at these issues by describing travel-to-work patterns in terms of flows between ward of residence and ward of place of work by occupation, gender and religion. These data include flows between wards in the Belfast Urban Area (BUA)[3], worker flows within wards (eg those who live and work in the same ward), and also in-commuters from outside the BUA. In total there is information for some 218,000 workers. The focus of the analysis will be on the geography of employment in the BUA, on differentials in average travel-to-work distances, and on the meaningfulness of MBW boundaries in labour market terms. Finally, comments will be offered on some possible implications of the results for spatial labour market policies and the targeting of jobs to areas of high unemployment.

1 See, for example, Webster, D., (1994), Home and Workplace in the Glasgow Conurbation: A New Analysis and its Implications for Urban Regeneration and Regional Employment Policy, Glasgow City Housing, Glasgow
2 MBW is a group of wards which have been selected for policy interventions of various types on the basis of the social deprivation of their residents
3 The BUA is a unit of 117 wards encompassing Belfast District Council, and parts of Lisburn, Castlereagh, Newtownabbey, and North Down which was devised to incorporate the built-up area of Greater Belfast for the purpose of the 1991 Census of Population

E I G H T EIGHT CHAPTER EIGHT

TRAVEL-TO-WORK PATTERNS IN THE BELFAST URBAN AREA

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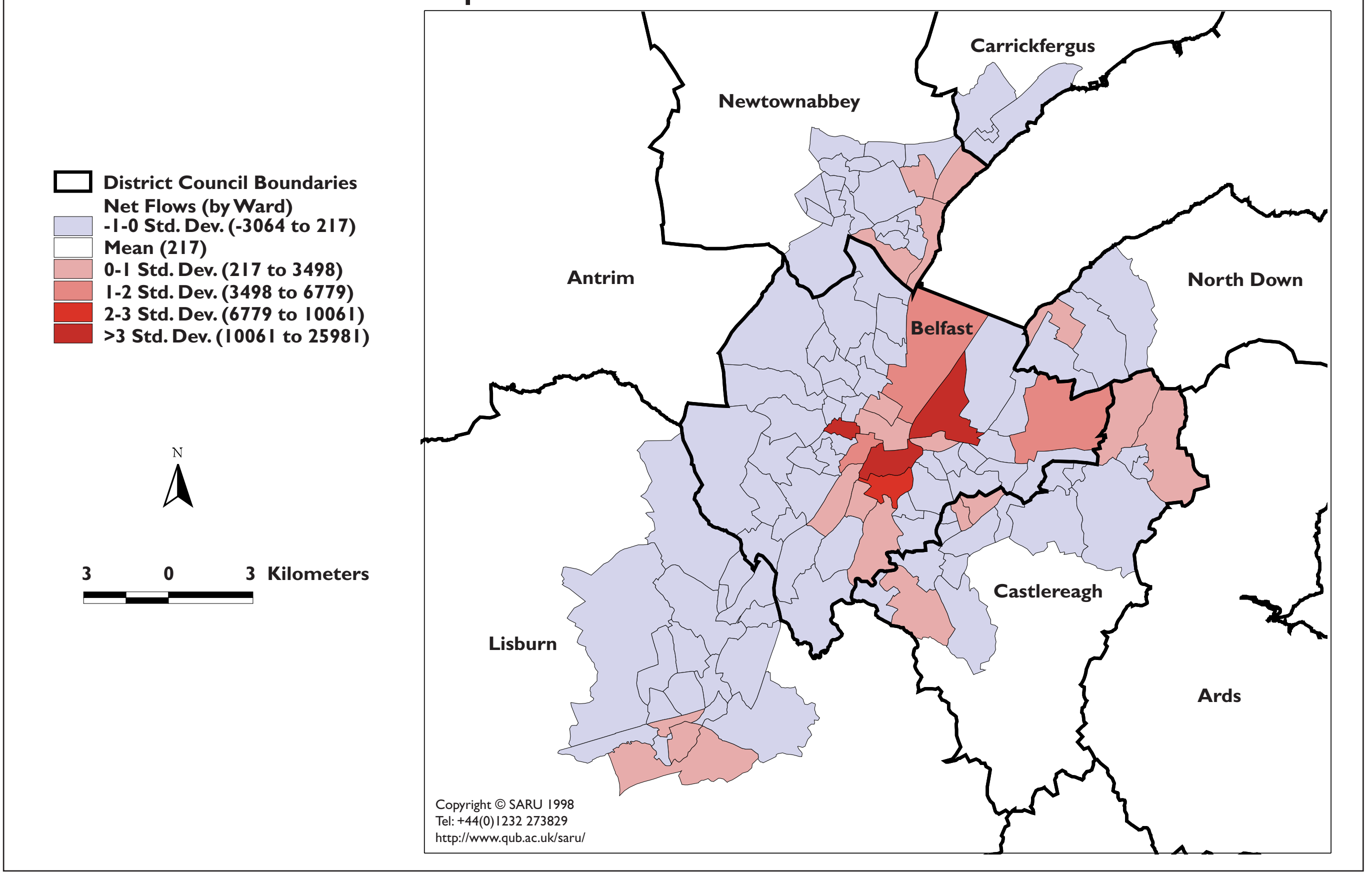

Map 1: Net Flow of Workers in the BUA

THE GEOGRAPHY OF EMPLOYMENT IN THE BUA

Map 1 shows the geographical pattern of employment in the BUA in terms of the net balance of workers for each ward (the gross inflow minus the gross outflow). This combines people who both live and work in the BUA and those who commute into the BUA from outside since there are no significant differences in the workplaces of BUA residents and in-commuters. The wards with the biggest net inflows are Shaftesbury, Botanic, Falls and Island. This pattern probably reflects the location of major employers such as the Royal and City hospitals, Shorts, QUB, and Harland and Wolff, and suggests that comparatively few employers are major actors in the urban labour market.

Maps 2 and 3 look at the data by religion and show the absolute numbers of workers moving within a ward or flowing into it for Catholics and Protestants (this also includes in-commuters from places of residence outside the BUA) standardised on the area of the ward. For both Catholics and Protestants there is overlap - high densities of workers are found in the city centre and there is a common core-periphery pattern which points to a concentration of employment away from the urban periphery. However, there are some interesting differences. High densities of Catholics tend to flow into (or within wards) to the South and West of the city centre whereas the Protestant pattern is more biased to the East.

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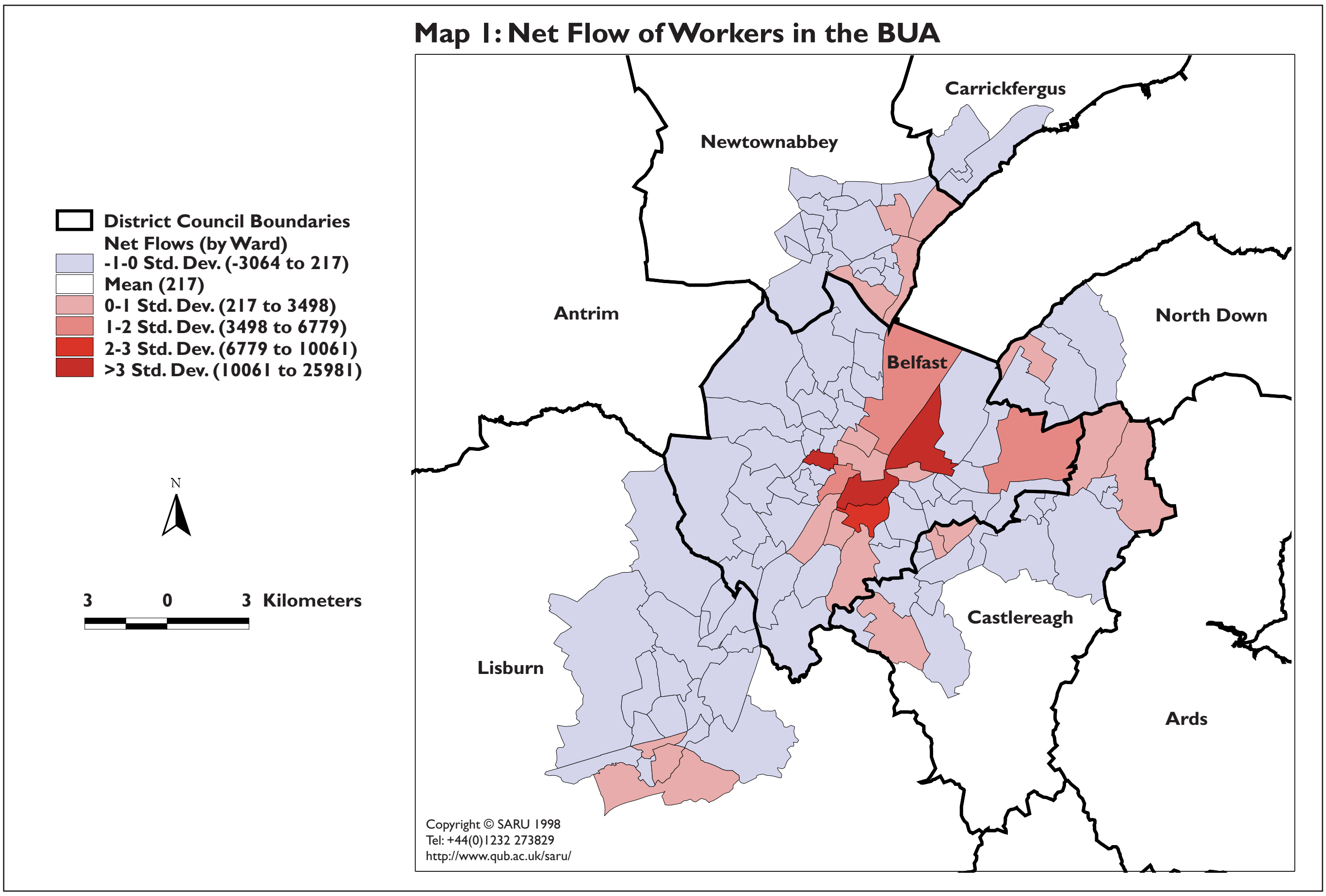

These patterns could be interpreted in a number of different ways. Firstly, they might reflect the demographic structure of the BUA. Protestants tend to be located more in the East and the BUA periphery, Catholics in the South, the West and the centre of the BUA (Power and Shuttleworth 1997). Residential segregation and short distances travelled to work might thus create different religious employment geographies. Secondly, it is well-known that Catholics and Protestants (Smith and Chambers 1991) have different employment/occupational structures. The differences seen in Maps 2 and 3 could be therefore a result of the location of employment opportunities. Finally, the variations in the contexts of Protestant and Catholic travel-to-work patterns could reflect discrimination or sectarian-created fears of intimidation.

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CHAPTER

E I G H T

TRAVEL-TO-WORK PATTERNS IN THE BELFAST URBAN AREA

Ian Shuttleworth, John Power and Darren McKinstry
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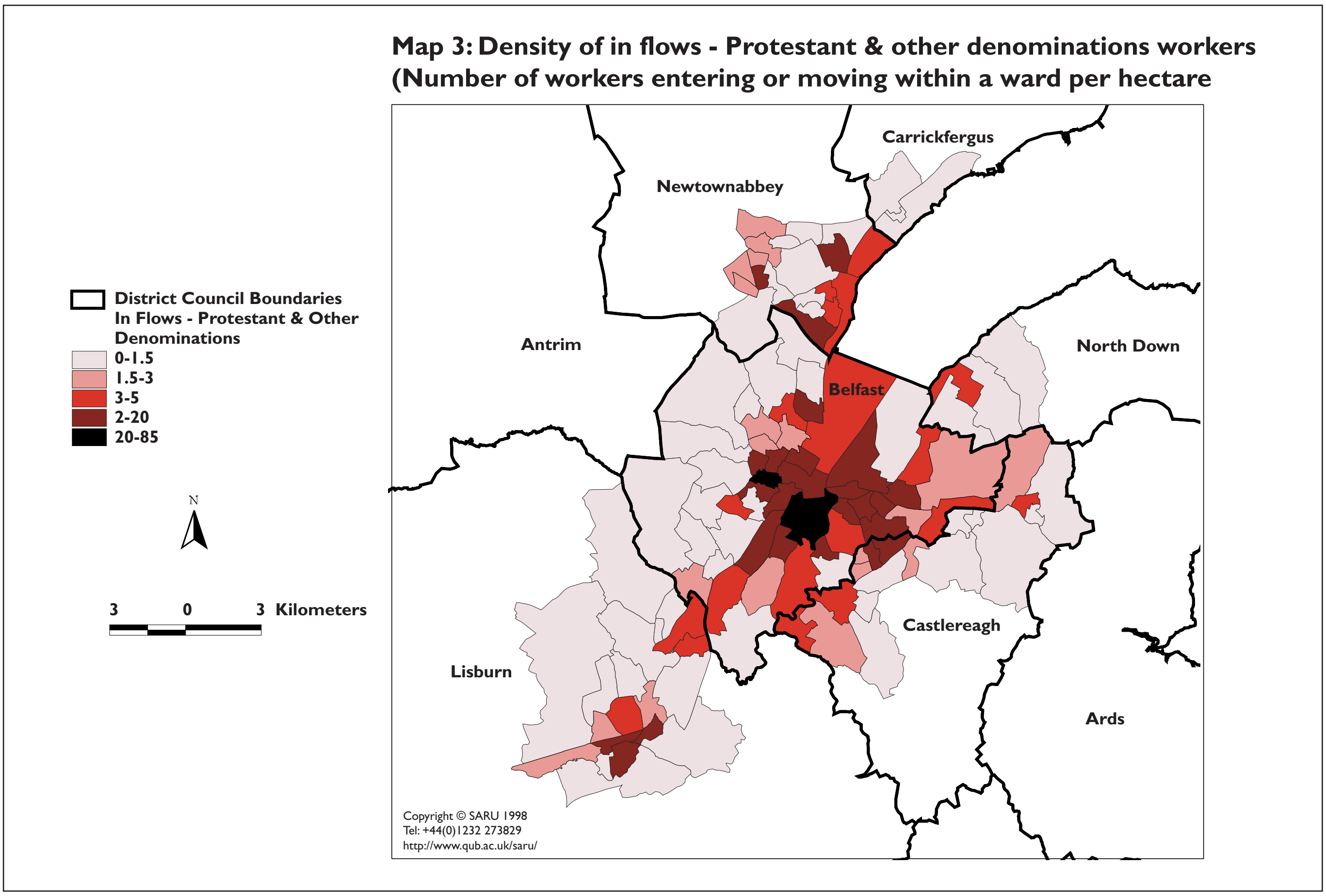

AVERAGE TRAVEL-TO-WORK DISTANCES

The averages presented in Table 1, by occupation, gender, and religion, deal with movements that begin or end within the BUA - in other words internal BUA flows - and distances could be higher if workers who live outside the BUA were included. But the data are very much what one would expect on several counts. Firstly, the average distances travelled tend to vary by occupation. This could be a result of several reasons. Workers in 'higher-status' jobs are known to have more spatially-extensive job search. However, the social geography residence and employment of the BUA might also be important. Many people in 'higher-status' work live on the edge of the BUA but since many jobs are still located in the city centre these locational factors could 'explain' the longer average travel-to-work distances.

Secondly, there are clear differences by gender since women in most cases do not travel as far as men (see, for example, Gordon et al 1989). This could be a result of a variety of factors. Social constraints, such as childcare problems and a lack of transport, often keep women in or near 'the home'. The way in which gender influences the types of jobs open to men and women, and the areas in which jobs are located, might also be important determinants of their differing spatial behaviour (see, for example, Hanson and Pratt 1995). However, little is known about how gender influences policy, and the geography of local labour markets in the BUA.

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Table 1: Average Distances in Kilometres Travelled to Work Within the BUA by SOC[5], Gender, Religion and Total

	Males		Females		Total	
	Mean	No of workers	Mean	No of workers	Mean	No of workers
1. Managers and Administrators	6.68	10,723	5.95	5,224	6.44	15,947
Roman Catholic	6.29	2,567	5.89	1,440	6.15	4,007
Protestant	6.88	6,234	5.91	2,877	6.57	9,111
None and not stated	6.57	1,922	6.16	907	6.44	2,829
2. Professional	6.22	7,954	5.84	5,266	6.06	13,220
Roman Catholic	5.66	2,388	5.56	1,985	5.61	4,373
Protestant	6.54	3,959	6.08	2,424	6.37	6,383
None and not stated	6.25	1,607	5.83	857	6.10	2,464
3. Associate Professional	6.53	5,326	5.80	6,695	6.12	12,021
Roman Catholic	5.74	1,324	5.26	2,301	5.44	3,625
Protestant	7.01	2,808	6.23	3,329	6.59	6,137
None and not stated	6.28	1,194	5.61	1,065	5.96	2,259
4. Clerical and Secretarial	6.37	7,654	5.87	19,472	6.00	27,126
Roman Catholic	6.02	2,041	5.47	5,271	5.63	7,312
Protestant	6.53	4,426	6.04	11,453	6.17	15,879
None and not stated	6.38	1,187	5.91	2,748	6.05	3,935
5. Craft and Related	5.97	14,632	4.70	2,233	5.80	16,865
Roman Catholic	5.47	2,926	4.26	606	5.26	3,532
Protestant	6.10	9,541	4.82	1,372	5.94	10,913
None and not stated	6.08	2,165	5.08	255	5.97	2,420
6. Personal and Protective Service	5.83	5,714	4.40	7,096	5.04	12,810
Roman Catholic	4.75	1,519	4.20	2,280	4.42	3,799
Protestant	6.29	3,232	4.50	3,929	5.31	7,161
None and not stated	5.98	963	4.45	887	5.25	1,850
7. Sales	6.04	3,429	4.55	6,386	5.07	9,815
Roman Catholic	5.44	787	4.47	1,531	4.80	2,318
Protestant	6.32	2,110	4.57	3,988	5.17	6,098
None and not stated	5.84	532	4.64	867	5.09	1,399
8. Plant and Machine Operatives	5.75	8,393	4.68	1,992	5.54	10,385
Roman Catholic	5.34	2,091	4.87	339	5.27	2,430
Protestant	5.89	5,084	4.64	1,394	5.62	6,478
None and not stated	5.89	1,218	4.64	259	5.67	1,477
9. Other Occupations	5.20	5,361	4.03	5,928	4.58	11,289
Roman Catholic	5.06	1,650	3.80	1,649	4.43	3,299
Protestant	5.28	3,041	4.12	3,676	4.65	6,717
None and not stated	5.15	670	4.10	603	4.65	1,273

Source: Census of Population 1991

5. SOC stands for Standard Occupational Classification - a way of describing occupations often used in official statistics.

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Thirdly, the average distances travelled are very similar to those observed by Webster (1994) in the Glasgow conurbation. It therefore appears that the experience of the BUA is not atypical and can be compared with that of other urban areas. Finally, the distances travelled vary by religion, being generally less on average for Catholics than Protestants. This is not easily explained although some reasons that could be used to explain this observation have been suggested above.

Much of Webster's (1994) argument about the need for local jobs in areas of social deprivation is based on the small average distances travelled to work within the Glasgow conurbation which were, on average, less than 10 kilometres. These data from the BUA support this perspective because of the small average daily commute of workers. To some extent the data perhaps over estimate the potential job-related mobility of unemployed people who, because of discouragement, may be less likely to be active in spatially-extensive job search.

MBW AND SPATIAL EMPLOYMENT POLICIES

The average travel-to-work distance for MBW residents within the BUA is 4.5km as compared with 6km for non-MBW residents. This suggests that residents of socially-deprived wards travel shorter distances to work than residents of non-deprived wards. Expanding this observation to include unemployed people, there is thus reason to believe that it is necessary to locate jobs near socially-deprived areas if residents of these areas are to get them because of their shorter average travel-to-work distances.

However, this conclusion is not supported by further analysis. The effectiveness of a spatial employment policy is questioned by the porosity of MBW boundaries - only a minority of jobs located in MBW areas go to MBW residents. This suggests that job location on its own is not a sufficient condition to reduce urban unemployment. Some 106,000 people work in MBW designated wards, but of these only about 26,000 are MBW residents. The majority of people who work in MBW wards live in other parts of the BUA (about 49,000) or live outside the BUA (about 30,000). At the same time, MBW is porous in the other direction - some 14,000 MBW residents work outside MBW and of these nearly 7,000 worked outside the BUA.

These data on worker flows can be linked to information on residential deprivation. When this is done, there is the apparent paradox that wards with the most socially-deprived residents have the greatest inflows of workers. At the same time, wards with low residential deprivation scores experience worker outflows. This relationship is such that there is a significant positive relationship between ward deprivation and worker inflows - the more deprived a ward's residents are, the greater number of inflowing workers. This tends to the observation that the residents of affluent wards are comparatively well off because they work in wards with socially deprived residents whereas the residents of socially-deprived wards cannot compete effectively for jobs which are located in their neighbourhoods as these go to in-commuters from other parts of the city or from outside the city.

CONCLUSIONS

There are a number of specific implications of the analysis presented in this article with reference to the prospects of a spatial employment policy as raised in the introduction:

- The short average travel-to-work distances noted within the BUA support the need for a policy to target jobs to reduce concentrations of urban unemployment. This is reinforced by the shorter average distances travelled to work by MBW residents in comparison with the residents of more affluent wards
- However, this conclusion is weakened when the porosity of MBW boundaries are defined - almost 75% of jobs in MBW go to non-MBW residents
- This suggests that merely locating jobs in MBW wards is not sufficient on its own to reduce unemployment within MBW since MBW residents seem unable to get jobs amidst 'plenty'
- This indicates that other measures, perhaps to boost education and training, for unemployed people might help so socially-deprived people can compete with residents of other areas

These specific conclusions with reference to the BUA raise broader questions of

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more general relevance to spatial employment policies such as Employment Zones. Firstly, they indicate possible conceptual problems in defining the areas to which employment should be targeted for a spatial policy. Ward-based measures, as in the case of MBW, may not be spatially broad enough given average travel distances of about 5km. Secondly, the use of residential measures of social deprivation are questioned in terms of labour market policy - residential deprivation tells us little about the supply of jobs in an area within a city and certainly nothing about the dynamics of the urban system. Thirdly, since many jobs in socially-deprived areas with high rates of unemployment go to outsiders, and particularly if this finding is generalised, then job location although necessary is not sufficient on its own to tackle spatial concentrations of urban unemployment. Other supply-side measures will therefore probably be necessary besides the location of jobs[4].

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4 Research on this issue, "Employer-Based Initiatives", (a series of programmes targeted at unemployed people - particularly long-term unemployed) has just started and the results will be given in the next Bulletin

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THE LABOUR RECRUITMENT STUDY [1]

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This article reports the first 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 oversupply by occupation and industry. This is important because the local economy depends on the availability of workers in sufficient numbers with appropriate skills. Numerous surveys of investment decisions by employers show that labour supply is a key factor in the location decision. The failure of an inward investment company to get the workers it needed would be serious for the company, the IDB, the Agency, and 'NI PLC'. The availability of labour is also important for the efficient ongoing operation of existing employers and for any expansion plans by these firms. The project therefore aims to help in making better labour supply estimates.

The DED group is committed to work under Policy Appraisal and Fair Treatment (PAFT) and TSN guidelines. PAFT is an initiative which seeks to 'equality proof' government decisions so they do not impact unfairly on any given group. TSN is a government spending priority which seeks to target resources to areas and people in greatest need. It has recently received greater emphasis as 'new TSN'. Although some work has been done on these issues, more information is needed on the operation of labour markets. 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 (eg targeting unemployed people) of greater significance? Or should both strategies be operated in tandem to ensure success? The project therefore seeks to provide answers to these and other similar questions.

THE STUDY

The project was commissioned in 1997. It is based on a series of case study companies which were selected so as to gather information on recruitment and employment in a variety of industrial sectors (eg electronics, textiles, engineering), located in a variety of geographical areas (eg Belfast, urban areas beyond Belfast, and rural areas). Data will be collected on thirteen case study companies and some 10,000 workers by the time the project is completed in late 1998 although this article is based on information from six companies and approximately 4,000 workers[2]. The databases created by the research contain anonymised information for workers on topics such as qualifications, previous economic status, access to transport and home postcode. These data should allow detailed descriptions of employee characteristics and the spatial catchments for workers employed at various sites. This offers a contrasting and complementary perspective on local labour markets to that discussed in the article on Travel-to-Work Patterns in the Belfast Urban Area in this bulletin.

Because a wide range of information was collected during the course of the project many issues can potentially be discussed. To restrict the discussion three topics will be considered. These are, firstly, some selected aspects of worker characteristics, secondly, the possible TSN impact of

1 The project will be completed later in 1998. The next issue of the Bulletin (October 1999) will give the final results of the study

2 The researchers wish to acknowledge the extensive cooperation of the participating companies. To preserve anonymity no company names are listed

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Table 1. Highest qualifications and previous economic status by site (percentage rates)

	Site 1	Site 2	Site 3	Site 4	Site 5	Site 6
Highest Qualification						
No formal qualifications	33.5	25.3	33.4	8.2	23.2	8.6
Below NVQ 2	23.5	42.7	15.9	15.2	49.0	20.4
NVQ 2 Equivalent	28.5	24.0	37.2	36.9	20.2	26.1
NVQ 3 Equivalent	10.3	2.7	10.1	25.0	6.6	16.1
Degree or higher	4.1	5.3	3.5	14.8	1.0	28.7
Number	319.0	75.0	347.0	244.0	302.0	348.0
Previous Status						
Employment	57.3	20.0	28.5	44.7	49.0	62.2
Unemployment	38.4	71.8	36.4	50.0	37.7	21.5
Education	2.0	0.0	21.9	4.1	7.0	13.7
Training	2.3	8.2	1.8	0.4	2.0	1.5
Returnee	0.0	0.0	11.3	0.8	4.3	1.2
Number	302.0	81.0	442.0	244.0	300.0	344.0

Source: The Large-Scale Recruitment Study

employment creation and, thirdly, spatial dimensions of company catchments for workers. The company sites discussed will not be identified because an undertaking of confidentiality was made.

WORKER CHARACTERISTICS

The key word to describe the background of workers at the six case study sites is heterogeneity - there are variations in recruitment patterns reflecting the types of job on offer, the nature of the company, and local circumstances. This finding is important because labour availability is often equated with registered unemployment or with other forms of 'hidden unemployment'[3]. In fact, the personal background of workers is very diverse and varies strongly in terms of gender and marital status between different sites and locations. This diversity is equally marked when the qualifications profiles and the previous economic status of workers in the study are considered. These are set out in Table 1. One site is unique in taking a majority of its workers from unemployment whereas the others draw substantial shares from the previously employed or from training/education. The sites also differ in their skills profiles - some attract workers with few or no qualifications whilst others recruit workers with higher qualifications.

These differentials might have been suspected in the past. However, the study has collected this in-depth material in Northern Ireland to confirm these assumptions. At the same time, these results indicate that aggregate estimates of labour supply based on the pool of unemployed people in the area are at best misleading. The differentials in worker background vary according to the type of employment offered. Other factors such as location (eg whether a site is urban or rural) might also be important in causing these variations. Further work is needed to look at these factors, and also to see whether there are systematic variations in worker characteristics that can be predicted once the type of enterprise and its location are known.

3 Armstrong, D., (1997), Hidden labour reserves in Northern Ireland, Labour Market Bulletin, 11, 26-29, TEA, Belfast

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THE TSN IMPACT OF EMPLOYMENT CREATION

TSN has a significant employment dimension. The IDB, for example, set a target that 75% of new inward investment projects between 1995-98 should be located in or adjacent to TSN areas, and media reports often refer to jobs being brought to 'unemployment blackspots'. Because of this background it is important to know if TSN residents get jobs at sites of inward investment. Some evidence suggests that this is the case. Three sites are located in TSN wards and 91%, 83% and 64% of workers at these firms are TSN residents as compared with an average of 18% for factories located in non-TSN wards. This indicates that employment location does work.

However, this conclusion should be qualified on three counts. Firstly, not all TSN residents are unemployed since 36% of TSN residents were in work before they took their present job. This means that there is no one-to-one relationship between employment growth and falls in unemployment. Secondly, a higher proportion of TSN resident workers than non-TSN resident workers have no formal qualifications. This suggests that TSN workers tend to be in the lower-paid and lower-status jobs. This is supported by other evidence[4] which finds that many TSN residents apply for posts as Plant & Machine Operators. Thirdly, there are indications that higher-status and higher-paying jobs tend to 'leak' to non-TSN areas that are often distant from the inward investment sites. An example of this are the commuting patterns noted in the Travel-to-Work Patterns in the Belfast Urban Area article elsewhere in this Bulletin.

These data suggest that targeting employment to areas of high unemployment works in that residents of TSN wards apply for these jobs and in many cases go on to get them. But it is important to realise that although these quantitative indicators indicate success in bringing work to areas of high unemployment that TSN can be criticised because many of the jobs gained by TSN residents often appear to be lower paid. Furthermore, a relatively high proportion of jobs going to TSN residents are not obtained by previously unemployed people. This indicates that employment location might be important as an initial condition to bring jobs to deprived areas and people. However, the process of recruitment could be the most significant factor in bringing 'better' jobs to deprived areas, and in placing the previously unemployed in these jobs, as employment location does not seem to be sufficient on its own.

SPATIAL DIMENSIONS OF COMPANY CATCHMENTS FOR WORKERS

The geography of local labour markets is significant in assessing the impact of employment creation and in making estimates of labour availability. In discussing policy there is a need to target job creation precisely. This means that it is important to know fairly precisely where workers live. This same consideration also applies to analyses of labour supply. In this case it is necessary that the likely pool of potential recruits at a new site should be carefully estimated. This implies some knowledge of the spatial behaviour of workers and of job applicants.

However, despite these requirements, there has been a general lack of empirical evidence to assess the extent of local labour markets. In the absence of these data, arbitrary administrative units such as District Councils (DCs) or Travel-to-Work Areas (TTWAs) have often been used to assess labour supply and demand, and also to evaluate policy. This has usually been the practice in Northern Ireland where bodies such as the Fair Employment Commission, for example, have tended to use DCs or TTWAs to comment on labour market compositions.

To attempt to investigate these spatial issues more rigorously the project has mapped anonymised workers' home postcodes to try to envisage a local labour market as described by the catchment of employees at each of the sites. Map 1 is included to show the potential output from this kind of analysis. Based on a 'real world' example in terms of the spatial locations of workers, this is a simulated exercise insomuch as the identity of the site is hidden to preserve anonymity. In this case, the anonymised home postcodes are linked to data from the 1991 Census of Population to show the religious makeup of the wards where they are located. This shows a spatially restricted catchment, the majority of workers being drawn from wards that are more than

4 Shuttleworth, I., McKinstry, D., Shirlow, P., Power, J., (1998), Inward Investment, Social Equality and Policy in Northern Ireland: A Case Study of Two Manufacturing Plants, SARU Working Paper 3, School of Geography, QUB

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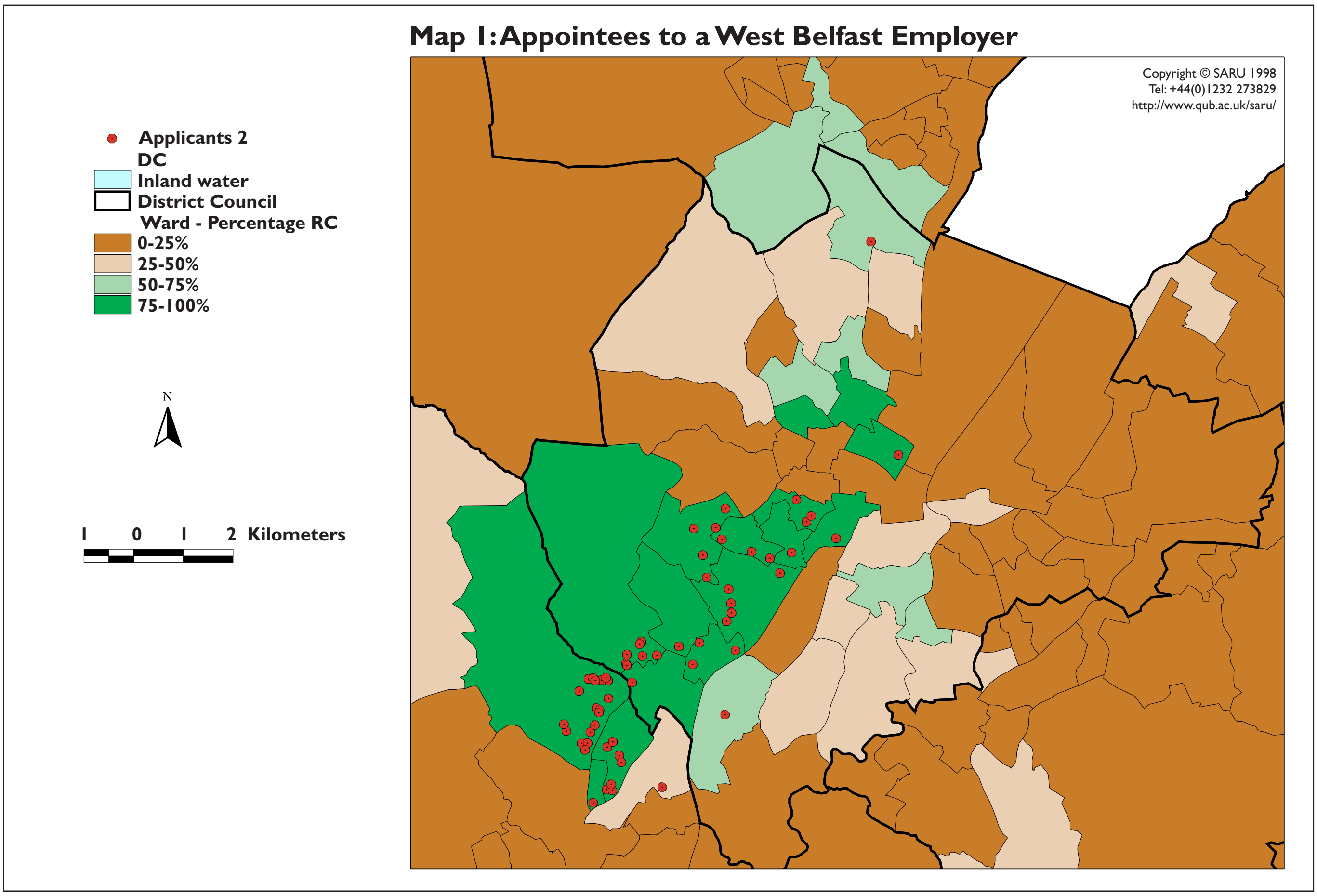

75% Catholic. It is worth noting that this example is not unique - other sites draw the majority of their workers from wards more than 75% Protestant - and it presents evidence for religious polarisation in the workplace perhaps through the operation of a religious 'chill factor' which discourages people from working in areas of the 'opposite' religion.

However, this is not the only explanation for this type of pattern. Another cause could be the types of jobs on offer. Workers in lower-wage jobs (as many of the employees in Map 1 are) often live close to their place of work and this could explain the features observed in Map 1. Careful analysis will be needed to differentiate between these interpretations but, despite this, this site poses interesting policy questions. It is a success story with regard to TSN as many jobs have gone to local unemployed people but the community implications raise questions under the PAFT guidelines which aim to ensure that government decisions (for example the location of inward investments) do not discriminate against any group. This apparent conflict could be a result of the scale of the analysis - looking at one case study can easily lead to this kind of dilemma as the net effect of all location decisions could be PAFT neutral. This issue may need closer examination.

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CONCLUSIONS

The interim results presented indicate some of the ways in which the Labour Recruitment in Northern Ireland study can potentially develop. In summary, the article shows, firstly, that general models of labour availability based on the stock of unemployed people need refining to take account of the social diversity of workers and the spatial base from which employees are recruited. Secondly, it indicates a need to focus more closely on monitoring the employment aspects of the overall TSN strategy. This might mean a move from looking at the quantity of jobs to also considering the quality of work that is open to TSN residents from inward investment. Thirdly, the article also shows the possibilities which are opened by the use of a more sophisticated spatial framework. These possibilities are relevant to the consideration of the impact of job growth and also to the estimation of labour supply.

COATS VIYELLA STUDY

Kate McEvoy, Cambridge Policy Consultants

In December 1997, Coats Viyella announced its intention to close its wholly owned subsidiary, Saracen's factory in Lurgan, making all employees redundant. At the date the closure was announced, 474 people worked at Saracen's, making it the fourth largest private sector employer in the Craigavon Travel to Work Area (TTWA). In particular, Saracen's was a significant employer of women in Lurgan, with over 80% of its employees female. The factory produced women's lingerie and nightwear for Marks and Spencer. The main areas of employment, and the skills of the employees, were in stitching and associated jobs, although there were also many individuals employed in areas such as the canteen, security, or as mechanics.

BACKGROUND TO THE STUDY

Saracen's closed on January 22nd 1998. Because of the factory's size and significance, the Research & Evaluation Branch of the Agency commissioned Cambridge Policy Consultants (CPC) to investigate the impacts of the closure on the local economy. The study is intended to increase understanding of the effects of a large scale redundancy on a local labour market. This should help the Agency's employment and training services to be more effective in assisting individuals and companies affected by redundancies in the future. It will also help the Agency and others to understand the likely knock-on effects of any other proposed closures. The management of the Saracen's factory, the unions, and the employees readily agreed to take part in the study. The researchers and the Agency are very grateful for their co-operation.

The methodology for the study is similar to that used by members of the research team in a previous study in Great Britain for the Department of Employment (now DfEE). This earlier study covered five local areas affected by redundancy - Lanarkshire (British Steel Ravenscraig), Mansfield (British Coal), Hatfield (British Aerospace), Preston (also British Aerospace) and Harrogate (ICI Fibres Division).

This article gives some early results of the Saracen's closure. The research will not be complete for several months, and a further article will appear in next year's Labour Market Bulletin.

INITIAL SURVEY WORK

The current research starts with one significant advantage over the earlier study in that the decision to carry out the research was made *prior* to the closure of the factory. This meant that it was possible to introduce an initial phase, contacting people while they were still employed at the factory. They were asked about their aims, fears and hopes for the future, and also were asked for some background information about their circumstances. In total, 78% of employees (371 people) completed questionnaires. This extremely high response rate is very largely due to the help and co-operation received from the management and supervisors at the factory, and provides an excellent basis for the remainder of the research.

COATS VIYELLA STUDY

Kate McEvoy, Cambridge Policy Consultants

Figure 1. Plans when factory closes

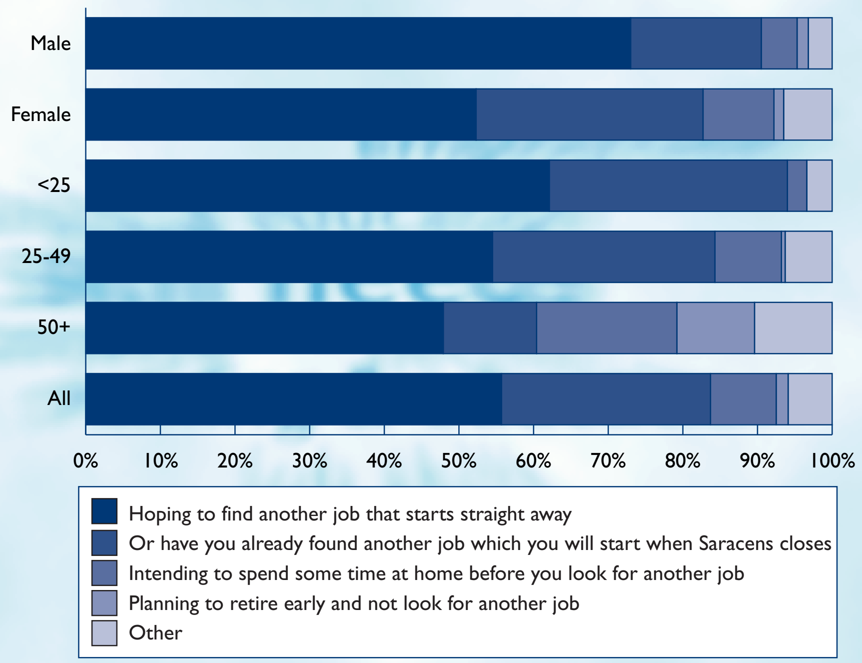
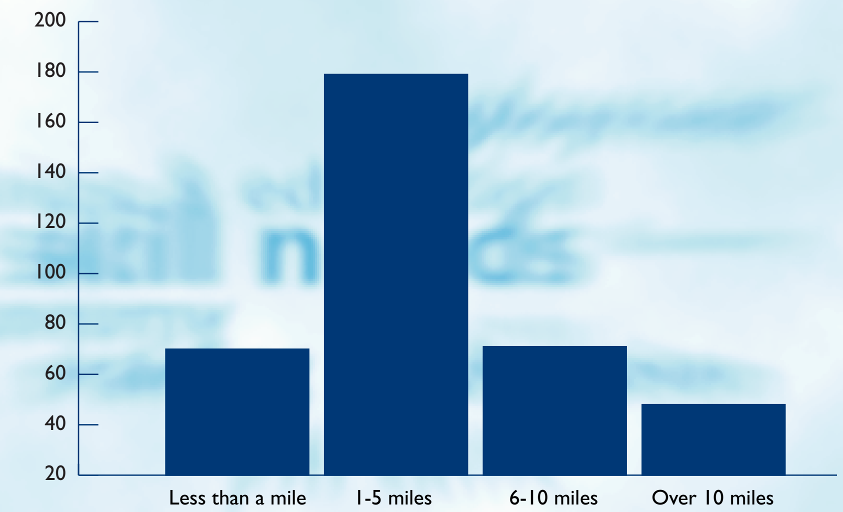


Figure 2. Maximum distance that people would be willing to travel to a new job



Source: Survey of employees

Many of these employees had worked for Saracen's for a long time - a fifth for more than ten years, and nearly half were the only earner in their household. Unsurprisingly, there were serious worries about making ends meet once the factory closed. Even amongst those who have a partner with a full time job, a quarter expected serious problems meeting housing costs, and nearly half expected to have wider financial difficulties. Given this, it is not surprising that the great majority (84%) hoped to find another job to start as soon as possible following the closure (see Figure 1).

At the time when the survey was carried out, approximately one month before the factory closure, just under 80% of employees had already started applying for other jobs, and more than a quarter had already found another job to go to. Female unemployment in the Lurgan area is very low, and reflecting this, the women employed at the factory were considerably more likely than the men to have found other jobs before the closure. Only 17% of men had found work, compared with 30% of women.

Younger employees were also much more likely to have found another job than older - only 11% of those over 50 had another job to go to immediately. This is partly because older employees were in less hurry to find other employment. Only just over half of those aged over 50 wanted to find work straight away, with many planning to spend some time at home before looking for another job, and a few (9%) intending to retire.

COATS VIYELLA STUDY

Kate McEvoy, Cambridge Policy Consultants

A particular feature of the workforce at Saracen's is how close most employees lived to the factory. Only 15% of employees travelled more than five miles to work, and half lived within two miles of the site. Most hoped to find new jobs which were also close to home - and only a third said that they would be prepared to consider travelling distances of more than 5 miles to a job. This is not unusual, given a workplace which is largely female and not highly paid. Many women do not have access to a car, and many also have time constraints as a result of family obligations.

WIDER EFFECTS ON THE LOCAL ECONOMY

Of course, a factory closure does not only affect the individuals employed there. The businesses who supplied the factory will lose orders, and more generally, the amount of money spent by local people with shops and other businesses will fall. However, in a relatively tight labour market other employers may find it easier to recruit good workers, as the pool of people looking for jobs increases.

The effects of redundancies on local shops and other traders will be investigated drawing on information from the follow-up survey of ex-employees about the impact on their income, and using existing research on local income multipliers. To try to find out the extent of the other effects, CPC are interviewing local businesses who supplied Coats Viyella, and businesses who have recruited ex-Saracen's workers. Discussions with the management prior to the closure identified fifteen companies that were the main local suppliers to Coats Viyella. To date discussions have been held with half of these supplier companies, and the interview programme will continue after the holiday period.

Coats Viyella in the main buy materials centrally to service the whole of the group operations wherever they are located geographically. Because of this strategy, the majority of the local supplier companies provided services to Saracen's, rather than raw materials. It also became clear during the course of discussions with these companies that in the majority of cases the total value of the inputs supplied was relatively small, and that the business represented a relatively low proportion of total turnover. Only one company to date has reported a significant impact, losing around 8% of annual turnover. In a highly competitive sector with low margins this turnover is likely to be very difficult to replace. The immediate job impact of the closure has been relatively small in this firm and is likely to be absorbed through the early retirement of a driver. However, in the longer term and particularly given other loss of work, the job losses could rise, perhaps affecting 4-5 workers.

Four major recruiters have been interviewed to date, and again, the interview programme will continue over the next two months. All of the companies interviewed so far have ongoing difficulties in recruiting process/production staff, and all have sought to recruit ex-Saracen's workers. The consensus amongst all of these companies was that as far as they were concerned, the main noticeable effect the closure had, had been a one-off boost in applications when the closure was announced. As far as they were concerned, there had been no persistent effects, and no significant easing of recruitment difficulties.

FUTURE RESEARCH

The main element of the study fieldwork is a follow up survey of the employees made redundant. This will take place in early September 1998, 7 months after the closure. The survey will investigate what has happened to the Saracen's employees - have they found new jobs, or are they unemployed? Have they found the Agency's employment and training services helpful? What has the effect of the closure been on their families? Where people have found new jobs, it will look at how these jobs compare with their job at Saracen's. Have they had to accept worse pay, or worse conditions - or travel long distances to find a suitable job? Or have they been able to find work which is as good as - or maybe better - than their previous job?

In addition, to the ongoing programme of interviews with other local companies, the study will also include analysis of wider labour market indicators, and particularly trends in unemployment and vacancy levels in the Craigavon TTWA.

WHAT THE INTERNATIONAL ADULT LITERACY SURVEY MEANS FOR NORTHERN IRELAND

Terry Morahan, Research & Evaluation Branch,
Training and Employment Agency

An examination of the future demand for skills obviously requires an understanding of where we are now. And higher skills cannot be readily gained without having the core skills of literacy and numeracy. Adult literacy is seen as crucial both to our current and future economic performance and perhaps even more importantly in terms of social inclusion.

Whilst the link between economic growth and skill levels is complex (eg the USA has the world's highest standard of living but only moderate skill levels), the availability of a skilled workforce is often 'top of the list' in attraction factors for inward investors. There is however a very strong link between unemployment, low literacy scores, and social exclusion - at its extreme the prison population scores badly on literacy levels.

Accordingly the Agency was a keen supporter of the extension of the International Adult Literacy Survey (IALS) to Northern Ireland and with our colleagues in the Department of Education (NI) devoted considerable resources[1] to ensure a large enough sample to make the results reliable at a NI level. This complex and demanding Survey was expertly run locally by the NI Statistics and Research Agency's Central Survey Unit.

This Survey was first run in 1994 in seven countries following extensive background research work by Statistics Canada - the statistical arm of the Canadian Government, and by the Educational Testing Service - the leading private testing organisation in the USA.

The UK was one of an additional five countries which decided to participate in the second wave run in 1996-1997. The UK produced results for the four constituent 'countries' ie England, Scotland, Wales and Northern Ireland; (previously in the first wave Switzerland produced two results one for the German speaking part, the other for the French speaking part).

Now for the first time the level of literacy in 12 participating countries(and more countries will join in) has been properly measured in such a way that it is comparable - see Table 1.

The Survey groups adults - defined as 16-65 years of age - into five levels depending on their scores, and by three dimensions:

(i) prose literacy - the understanding and use of texts;
(ii) document literacy - the skills to use information in various formats eg maps, graphs, timetables; and
(iii) quantitative literacy - ability to use arithmetic operations to numbers embedded in printed materials.

Thus literacy is not an either/or characteristic as is typically described- everyone is literate to a degree and one may even score well in one dimension and not in another. Literacy is thus a broad range of skills required in a varied range of contexts. It is defined as using printed and written information to function in society, to achieve one's goals and to develop one's knowledge and potential.

1 Funding also provided by the Interdepartmental Social Steering Group.

WHAT THE INTERNATIONAL ADULT LITERACY SURVEY MEANS FOR NORTHERN IRELAND

Terry Morahan, Research & Evaluation Branch,
Training and Employment Agency

Table 1. International Literacy Study - Ordinal Ranking of Countries - Percentage of Total in (i) Top Level and (ii) Bottom Level

(i) Basis Best First (score 4/5) (ie Sweden had the highest percentage in the top levels)

Order	Country	Prose	Country	Document	Country	Quantitative
1	Sweden	32	Sweden	35	Sweden	36
2	Canada	23	Canada	25	Germany	23
3	USA	21	Netherlands	20	Belgium	23
4	Australia	19	**England**	**20**	USA	22
5	New Zealand	19	Germany	19	Canada	22
6	**England**	**17**	USA	19	Netherlands	20
7	Netherlands	15	New Zealand	18	Switzerland (F)	20
8	**N Ireland**	**15**	**Scotland**	**17**	Switzerland (G)	19
9	**Scotland**	**14**	Belgium	17	Australia	19
10	Belgium	14	Australia	17	**N Ireland**	**19**
11	**ROI**	**13**	Switzerland (F)	16	**England**	**19**
12	Germany	13	Switzerland (G)	16	New Zealand	17
13	Switzerland (F)	10	**N Ireland**	**15**	**ROI**	**16**
14	Switzerland (G)	9	**Wales**	**13**	**Scotland**	**15**
15	**Wales**	**9**	**ROI**	**11**	**Wales**	**12**
16	Poland	3	Poland	6	Poland	7

(ii) Basis Best First (score 1) (ie Sweden had the lowest percentage in the bottom level)

Order	Country	Prose	Country	Document	Country	Quantitative
1	Sweden	7	Sweden	6	Sweden	7
2	Netherlands	10	Germany	9	Germany	7
3	Germany	14	Netherlands	10	Netherlands	10
4	Canada	17	Belgium	15	Switzerland (F)	13
5	Australia	17	Switzerland (F)	16	Switzerland (G)	14
6	New Zealand	18	Australia	17	Canada	17
7	Belgium	18	Canada	18	Australia	17
8	Switzerland (F)	18	Switzerland (G)	18	Belgium	17
9	Switzerland (G)	19	New Zealand	21	New Zealand	20
10	USA	21	**Scotland**	**22**	USA	21
11	**England**	**21**	**England**	**23**	**N Ireland**	**23**
12	**Scotland**	**23**	USA	24	**England**	**23**
13	**ROI**	**23**	**ROI**	**25**	**Scotland**	**24**
14	**N Ireland**	**24**	**N Ireland**	**26**	**Wales**	**25**
15	**Wales**	**24**	**Wales**	**26**	**ROI**	**25**
16	Poland	43	Poland	45	Poland	39

Note: Small differences - 2 to 3 percentage points - are not statistically significant. If score .5, rounded down.

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WHAT THE INTERNATIONAL ADULT LITERACY SURVEY MEANS FOR NORTHERN IRELAND

Terry Morahan, Research & Evaluation Branch,
Training and Employment Agency

When reading the results the following should be borne in mind:

(i) Level 5 is the highest skill level: but for purposes of statistical reliability (only a few percent were in this category) it is combined with 4; Level 1 encompasses the lowest scoring group

(ii) small differences typically 2 or 3 percentage points may not be statistically significant;

(iii) countries can be graded either on their 'average' performance - let us refer to this as 'efficiency' or on the extent to which they had a low proportion in the low scoring group let us refer to this as 'equity';

(iv) this is a 'snapshot' of the stock; inflows ie the younger generation are typically much better educated than the older generation.

RESULTS

Sweden scored easily the best on both efficiency and equity criteria; the USA on efficiency but not equity (although they could point out the migrant issue). Switzerland better at the equity criterion than the efficiency.

Within the UK the results for the four 'countries' were broadly similar. Compared with Wales, a higher proportion of people in Northern Ireland performed better.

Comparing Northern Ireland against the Republic of Ireland shows a small (albeit statistically insignificant) advantage in favour of Northern Ireland.

As an overall marking for all 5 'home' countries - efficiency 'about average', equity 'poor'. However - in Northern Ireland as elsewhere - young people do better. Thus as Table 2 shows (only Document Literacy scores are given here), results for 16-25 year olds are better than the older age groups. In part this is due to more years of schooling taken now compared with say 40 years ago,but also due to the 'use it or lose it' factor ie skills not used are forgotten. Certainly the application of literacy skills at work will improve scores; a small but significant number of graduates scored low and again a small but significant number of those with a low educational background scored highly.

However once again the main problem is the large proportion in Northern Ireland found at Level '1' - albeit at the high levels we do better than our neighbours in the Republic.

More detailed results are being compiled but are not available at time of writing though they will be the subject of a major Conference to be run in Belfast on Thursday 5 November 1998 and a special publication "Adult Literacy in Northern Ireland" will be produced prior to the Conference.

In the meantime the policy implications are being closely examined within Government. It is this author's view that

Table 2. Proportion of 16-25 year olds at each Document Literacy Level

At level 4/5		At level 1	
Sweden	40	Sweden	3
Canada	31	Germany	5
Switzerland (F)	26	Netherlands	6
Switzerland (G)	26	Belgium	6
Netherlands	26	Switzerland (G)	7
Belgium	25	Switzerland (F)	9
Germany	23	Canada	10
UK	**21**	Australia	10
New Zealand	21	**RoI**	**17**
NI	**20**	**UK**	**18**
Australia	19	New Zealand	18
USA	16	**NI**	**19**
RoI	**13**	USA	25
Poland	8	Poland	32

Source Literacy Skills OECD Page 154 Table 1.6 and IALS NI

WHAT THE INTERNATIONAL ADULT LITERACY SURVEY MEANS FOR NORTHERN IRELAND

Terry Morahan, Research & Evaluation Branch,
Training and Employment Agency

whilst, improving **average** literacy scores should be an objective, **even more important is a reduction in the proportion in the lower categories**. The linkage between average levels and economic growth is weak, between social exclusion and low scores it is strong.

Furthermore other research shows that there is a higher return to investment in education in students from disadvantaged backgrounds than advantaged ones.

For further information on statistical aspects of the Survey, contact Dr Kevin Sweeney, Central Survey Unit, Londonderry House, 21-27 Chichester Street, Belfast, BT1 4SX. Telephone: Belfast 252490; for Conference details contact Jim Wilkinson, FE Unit, DENI, Rathgael, Bangor, BT19 7PR. Tel: Bangor 279678.

Table 3. Results of Key Stage 3 Tests 1996/97

Maths

	Level 3 or Below	Level 4	Level 5	Level 6	Level 7	Level 8
England & Wales	13%	23%	24%	27%	12%	1%
NI	12%	14%	23%	26%	19%	6%

Science

	Level 3 or Below	Level 4	Level 5	Level 6	Level 7	Level 8
England & Wales	11%	26%	33%	23%	7%	0%
NI	10%	29%	25%	18%	15%	2%

Figures for NI do not include special or independent schools.

POST SCRIPT - RESULTS FROM UK KEY STAGE 3 TESTS AND THIRD INTERNATIONAL MATHS AND SCIENCE STUDY (TIMSS)

More encouraging news that the picture is becoming much brighter can be derived from Key Stage 3 Tests which are taken in England, Wales and Northern Ireland by third form students in secondary schools ie in Year 10 - see Table 3 for the 1996/97 results for Maths and Science, pupils are placed in 6 Grades from Grade 3 (lowest) to Grade 8 (highest).

As the results below (Table 3) show NI easily exceeds the results for England and Wales with 25% of NI students scoring in the highest Grades 7 and 8 compared to 13% in England and Wales in Maths: equivalent figures for science are 17% and 7%. And at the lowest level (grades 3 and 4) NI performed better than England and Wales in Maths, but not so in Science.

We will have better evidence at an international level when NI participates in the Programme for International Student Assessment (PISA) in the Year 2000.

E L E VEN ELEVEN CHAPTER ELEVEN

WHAT THE INTERNATIONAL ADULT LITERACY SURVEY MEANS FOR NORTHERN IRELAND

Terry Morahan, Research & Evaluation Branch,
Training and Employment Agency

Table 4. Third International Maths and Science Study (TIMSS) - Selected Results

Maths			Science		
Rank	**Country**	**Score**	**Rank**	**Country**	**Score**
1	Singapore	643	1	Singapore	607
2	South Korea	607	2	Czech Republic	574
3	Japan	605	3	Japan	571
4	Hong Kong	588	4	South Korea	565
6	Czech Republic	564	4	Bulgaria	565
7	Slovakia	547	6	Netherlands	560
8	Switzerland	545	**10**	**England**	**552**
9	Netherlands	541	12	Australia	545
11	Bulgaria	540	13	Slovakia	544
13	France	538	14	Russia	538
15	Russia	535	**14**	**RoI**	**538**
16	Australia	530	16	Sweden	535
17	**RoI**	**527**	17	USA	534
18	Canada	527	18	Canada	531
22	Sweden	519	18	Germany	531
23	Germany	509	22	New Zealand	525
24	New Zealand	508	24	Hong Kong	522
25	**England**	**506**	24	Switzerland	522
28	USA	500	**26**	**Scotland**	**517**
29	**Scotland**	**498**	28	France	498
41	South Africa	354	41	South Africa	326

In the last such survey (TIMSS), in 1996 (see Table 4) Maths and Science tests were given to 13 year olds in 41 countries. England participated and scored averagely in Maths but very well in Science. The average score in the Survey is set at 500. English scores were 506 (25th) in Maths and 552 in Science (10th). RoI outscored England on Maths, but on Science were outscored by England by a similiar amount. Scotland were some way behind both England and RoI.

The weak link between education and economic performance is illustrated by the relatively poor performance of the USA and Germany which were easily outscored by such poor Eastern European countries as Bulgaria, the Czech Republic, Russia and Slovakia. On the other hand the once fast growing Asian Tigers, Singapore, South Korea, Japan and Hong Kong all performed outstandingly well in the TIMSS tests- and with class sizes typically almost double those in Europe.

To conclude England fared quite well in the TIMSS Study and as Northern Ireland out performed England in the Key Stage 3 Tests, the picture is very encouraging for the future educational levels of the NI workforce.

THE IMPACT OF A NATIONAL MINIMUM WAGE ON THE NORTHERN IRELAND ECONOMY

Paul K Gorecki*, Director, Northern Ireland Economic Council

In May 1997 the Government announced its intention to introduce legislation in the forthcoming session of Parliament for a National Minimum Wage (NMW). Following this announcement, in July 1997 the Government set up the Low Pay Commission (LPC) as an independent advisory body to recommend to the Prime Minister the initial level at which the NMW might be set.

THE LOW PAY COMMISSION'S RECOMMENDATIONS

The LPC, under the Chairmanship of Professor George Bain, (now Vice Chancellor of The Queen's University Belfast), recommended in its June 1998 report a NMW of £3.60 per hour (ph)[1]. This would come into effect in April 1999 and apply to those 21 years of age and older. A 'Development Rate' of £3.20 ph would apply to those aged 18-20 years and to all those aged 21 or over for up to a maximum of six months for workers beginning a new job with an employer and who are receiving accredited training.

THE GOVERNMENT'S RESPONSE

The Government accepted these recommendations. However, since the economy was perceived to be at a critical point, the Government decided to phase in the Development Rate: £3.00 ph from April 1999 rising to the recommended £3.20 ph from June 2000.

LOW PAY AND THE IMPACT OF A NMW ON NORTHERN IRELAND

In an extensive analysis of the incidence of low pay and the impact of a NMW the Northern Ireland Economic Council found[2]:

Incidence Compared to Great Britain

- The incidence of low pay is much larger in Northern Ireland than in GB. In relative terms the importance of low pay is about 50 per cent higher in Northern Ireland. For example, in 1995 23 per cent of employees in Northern Ireland and 16 per cent of employees in GB received wage rates of less than £3.50 ph. (See Table 1)

Table 1. Proportion of Employees Earning Less Than Selected Gross Hourly Earnings, Northern Ireland and Great Britain, 1995

	< £3.00 ph	< £3.50 ph	< £4.00 ph
Northern Ireland (%)	12.9	23.0	33.3
Great Britain (%)	8.7	15.8	23.3

Source: S. Machin (1997) "A National Minimum Wage: Who Would Be Affected and the Effect on Employment" for GB and data supplied by Department of Economic Development for Northern Ireland, based on Labour Force Survey

* *This paper is based on a recent Economic Council Occasional Paper, "The Impact of a National Minimum Wage on the Northern Ireland Economy", which is available on request from the Northern Ireland Economic Council.*

1 The NMW should include "any service charge or centrally organised system of distributing tips and gratuities whereby workers receive their share through the payroll..." and exclude "cash tips paid directly by customers to staff..."
2 Unless otherwise indicated all data refer to 1996.

THE IMPACT OF A NATIONAL MINIMUM WAGE ON THE NORTHERN IRELAND ECONOMY

Paul K Gorecki, Director, Northern Ireland Economic Council

Sectoral and Industrial Distribution

- Low pay is largely a private sector phenomenon.
- The broad industry groups that will be most affected by a NMW are: Hotels and Restaurants (61% of employees earn a wage of less than £3.50 per hour)[3]; Other Community, Social and Personal Service Activities (23%; Real Estate, Renting and Business Activity (20%); and Wholesale and Retail Distribution (20%).
- At a finer level of industry definition, the lowest paying industries are: Investigation and Security Activities (73% of employees earn a wage of less than £3.50 per hour); Restaurants (64%); Other Service Activities (63%); Bars (55%); Canteens and Catering (52%); and, Retail Sale of Food, Beverages and Tobacco in Specialised Stores (48%).

Occupational Distribution

- The major occupations that will be affected are Sales (24% of employees earn less than £3.50 per hour) and Personal and Protective Services (21%).
- The incidence of low pay is two to three times higher for manual workers than non-manual workers.

Spatial Dimension

- Ballymena, Belfast, Coleraine, Cookstown and Newry Travel-To-Work Areas have each approximately one-third of total employment in vulnerable broad industry groups, although Belfast and Coleraine wage rates are above the Northern Ireland average.
- Strabane and Ballymena have the lowest rates of pay at 86.3% and 83.9% of the Northern Ireland average, respectively.

Part-time vs Full-time

- The problem of low pay is more prevalent amongst part-time than full-time workers. For example, 24% of part-time workers earn less than £3.50 per hour, compared with 7% of full-time workers.

Gender

- The incidence of low paid women in manual occupations is greater than women in non-manual occupations and men in manual occupations. For example, 27% of women in full-time manual occupations earn less than £3.50 per hour compared to 9% of men.

Age

- Low pay is much more prevalent among young people - 41% of 18-21 year olds earn less than £3.50 per hour, compared with only 8.5% of those aged over 25 years.

Households-Income Effects

- Middle income 'job rich' households (ie two or more earners) will benefit most from a NMW, since low income households tend to be 'job poor' (ie no earners) and thus are not directly affected by a NMW.

Reducing the Poverty Trap

- A NMW will only alleviate the poverty trap for a small number of households with very specific characteristics. To make a significant impact on poverty or inequality, reforms to the tax and benefits systems need to be made.

Firm Size

- The incidence of low pay is greater amongst small firms. Close to 20% of employees earn less than £3.50 per hour in firms employing 10 to 24 persons compared with only 6% for firms employing 50 to 99 persons[4].
- Since Northern Ireland is a small firm economy there is likely to be a relatively greater displacement of jobs from small to large firms due to the introduction of a NMW than for the UK as a whole.

Firm Strategy

- The greater the degree to which firms are able to raise their productivity and/or improve their products through better marketing or innovation, the more likely that they will be able to pay higher wage rates. Such strategies are likely to take time to implement.
- It would appear that there is a bias in the strategies of Northern Ireland firms operating in competitive markets towards price rather than non-price strategies and that industrial policy has been unsuccessful in bringing about substantial increases in productivity and wages of Northern Ireland

3 Since the definition used excludes tips this will understate low pay in this sector.
4 These data refer to GB. Comparable data are not available for Northern Ireland.

manufacturing compared with the UK. Rectifying this situation will be a major challenge for the Review of Economic Development Strategy announced by the Minister for the Economy on 29 January 1998.

WHAT RATE?

- The Council considered that a rate of £3.00 per hour to £3.50 per hour would be unlikely to have major effects on employment or differentials. Such a rate would eradicate the worst cases of low pay and 'in work' poverty without creating damaging job losses, which would increase 'out of work' poverty. The 74,000 workers whose wage is less than £3.50 per hour are concentrated in Wholesale and Retail Distribution (18,000 or 24%); Hotels and Restaurants (15,000 or 20%); Health and Social Work (11,000 or 15%); and Manufacturing (10,000 or 14%).
- A rate of £3.50 to £4.00 would almost double the number of persons directly affected by a NMW. It would be much more likely to have adverse effects on employment and wage bills as differentials would almost certainly be affected. Unless some allowance were made for a differential NMW for younger workers, especially if they are training - either on or off the job - they would be particularly adversely affected. A rate within this range would, however, contribute to alleviating the problem of widening inequality and poverty by moving persons out of the poverty trap where implicit tax rates are too high.

CONCLUSION

Thus, the level of £3.60 is a compromise or balance between equity consideration (ie reducing the numbers on very low pay) and efficiency considerations (ie not losing too many jobs in the process and adding unreasonably to inflation). Nevertheless, to the extent that the higher level of low pay in Northern Ireland reflects lower levels of productivity, this signifies a major structural problem with the Northern Ireland economy. Thus, the debate over the NMW has provided a timely reminder of this problem to policy makers at a time when economic development policy is under review.

WOMEN IN THE NORTHERN IRELAND LABOUR MARKET

Statistics Research Branch, Department of Economic Development

This paper describes the changing labour market experience of females in Northern Ireland. It focuses on how the economic activity of working age women (16-59 years) has changed over the past decade and examines the relationship between participation levels and factors such as family circumstances and educational attainment.

LABOUR MARKET PARTICIPATION

Women continue to increase their share of the Northern Ireland labour force and by spring 1998 they represented 42.6% of the total economically active population. Table 1 shows that the economic activity rate for women in 1998 was 63.1%, exactly 3 percentage points higher than in 1988. The male rate, on the other hand, fell by almost 3 percentage points over the same period and in 1998 stood at 80.6% (compared with 83.5% ten years earlier).

Figure 1 illustrates how female participation rates in NI have increased over the past decade and demonstrates that the rate of change has been most significant for married women. Between 1988 and 1998, the activity rate for married females rose by 7.8 percentage points, compared with 3 percentage points for females overall. This was partly due to a considerable increase in the number of married women entering self-employment in the late eighties and early nineties. Also, the growth in part-time employment offered many more women the opportunity and flexibility to balance domestic commitments with the demands of a job.

Although the last decade has seen an overall increase in female participation, the economic activity rate for women remains considerably lower than that for men. This is the case for all age groups and as Figure 2 shows, the greatest

Table 1. Economic activity: women and men of working age (16-59/64)

	Spring 1988	Spring 1998	Change 1988 to 1998
Women 16-59 years			
All	440,900	482,100	41,200
Economically active	264,900	304,300	39,400
Economic activity rate (%)	60.1%	63.1%	3.0%
In employment [1]	238,900	289,300	50,400
ILO unemployed	26,000	15,000	-11,000
Economically inactive	176,000	177,800	1,800
Men 16-64 years			
All	471,400	508,800	37,400
Economically active	393,500	409,900	16,400
Economic activity rate (%)	83.5%	80.6%	-2.9%
In employment	326,600	372,000	45,400
ILO unemployed	67,000	37,900	-29,100
Economically inactive	77,800	98,900	21,100

[1] From 1992 onwards includes unpaid family workers

WOMEN IN THE NORTHERN IRELAND LABOUR MARKET

Statistics Research Branch, Department of Economic Development

Figure 1. Economic activity rates of females and married females, 1998-1998

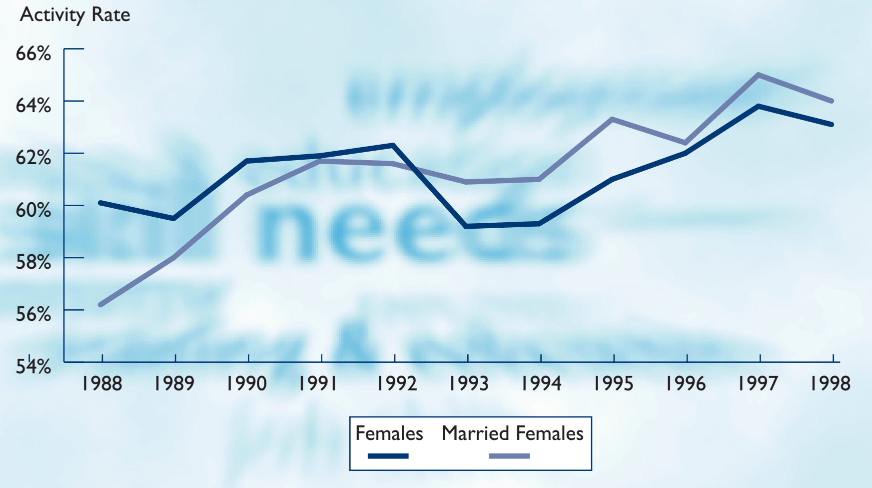
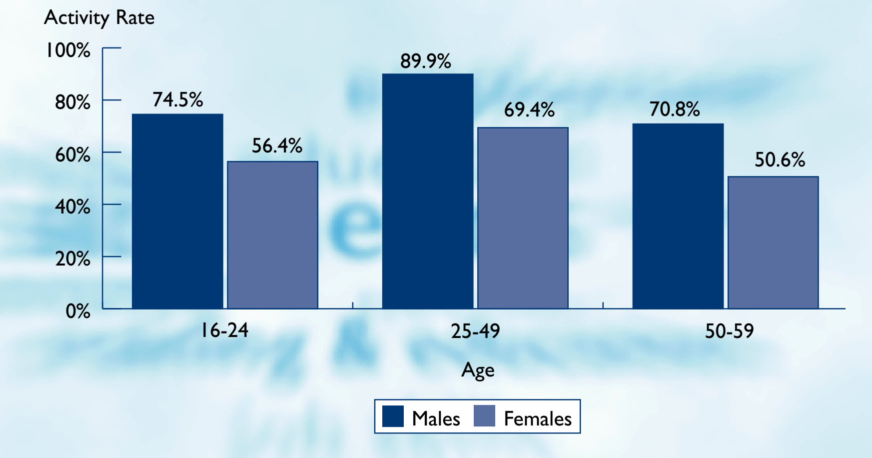


Figure 2. Economic activity rates for males and females by age, Spring 1998



difference is for the 25-49 age category when the male rate peaks at 89.9% compared with 69.4% for women. The difference of over 20 percentage points reflects the fact that many more women than men in Northern Ireland have domestic commitments which prevent their participation in the labour market. However, the proportion of women who remain economically inactive for this reason has declined steadily in recent years- in 1988, 68% of women stated that domestic commitments prevented them from participating in the labour market, whereas in 1998, the figure had fallen to 49%.

In Great Britain it is the presence of dependent children (rather than marriage), which is the major factor in reducing the economic activity of women, however, in Northern Ireland, this does not appear to be the case. Married women without children have a significantly lower participation rate than single women without children which shows that marriage itself is important in determining female participation. In 1998, the activity rate of married women without children was 64.7% - nearly 10 percentage points lower than for non-married women without children and just above the rate for married women who do have dependent children (63.6%). It would appear that many women in Northern Ireland leave the labour market once they get married, a pattern which is no longer evident in Great Britain.

In addition to the marriage effect, the presence of a dependent child in the family, further reduces the likelihood of female participation. Figure 3 shows how female activity rates decline as the number of dependent children increases. While the presence of one or two children seems to reduce the activity rate by around 5 percentage points, rates fall off most sharply when the number of children increases to three or more.

WOMEN IN THE NORTHERN IRELAND LABOUR MARKET

Statistics Research Branch, Department of Economic Development

Figure 3. Economic activity rates of females by number of dependent children, Spring 1998

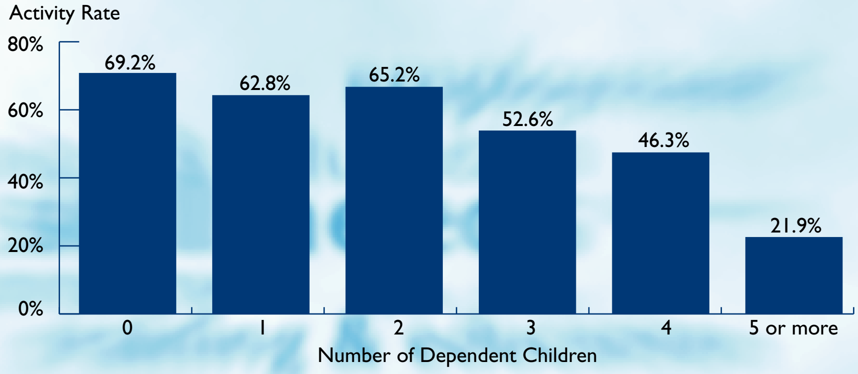


Figure 4. Economic activity rates of females by age of youngest dependent child, Spring 1998

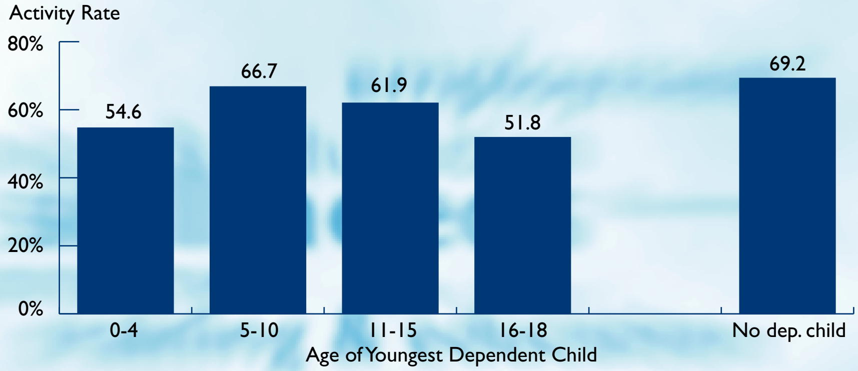


Table 2. Economic activity: activity rates of females, by age of youngest dependent child, spring 1992 and spring 1998

Age of youngest dependant child	Spring 1992	Spring 1998	Change 1992 to 1998
0-4	51.6%	54.6%	3.0%
5-10	58.5%	66.7%	8.2%
11-15	63.0%	61.9%	-1.1%
16-18	51.1%	51.8%	0.7%
All ages 0-18	56.1%	59.3%	3.2%

The age of the youngest dependent child is also an important factor in determining the level of female participation. Figure 4 shows how participation varies with the age of dependants. In 1998 only 54.6% of women with pre-school children (aged 0-4) were economically active compared with 66.7% of those whose youngest child was aged 5-10. Declining participation rates for women with older children (aged 11-18) may be due as much to the age of the parent as the age of the child. These women became parents over a decade ago, at a time when a much smaller proportion of mothers chose to remain in the labour market. Table 2 also shows that women with children in this age group have seen little change in their activity rates over time.

It is significant to note that the overall economic activity rate of women with dependent children has risen by over three percentage points since 1992 (Table 2) with the largest rise being for women whose youngest child was aged 5-10. The activity rate for this group is now 66.7% - over eight percentage points above the level in 1992. The rate for mothers with pre-school age children has also risen by three percentage points. These changes may well be the effect of improved childcare facilities and greater flexibility in working patterns.

The activity rates of single women with dependent children are considerably lower than those for married women with children (49.5% compared to 63.6%). Lone mothers are, on average, younger than married mothers and therefore have

WOMEN IN THE NORTHERN IRELAND LABOUR MARKET

Statistics Research Branch, Department of Economic Development

Figure 5. Economic activity rates by highest qualification held, Spring 1998

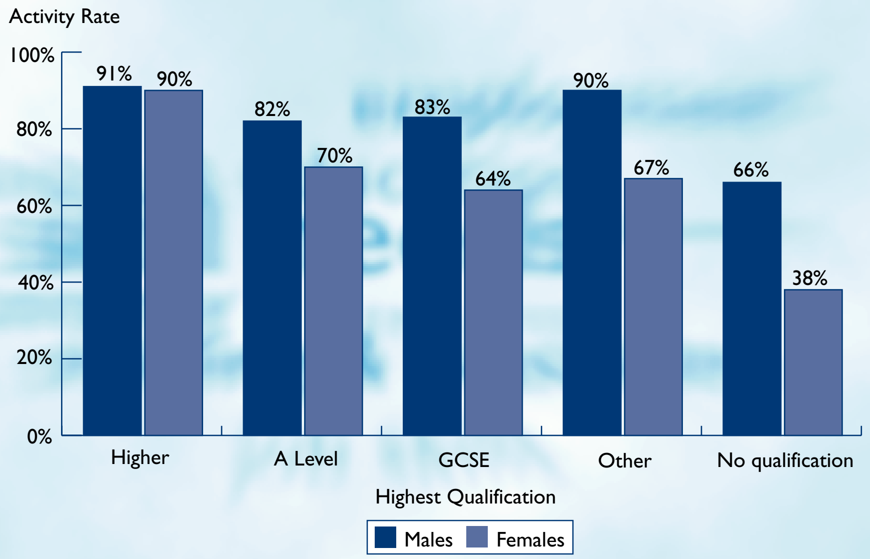


Table 3. Economic activity rates by highest qualification, spring 1988 and spring 1998

Highest Qualification	Spring 1988	Spring 1998	Change 1988 to 1998
Males			
Higher	95%	91%	-3%
A Level	87%	82%	-5%
GCSE	78%	83%	5%
Other	90%	90%	0%
No qualifications	79%	66%	-13%
Females			
Higher	83%	90%	6%
A Level	70%	70%	0%
GCSE	67%	64%	-3%
Other	70%	67%	-4%
No qualifications	47%	38%	-8%

less work experience; they also have lower levels of qualifications and factors such as these may well disadvantage them in the labour market. An additional factor likely to influence the labour market activity of lone mothers is the cost and availability of childcare.

QUALIFICATIONS

The level of qualifications obtained is another important factor which influences the labour market participation of women. Figure 5 shows that the highest economic activity rates are found amongst women with degrees and equivalent qualifications (90%) and that participation rates generally decline with qualification level to a low of 38% for those with no qualifications. It is significant to note that the effect of qualifications on participation is greater for females than males - there is a 52 percentage point difference between the participation rates of women with higher qualifications and those with no qualifications compared to a difference of 25 percentage points for men.

Not only are "highly" qualified women more likely to be economically active than those with lower or no qualifications, they are also the category which has experienced the greatest increase in participation since 1988. While the overall economic activity rate for women has risen by 3 percentage points between 1988 and 1998, for those with higher qualifications it has risen by over 6 percentage points. The participation rate of women with no qualifications, on the other hand, has fallen by 8 percentage points since 1988.

The positive effect of qualifications on economic activity also holds true for males. While the overall activity rate for men has fallen since 1988 (by nearly 3 percentage points), the decline has been less steep amongst those with

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Figure 6. Economic activity rates by highest qualification and age of youngest dependent child, Spring 1998

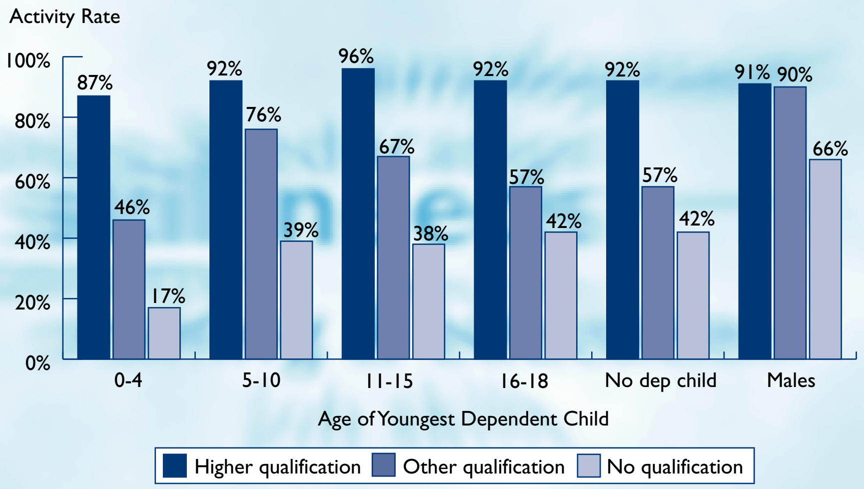

Table 4. Those studying for a qualification, spring 1993 and spring 1998

	Males		Females	
	1993	**1998**	**1993**	**1998**
Number and % studying	69,000 (14.2%)	63,900 (12.6%)	73,600 (15.9%)	82,300 (17.1%)
Total (working age)	485,700	508,800	463,200	482,100

qualifications. Conversely, the participation rate for those with no qualifications have fallen by 13 percentage points over the decade.

Figure 6 shows the combined effects of highest qualification and family status on women's economic activity. The effect of qualifications is most marked amongst women with pre-school age children where only 17% of unqualified women were economically active compared with 87% of "highly" qualified women. Clearly the type of employment opportunities open to women with no qualifications will be more limited, also, the remuneration offered may be insufficient to cover childcare costs.

"Highly" qualified women, on the other hand, will have greater flexibility in the type of employment they accept and the hours which they work. In addition, childcare costs are less likely to prove prohibitive.

Given the effect of qualifications on the labour market activity of females, it is significant that the number of working age women studying for a qualification has increased considerably in recent years. Table 4 shows that in 1993 (the first year for which comparative figures are available) there were 73,600 women studying towards a qualification; by 1998 this figure had increased to 82,300. Conversely, the number of men studying for a qualification decreased by about five thousand over the same period.

Women's participation in job-related training has also increased over the decade. Table 5 shows that female employees in both age groups are now more likely to benefit from job related training than males. Nearly one fifth of females aged 16-34 received job-related training in the four weeks prior to their 1998 interview, compared with just over 11% in 1988.

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CONCLUSION

It is clear that women have significantly increased their labour market participation since 1988 and that progress has been concentrated amongst those with higher qualifications, who have young children aged 5-10. However, despite these improvements, female activity rates remain lower than those for men of all ages and the gap between them is largest for those of prime working age (25-49). Nevertheless, it is significant that a greater number of women are now studying for qualifications and receiving job-related training than ever before. Given the importance of qualifications and training on activity rates, it is likely that the trend of rising female participation observed over the last decade will continue.

Table 5. Employees receiving job-related training in the last four weeks, spring 1988 and spring 1998

	Males		Females	
Age	**1988**	**1998**	**1988**	**1998**
16-34	15.0%	16.3%	11.1%	18.6%
35-59/64	6.9%	7.2%	6.7%	14.2%
All of working age	10.9%	11.6%	9.1%	16.3%

TARGETING SOCIAL NEED: AGENCY OUTPUT AND OUTCOME MEASURES

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Targeting Social Need (TSN) has been a Government expenditure priority since 1991. The TSN initiative emphasises the necessity of skewing resources towards areas and people in greatest need, thus reducing community differentials that exist in Northern Ireland.

BACKGROUND

Earlier this year (1998), following the Employment Equality Review, carried out on behalf of Government by the Standing Advisory Commission on Human Rights (SACHR), Government announced a re-focusing of TSN (called "New TSN") within the context of a new policy on equality as outlined in the White Paper "Partnership for Equality". The implications for the Training and Employment Agency ("the Agency") of New TSN will be discussed later.

The Agency's first TSN Action Plan was introduced in 1995, and an outline of the aims and objectives of the plan was included in the last edition of the ***Labour Market Bulletin***[1]. In its TSN Action Plan, the Agency set itself a number of Targets covering four broad areas: **expenditure**; programme **uptake**; **qualifications** gained; and finally moves into **employment**. Progress under Targets relating to **expenditure** and **uptake** (ie how much of the Agency's resources were being devoted to TSN areas; and how well was the Agency performing in attracting participants to its programmes from TSN areas) was reported on in the last issue of the ***Bulletin***: this article updates these briefly but concentrates mostly on the **outputs** of that training (ie the levels of qualifications achieved by participants from TSN areas) and finally the **outcomes** for those participants (ie the degree to which they subsequently get jobs). This article reports on the first round of output and outcome data from the Jobskills programme - a training programme aimed at unemployed Adults and new entrants to the labour market - as this was the major Agency training and employment programme over the period covered by the TSN Action Plan.

AGENCY TSN TARGETS AND PERFORMANCE

The Agency identified four specific TSN Targets relating to the key areas discussed above. Targets and performance are shown in Table 1.

A detailed discussion on the derivation of Targets and of performance on Targets 1 and 2, was contained in the last issue of the ***Bulletin*** . The following sections deal in detail with Target areas 3 and 4 - outputs and outcomes.

AGENCY OUTPUTS - QUALIFICATIONS (TARGET 3)

Target.

The Agency contends that people living in disadvantaged areas need to (and can) achieve the skills necessary to compete for employment on an equal footing with those from less disadvantaged areas. However, information from the Census of Population showed that, in 1991, some 69% of those living in TSN areas had no academic qualifications, compared with 62% of those in non-TSN areas. The Census baseline is not ideal: not only was it already 4 years old at the time the Agency's TSN Action Plan was produced, it also predated the rationalisation of National Vocational Qualifications (NVQs). However, information from the Youth Training Programme (YTP) suggested that the imbalance in the attainment of academic qualifications

1 Rogers, D and Stringer, P (1997) "Targeting Social Need": Labour Market Bulletin #11 pp 40-45. Training and Employment Agency, Belfast.

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Table 1. Agency TSN targets and performance 1997/98

Target area	97/98 Targets	97/98 Actual
1 **Expenditure** - TSN expenditure as % of budget	58%	58%
1a Adult Jobskills TSN expenditure as % of Jobskills budget	59%	56%
2 **Takeup** - proportion on Adult Jobskills from TSN areas	54%	57%
3 **Outputs** - differential between TSN/Non-TSN areas gaining NVQ level 2+ in Jobskills	To reduce differential from 4 percentage points[2]	2.3 percentage points
4 **Outcomes** - differential between TSN/Non-TSN areas for Jobskills leavers gaining employment	To establish if a differential exists and, if so, to take appropriate action	Differential established at 5.3 percentage points

identified in the Census was also manifest in regard to vocational qualifications. In 1994/95, for example, 26% of YTP trainees from non-TSN areas left the programme having achieved at least a full NVQ level 2 (or equivalent): for trainees from TSN areas, the corresponding figure was 22% - a differential of 4 percentage points. In the absence of other information it has been assumed that this differential also applies to those currently on Adult Jobskills[3].

Therefore the Agency has considered appropriate Qualification Targets in relation to the Jobskills programme. The programme began in April 1995, with most school leavers not entering until September of that year. As most Jobskills participants follow two-year programmes designed to equip them with NVQs at levels 2 or 3, reliable output information was not available until the 1997/98 year. The interim Agency Target in this area is to reduce the differential of 4 percentage points identified on the basis of analysis of YTP outcomes. It is intended that the skewing of resources towards TSN areas discussed above will help to achieve this.

Achievement.
In 1997/98 some 45.6% of trainees left the Jobskills programme achieving NVQ level 2 or higher. The figure for trainees from TSN areas (44.5%) was some 2.3 percentage points lower than that for trainees from non-TSN areas (46.8%). Earlier work based on YTP trainees suggested that the gap in the mid-1990s was some 4 percentage points (on a much lower achievement rate of 24% achieving NVQ level 2 or above)[4]. This **suggests** (but does not prove) that the gap may have closed.

The story is different for Adults and Young Persons[5]. The gap for Adults was very small (1 percentage point: TSN 52% achieving NVQ Level 2+; non-TSN 53%). For Young Persons, however, there still remains approximately a 4 percentage point gap: 38.7% (TSN) compared to 42.4% (non-TSN). This gap may in part be attributable to lower educational attainment in TSN areas (see above): more sophisticated analyses are required to see if there is any difference in the "value-added" between the TSN and non-TSN areas.

Another way of examining the figures is to examine the difference in likelihood of a trainee from a non-TSN area gaining a higher level qualification than a trainee in a TSN area. In 1994/5, the appropriate figures (based on the sample of YTP leavers) were 22% (TSN) and 26% (non-TSN). This suggests that trainees from non-TSN areas were 1.2 times more likely than trainees from TSN areas to gain an NVQ level 2 (ie the ratio of 26 to 22). In

2 This figure is based on an analysis of YTP trainees only: see footnote 4 below
3 Adult Jobskills differential in 1996/97 was also around 4 percentage points, although this figure should be regarded as indicative as it is based on a disproportionate numbers of "early leavers" ñ ie those who left the programme prior to completion
4 This estimate was based on YTP only so it is impossible to be definitive about the equivalent Jobskills comparisons. However, it should be noted that adult and YP Jobskills figures for 1996/97 show a similar differential
5 On Jobskills, a participant is classified as a Young Person (YP) if s/he is aged 16 or 17 at the date that they commence training: otherwise, they are classified as Adult.

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1997/98, this ratio had reduced to 1.1 (ie trainees from non-TSN areas were only 1.1 times more likely than trainees from TSN areas to gain an NVQ level 2 or higher).

The following conclusions could **tentatively** be drawn from the data as they stand

- **The gap between TSN and non-TSN areas is narrow but still exists**
- **The gap appears to have narrowed over past 4 years in both absolute and relative terms** but monitoring over next few years will need to be continued to see how trends develop
- **The differential for Adults is very small** but again caution needs to be applied as this is based on only one year's results and more data will be required before results can be regarded as definitive
- **The gap for Young Persons appears to have narrowed in relative terms but not in absolute terms** over the past few years. Again more than one year's data are needed, but the evidence points to a continuing small but substantive difference. Further work will be needed to identify the reasons for this gap to inform any strategies that may be adopted to attempt to further narrow the gap.

AGENCY OUTCOMES - EMPLOYMENT (TARGET 4)

Target.
This is the final element in the TSN action plan. If unemployment differentials are to be reduced, then we need to improve the prospects of those leaving Agency programmes who are going into employment. There is no baseline information in this area. Therefore the Target is to identify any differential and then act to reduce it. As the first tranche of those on Jobskills have recently completed the programme, it is now possible to develop tentative baselines - changing economic and labour market conditions make the establishment of baselines more difficult in this area.

Achievement.
In 1997/98 some 46.2% of trainees were known to have gained employment immediately on leaving Jobskills. The figure for trainees from TSN areas (43.2%) was some 5.3 percentage points lower than that for trainees from non-TSN areas (48.5%)[6]. Both Adults and Young Persons from TSN areas were less likely to move into employment than trainees from non-TSN areas, although the gap for Adults (7.4 percentage points: TSN 44.4% moving into employment; non-TSN 52.0%). was wider than that for Young Persons (TSN, 42.2%; non-TSN, 46.0%; gap - 3.8 percentage points). In general, this reflects the generally higher unemployment rates found in TSN areas[7].

In general terms, trainees from non-TSN areas were just over 1.1 times more likely than trainees from TSN areas to enter employment (ie the ratio of 48.5 to 43.2). The ratio for Adults (nearly 1.2:1) was higher than that for Young Persons (just under 1.1:1).

The data quoted above relate to the destination immediately after finishing the programme. The agency intends to produce further analyses by following a sample of participants up at a later stage.

The following conclusions, albeit tentative at this stage, could be drawn about the destinations data from Jobskills.

- **Trainees from TSN areas are less likely to enter immediate employment than trainees from non-TSN areas** but the Agency needs to find out what happens to trainees in the medium to long term before it can be sure of the full picture.
- **The gap is wider for Adults than it is for Young Persons** despite the generally higher level of qualifications attained by adults.
- **The "employment gap" is wider than the "training gap"**. Although **very great care** needs to be taken before jumping to conclusions, this **suggests** (no more than this) that increasing the levels of training in TSN areas, whilst necessary, may not be sufficient on its own to narrow the unemployment differential, particularly for adults.

OTHER ELEMENTS OF THE AGENCY TSN ACTION PLAN

Monitoring is only one aspect of the Agency's approach to TSN. The Agency is also committed to ongoing monitoring of its major programmes on the key equality dimensions (eg gender; community background; disability; ethnicity; marital status etc) and publicly reports on the results of this monitoring regularly (see, for example, the article in the last issue of the ***Labour Market Bulletin***[8]). Also, the

6 Some caution needs to be exercised on examining these figures. There were nearly 15% of trainees in 1997/98 for whom destinations were not known. One complicating factor here is that the "not known" figure for trainees from TSN areas (17.4%) is considerably higher than the corresponding figure for trainees from non-TSN areas (11.8%). This raises the possibility of a bias creeping into the figures. For the figures quoted in this paper, "not knowns" have not been excluded; more work is needed in this area. Also, the Agency will be seeking to collect data on a sample of leavers in relation to the sustainability of employment following participation on the programme, and also information on wage levels etc. This will give the Agency more robust data on which to draw conclusions about both efficiency and equity.

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Agency includes consideration of TSN criteria in the evaluations of its programmes and policies, and in making decisions about the use of resources. Finally, the Agency also has an active research programme which included consideration of TSN issues (for an example see Chapter 9 in this ***Bulletin*** on Labour Recruitment Patterns).

Although the main emphasis in the Agency's TSN Action Plan has been on the Jobskills programme, TSN principles also apply to other T&EA initiatives, such as

- **Community Work Programme Pilot.** This programme aims at re-integrating the long-term unemployed back to work through work experience with community-based organisations and the pilot for the programme was located solely in TSN areas - viz West Belfast, Strabane, and Fermanagh.
- **Company Development Programme.** The Company Development Programme (CDP) offers grant assistance to firms to improve the training offered to their employees. The evaluation of CDP, carried out in 1996, found that CDP assistance tended to perpetuate or reinforce concentrations of manufacturing industry - to the detriment of TSN areas. Consequently, CDP was reformulated (for example, separate programmes for small businesses and inward investment were set up) aimed at producing greater equity as well as efficiency gains.
- **Open Learning Access Centres.** Open Learning Access Centres (OLACs) are a flexible resource to learning aimed at the long-term unemployed, disabled persons, and potential returners to the labour market (many of whom are women), who for various reasons find more formal and inflexible resources unsuited to their needs or circumstances. Like CWP, OLACs have been concentrated in TSN areas in Belfast and Derry (funded initially by Making Belfast Work and the Londonderry Initiative).

THE FUTURE - THE NEW DEAL AND "NEW TSN"

The Agency's TSN Action Plan has now been running for over three years. In that time, the Agency has sought to ensure that resources are targeted appropriately towards areas in greatest need, and has established baselines against which to assess future progress. At the same time, TSN had been "mainstreamed" with the aim that it is fully factored into the policy and decision making process, and this is supported by other elements - for example all main Agency programmes are covered by an extensive equality monitoring system which examines programme uptake in relation to the composition of the target group for the programmes; and TSN criteria are built into any reviews and evaluations carried out by or on behalf of the Agency.

With the introduction of "New TSN", the emphasis of the Government's strategy shifts even more overtly than before to the problems of unemployment and employability, and although the agenda for action is wider than the training and employment field, this area remains a crucial one for the success - or otherwise - of the policy. The Agency has already moved beyond a consideration of input and expenditure targets - to a consideration of the effects of its policies in TSN terms, as this article demonstrates. However much still needs to be done, including reviewing appropriate indicators of need in TSN terms; carrying out further and more rigorous TSN audits; and re-examining Agency TSN Targets in the context of both better information (such as the findings reported in this article) and in the light of new Government initiatives in the area. Chief amongst these is the New Deal, part of the Government's Welfare to Work Strategy. The main beneficiaries of the New Deal will be Young People aged 18-24 who have been claimant unemployed for more than 6 months; and longer-term unemployed older people (over 25, unemployed for 18 months or longer). The New Deal itself has skewed more resources towards the unemployed, and success should have a positive TSN impact, as unemployment is disproportionately concentrated in TSN areas and in the Catholic community. Monitoring arrangements have already been put in place on the New Deal, and consideration has been given to the evaluation of the programme.

7 Interestingly, the data show that movement into unemployment is less prevalent in TSN areas than it is in non-TSN areas. This appears to be counter-intuitive and is a further reason to be cautious about the data. It may well be related to the issue of "not knowns" discussed above.

8 Rogers, D (1997) "Equality Monitoring Update from the T&EA" Labour Market Bulletin # 11 pp 46-49. Training and Employment agency.

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EVALUATIONS OF THE ACTION FOR COMMUNITY EMPLOYMENT AND PILOT COMMUNITY WORK PROGRAMMES

Dave Rogers, Research and Evaluation Branch, Training and Employment Agency

The Training and Employment Agency ("the Agency") runs a number of training and employment programmes aimed at particular groups within the labour market. Two programmes which are specifically aimed at the long-term unemployed[1] are the Action for Community Employment Programme (ACE); and the Pilot Community Work Programme (CWP). The evaluations formed part of the Agency's Review of its policies and programmes targeted at the long-term unemployed[2].

BACKGROUND

The full evaluation reports have been published and are available from the Agency[3] - this short article summarises the main findings. The evaluation of ACE was carried out by Cambridge Policy Consultants; that of Pilot CWP was carried out by the Agency itself.

THE PROGRAMMES

ACE

The ACE programme was initiated in 1981 at a time of particularly high unemployment in the UK in general and Northern Ireland in particular - historically Northern Ireland has consistently experienced high rates of unemployment, typically exceeding the national average by around 3 to 5 percentage points. This differential has largely been due to much higher rates of long-term unemployment. ACE has the same objectives as the old Community Employment programme in GB. It provides 12 months of sponsored temporary employment to long term unemployed adults. To qualify, participants must have been unemployed for at least 12 of the 15 months prior to commencing the programme. The work is designed to be of benefit to the community and pays a wage equivalent to the local going rate for the job. Employment is with sponsor organisations who supervise the work of participants. The budget for ACE in 1997/98 was £28.5 million: a few years earlier, it was around double this amount in real terms.

CWP

The decision was taken to pilot a new programme - the Community Work Programme - in 1994. This decision was predicated on the existence of high levels of unemployment and, more importantly, the expectation that these high levels would continue - demographic trends and rising rates of participation in the labour market pointed to a growing workforce, with an expected rise of around 40,000 between 1995 and the year 2000[4] suggesting that the unemployment rate would remain at around 13%-14% until the end of the decade. Large scale unemployment and especially high levels of longer-term unemployment were thus issues of major concern. Also, at the commencement of the Community Work Programme Pilot in April 1995, 57% of the unemployed in NI were long-term unemployed (compared to 35% in GB[5]) with the impact being felt more heavily within the Catholic community and on males. Finally, internal analysis of the uptake of the ACE programme showed that its attraction had largely been among married female returners to the labour market and younger unmarried males. In addition, participation in ACE had largely been by those who were unemployed for less than two years and a large proportion (50%) of participants had no dependent children. Therefore ACE was not seen to be adequately meeting the needs of the longer term unemployed (greater than two years of unemployment) and those who had a number of dependants. CWP was

1 Long-term unemployment: this refers to a period of continuous unemployment lasting for a year or longer.

2 For background information on Long-Term Unemployment in NI, see Rogers, D (1996) "Long-Term Unemployment in Northern Ireland" Labour Market Bulletin #10. Pp 45-49. The Agency published a consultation document ñ "Long-Term Unemployment Consultation Document" in 1997 which also contains information on the full range of Agency interventions for the long-term unemployed. Both are available from the T&EA. It should be noted that unemployment in NI ñ including long-term unemployment ñ has fallen sharply since these publications were prepared.

EVALUATIONS OF THE ACTION FOR COMMUNITY EMPLOYMENT AND PILOT COMMUNITY WORK PROGRAMMES

Dave Rogers, Research and Evaluation Branch, Training and Employment Agency

chosen as the vehicle by which the Agency would try to reach this key group within the long-term unemployed - ie. those unemployed over two years who had at least one dependant and hence were most likely to suffer from being "trapped" into their social security benefits and who could thus remain unemployed for long durations. It was hoped that Pilot CWP, as a "benefit plus" scheme, would be financially more attractive than ACE (which pays "rate for the job") to these people. CWP offers long-term unemployed people the opportunity to carry out work of community benefit for a period of three years - the period chosen because it offered participants a sense of continuity and an escape from "short-termism". The programme is run on behalf of the Agency by a series of Regional Partnerships based in the three pilot areas of West Belfast, Strabane, and Fermanagh: these partnerships in turn contract with local Providers who operate the programme on the ground.

MAIN FINDINGS OF THE EVALUATIONS

This short note can only briefly summarise two extensive evaluation reports - they should be consulted for the full picture. Also, it should be realised that the evaluations were of necessity very different in scope - the ACE evaluation was examining the impact of a programme that was well-established, and operated throughout Northern Ireland. There was a large amount of information available about the impact of the programme which the report authors supplemented with a considerable programme of additional work. CWP, in contrast, had only been running for barely two years at the outset of the evaluation, and therefore information about the long-term impacts of the programme were impossible to collect - at the time of the evaluation, most participants were still on the programme, thus issues such as attainment of qualifications and moves to employment were of necessity impossible to deal with in any definitive way. Also, one of the main contextual factors to bear in mind is that, over the past few years, unemployment - and particularly long-term unemployment, has fallen sharply in Northern Ireland (for example claimant long-term unemployment more than halved from nearly 57,000 in June 1993 to 27,000 in January 1998).

ACE

The main findings of the ACE evaluation are summarised in Box 1. The overall conclusion reached by the consultants is that the ACE scheme would need radical change if it was to continue with a rationale that was linked to the rationale of increasing employability and promoting progression into jobs. Within this overall finding, there was scope for a re-focused scheme based on the operation of an intermediate (ie sponsored) labour market, with more emphasis on job-relevant employment and training opportunities.

The main reasons for this were

- **ACE was not found to increase the likelihood of participants finding jobs**, or finding better paid or more secure jobs, when compared to the

Box 1:

Main Findings of ACE Evaluation

- Rationale for intervention remains valid, for those outside New Deal target group (ie returners, and other non-JSA unemployed)
- ACE programme not found to significantly improve participants' chances of finding a job
- Also, ACE did not appear to improve participants' earning ability or likelihood of finding secure employment
- Those passing through ACE for a second or subsequent time were particularly unsuccessful at finding employment
- Substantial community benefits were found to have been generated by the scheme - but some evidence that these were seen by some as the primary objective of ACE instead of being secondary to labour market objectives

Key Recommendations

- Employment-based approach remains valid - although target group will be reduced with the advent of New Deal
- New image needed for programme with emphasis placed clearly on improving employability of participants
- More resources need to support training alongside work experience
- Interventions need to be matched better to the individual needs of participants
- No re-entry should be allowed to the scheme save in exceptional circumstances

The consultants also pointed to the need to be aware of the problems that would inevitably be caused to community organisations by a re-focusing of resources, and to PAFT and TSN implications of their recommendations.

3 Available from Employment Programmes Branch, Training and Employment Agency, Adelaide House, Adelaide Street, Belfast BT2 8HD. Both reports are priced at £5 including p&p.
4 NIERC (1993) "Unemployment Forever?"
5 All references to unemployment data are to the claimant count measure of unemployment.

EVALUATIONS OF THE ACTION FOR COMMUNITY EMPLOYMENT AND PILOT COMMUNITY WORK PROGRAMMES

Dave Rogers, Research and Evaluation Branch, Training and Employment Agency

Box 2:

Main Findings of CWP Evaluation

- Environment to CWP has significantly changed since programme inception - labour markets are much tighter and unemployment lower
- CWP has mixed success in attracting target group. It has failed to draw on the core long-term unemployed in sufficient numbers - ie those older, less well qualified, or with dependants
- Conversely there were too many participants on CWP who were well qualified and motivated - and could more easily compete in the labour market, especially in a period of low unemployment
- Employers were not enthusiastic about CWP and related programmes suggesting that the programme would do little to dispel employers' negative views towards this group

Key Recommendations

- Interventions should take cognisance of employability of each participant and be tailored accordingly
- Programmes such as CWP are most suitable for the "Less Jobready" amongst the long-term unemployed - for example those unemployed for very long periods of time, and those with few or no qualifications
- The "More Jobready" long-term unemployed would be better catered for by more focussed interventions targeted at the impediments they face in entering the labour market.
- Links with employers should be given high priority in future programmes aimed at the more jobready long term unemployed
- There should be clear and real opportunities for participants to progress to more appropriate interventions during their contact with the Agency

PAFT and TSN implications were also covered in the Report

fortunes of a comparison group[6]. Employment outcome data were linked to a number of variables (eg length of time unemployed, attainment or otherwise of qualifications). In no instance did the ACE show a significant influence on the likelihood of participants being in employment at the survey date. The conclusion is that taking part in ACE does not increase participants' chances of finding work. In this context, the results from ACE, whilst disappointing, are not unexpected - other studies of similar programmes in different countries have produced comparable findings. It should be said in this context that ex-ACE workers themselves are more positive about the programme - two thirds of those gaining employment post-ACE felt that the programmes had helped them get the job (but only just over half of the sample had actually found employment).

- **More "employment-oriented" training and work experience is needed.** Too many of the opportunities offered on ACE were aimed at the community benefits that the sponsors are seeking to provide. Although the consultants found evidence of good practice, too many ACE workers were not getting a clear view of the skills that they are gaining and the jobs that these might help them get.
- **The role of ACE is not clear.** In many cases, sponsor organisations (who provide ACE places) see their primary role as providing a service to the community - not helping their ACE workers progress to "real" jobs.

CWP

The main findings of the CWP evaluation are summarised in Box 2. Although it is impossible to make definitive judgements about the programme at this stage due to the lack of outcome information, a few findings are clear. The main one is that CWP has had mixed success in attracting its target group. In particular, it has not drawn sufficient numbers of the "core" LTU, especially the older LTU; those with dependants; and those with poor or no qualifications. The corollary of this is that it has been attracting substantial numbers of those who might be described as the "More Jobready LTU", who are better placed to enter the labour market. At the extreme it could mean someone staying on CWP when they could obtain employment. In the context of the research evidence and the improvement in the local economy since the early 1990s, this could be regarded as a sub-optimal use of resources. It also does not sit comfortably with the core business of the Agency as outlined in its aims, which places emphasis on the Agency's role in helping people find sustainable employment. The report concluded that any interventions promoted by the Agency should be tailored to the particular needs of the individual. In particular, the Agency should pursue interventions with the More Jobready LTU which have the main aim of rapid progression into jobs, and should involve, inter alia, close links with employers.

6 The comparison group consisted of unemployed jobseekers who had been in contact with the Agency to seek employment or training; and participants on another programme sponsored by the Agency

EVALUATIONS OF THE ACTION FOR COMMUNITY EMPLOYMENT AND PILOT COMMUNITY WORK PROGRAMMES

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Training and Employment Agency

For the "Less Jobready LTU" - ie those with poor or no qualifications; the older LTU; those who have been unemployed for very long periods of time; and those on high rates of benefit who are thus more likely to be caught by the "benefit trap" - a different range of interventions are more appropriate. This group will find it difficult to obtain employment through normal routes, and interventions should aim to encourage progression by measures designed to re-connect them with the world and disciplines of work, attempt to rebuild their confidence etc. Inevitably many of these interventions will have a largely social focus whilst at the same time attempting to improve employability. They may include a programme which allows participants to obtain work experience; do something positive with their time and increase their self-confidence and motivation; and at the same time allow them the chance to increase their employment opportunities. A programme along the lines of CWP, which retains the Agency - Regional Partnership - Provider could provide this vehicle. However, given the disappointing performance of CWP in attracting the "core" LTU at whom this type of programme would be aimed, close monitoring would be required to ensure that the programme picks up those at whom it is targeted.

THE NEW DEAL

The evaluations of ACE and CWP - and the Agency Review of programmes and policies for the long-term unemployed - began before the present Government came to power. A key manifesto commitment of the incoming Government was to use money raised by the windfall levy on the privatised utilities to fund an ambitious welfare to work programme. Key elements of this are the New Deals for 18-24 year olds and for the over 25s (see Chapter 16 in this ***Bulletin*** for more details). Many of those formerly catered for by ACE and CWP will be directed in the future into New Deal - this is especially true of the older, more long-term unemployed who are in receipt of Jobseekers' Allowance (JSA). The New Deal contains many of the measures outlined in the evaluations of both ACE and CWP as integral parts of the programme - for example, the emphasis on progression; the tailoring of interventions to the needs of individuals; the importance of links with employers etc. Monitoring and evaluation - the subject of Chapter 16, will need to be carried out to see if the intentions translate into reality. But the introduction of New Deal does leave a significant group outside the remit of the programme - for example potential returners and others not on JSA - and these groups should, subject to policy and budget constraints, also be the focus of the Agency's attention as it seeks to build on the positive experiences of ACE and CWP and develop a more effective successor programme or suite of programmes.

Acknowledgements.

The author would like to thank members of the Steering Groups of the ACE and CWP Evaluations; members of Employment Programmes Branch, T&EA; and Cambridge Policy Consultants. The Evaluation Reports for both exercises have been greatly summarised in this short article, and the author takes full responsibility for the choice of material that has been included. Interested parties are referred to the full Evaluation Reports, available from the T&EA (see address at footnote 3, page 71), for the complete picture.

SIXTEEN
CHAPTER SIXTEEN

EVALUATING THE "NEW DEAL" FOR 18-24 YEAR OLDS IN NORTHERN IRELAND

Dave Rogers, Research and Evaluation Branch,
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The Government's "Welfare to Work" Initiative is designed to help people make the transition from being on benefit to being in employment.

BACKGROUND

A key element of "Welfare to Work" is the New Deal for 18-24 Year Olds, which will target those aged 18-24 who have been unemployed and claiming benefit for a period of six months or longer. Other programmes in the Welfare to Work field include

- New Deal for the Over 25s, aimed at those aged 25 and over who have been unemployed for 18 months or more
- New Deal for Lone Parents
- New Deal for the Long-Term Sick and Disabled, and
- New Deal for Partners of Unemployed People

The allocation of money to Northern Ireland to run the New Deals for 18-24 year olds and for those aged 25 and over is £195 million over the lifetime of the current Parliament. This is in addition to existing provision. Most of the money has been allocated to the Training and Employment Agency ("the Agency") for the delivery and administration of the programme; but small amounts are also used by the Social Security Agency and the Department of Education for Northern Ireland. Most of the expenditure will be incurred in years 2-4 of the Parliament (ie 1998/99 - 2000/01). The New Deal for 18-24 Year Olds became operational in Northern Ireland on 6 April 1998.

WHO IS ELIGIBLE FOR THE NEW DEAL FOR 18-24 YEAR OLDS?

Eligibility for the New Deal is restricted to claimants of Jobseekers' Allowance (JSA). Anybody claiming JSA for 6 months continuously will enter New Deal on becoming 6 months unemployed, if they are aged between 18 and 24 on that date. In the initial phase of New Deal, those who were 6 months unemployed entered the programme over a phased 6 month period. There are a few exceptions to the 6-month rule (for example ex-prisoners, lone parents, ex-forces personnel) who **may** enter the New Deal early, ie before they have been unemployed for 6 months. The supposition is that **everyone** in the age group who passes through six months unemployment will enter the New Deal - ie 100% uptake.

WHAT IS THE NEW DEAL AND HOW DOES IT OPERATE?

Just before a person becomes eligible for New Deal they are sent an invitation to attend an initial interview with their Personal Advisor. At that point they enter the "Gateway", an initial New Deal phase lasting up to four months during which they will receive specialist help (which may include short, focussed training) aimed primarily at helping them find unsubsidised work. If they remain on Gateway after this period they will be required to undertake one of the four New Deal options (see below) - there is no "fifth option" of remaining on benefit. Finally, after participating in New Deal options, contact and help will be offered to clients in a "follow through" phase designed to build on their experiences through New Deal.

The New Deal process is summed up in Figure 1 opposite.

EVALUATING THE "NEW DEAL" FOR 18-24 YEAR OLDS IN NORTHERN IRELAND

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Figure 1. Movement through the "New Deal"

Gateway.
Once a young person enters the Gateway, plans tailored to each young person's needs will be developed. In Northern Ireland, the Agency's Employment Service will take the lead in delivering gateway as it has the necessary expertise and experience in guidance and job-broking. The basic elements of Gateway are

- Initial phase to help find unsubsidised jobs.
- Advice and Guidance to identify impediments to employment.
- Reference to independent advice and guidance where appropriate.
- Where appropriate, access to short interventions required either to help jobsearch or to ready the person for the New Deal option they will be pressing (eg Jobsearch, Basic Skills Courses, etc)
- Again where appropriate, "tasters" of New Deal options to help identify which option would best suit the individual
- Drawing up of action plan for individual
- Referral to Options
- Finally a Personal Advisor will be appointed during the Gateway to follow and assist with an individual's progress through the New Deal.

NEW DEAL OPTIONS.

There are four New Deal options. These are

- **Employment Option.** Period - up to 26 weeks. Participants will be employed by an employer and receive a wage (negotiated with employer). The equivalent of one day's training is mandatory. The subsidy to the employer will be £60 per participant per week (£40 per week for part-time employment with 24-29 hours per week). £750 will be paid to employers who offer the full one day per week training to recognised standards.
- **Full-Time Education and Training Option.** This can last up to 12 months, but the average is expected to be around 9 months. This option is aimed primarily at those who are not qualified to NVQ level 2 or equivalent, although those who are qualified to NVQ2 or higher may be able to take this option if a specific gap is identified. Young people on this option will receive an allowance equivalent to benefit (and retain eligibility for passported benefits), with a discretionary fund to cover exceptional costs.
- **Environmental Taskforce Option.** This involves work of a minimum of 30 hours a week on work of a generally environmental nature for up to 6 months, week with at least one day a week on training or time on jobsearch.
- **Voluntary Sector Option.** This option may last up to 6 months and must be for a minimum of 30 hours per week with at least one day a week on training or time on jobsearch.

Participants on the Environmental Taskforce or Voluntary Sector Options will receive **either** a wage (determined by and paid by the provider) **or** an allowance equivalent to JSA plus a grant of £400. In addition to wage/allowance, the provider will reimburse participants for agreed travel costs above the first £4 per week.

FOLLOW-THROUGH.

The Personal Advisor will keep in touch with the young person throughout their participation in a New Deal option, and agrees with programme provider actions that will be taken by them in support of the young person to help find that person employment when they leave the New Deal. At the end of the option, those returning to benefit will receive intensive help and support.

It is expected that around **9,000 - 9,500**

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young people per year will enter the New Deal in Northern Ireland, although numbers are expected to be higher in 1998/99 as those who were in the target group at the commencement of the programme are accommodated.

EVALUATION OF THE NEW DEAL

The evaluation of New Deal in Northern Ireland will attempt to answer six key questions, viz

(1) Impact of New Deal on Youth Unemployment and Employment
(2) Impact of New Deal on the Wider Labour Market
(3) Impact of New Deal on Participating Individuals
(4) Impact of New Deal on Participating Employers
(5) Effectiveness of the Delivery Mechanism of New Deal
(6) Effectiveness of New Deal in delivering wider social and economic objectives

These mirror the evaluation objectives of the Department for Education and Employment and the Employment Service in their plans to evaluate the impact of the New Deal in Great Britain. To answer these questions the Agency has adopted a two-pronged approach:

- A **Database** has been established which is being used to collect key monitoring information on participants
- A series of **Evaluation Projects** will be commissioned to investigate the impact of the New Deal in different ways.

At the moment it is envisaged that there will be five main strands to the evaluation. These are

- **Case Studies of the Delivery of New Deal** - ie how the New Deal is working "on the ground".
- **Impact of the New Deal on Individuals** - ie those who participate in New Deal.
- **Impact on Employers** - both participating and non-participating employers.
- **In-depth studies of particular aspects of New Deal** - as issues emerge during the operation of New Deal, then the Agency will need to carry out in-depth evaluation of factors behind these.
- **Wider impact of New Deal** - ie the impact of New Deal on non-participants - for example on those outside the target group for the programme.

THE CASE STUDY APPROACH

The case study approach offers a means of identifying how the New Deal is operating on the ground - successful delivery will be a prerequisite to the overall success - and perhaps as importantly, perceptions of success or otherwise - of the programme. The case study approach will involve in-depth interviews with the main players in New Deal - T&EA (both management and those charged with the delivery of the programme); participants; employers; delivers of training, Environmental Taskforce, and Voluntary Sector places; delivery consortia; etc. The aim of the case study approach is to examine the key interface between the participant, those charged with delivery of the programme, and employers who will, in the end, have to make choices about who they do and who they do not employ. The case study approach is particularly suited to highlight the interactions between key players and how these interactions are contributing to the development of opportunities for individuals. This is because many of the questions about the outcomes of new deal are **contingent**: in other words, the same actions will have different impacts with different people in different circumstances. Case studies try and answer the (very difficult) question what works best with whom in which circumstances - or at least they try to shed some light on the question. One of the key questions the case studies will try to answer is the degree to which key players - particularly New Deal participants and T&EA staff, but not excluding others - have constructed (or have failed to construct) **shared understandings** of the key concepts such as increased employability and of what the New Deal is trying to do. In this context it is notable that the evaluation of the Action for Community Employment programme (see Chapter 15 in this ***Bulletin***) found that one of the main problems militating against the successful delivery of the programme was that fact that different players had very different expectations of the programme, partly due to the fact that they valued different aspects of the programme.

IMPACT ON INDIVIDUALS

There are a number of ways that the impact on individuals can be monitored. The evaluation strategy will probably focus on the following three key areas:

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- Impact on employment prospects and well-being (including social exclusion)
- How well the New Deal is tailored to the needs of the individual
- How effective each part of the programme is

There are a number of ways that the Agency will be able to monitor the impact on individuals. For example, we will know how many participants on the employment option stay on with their employer after their period on New Deal finishes; we will know something about the immediate destination of New Deal participants; we will be able to track those who re-enter Jobseekers' Allowance (JSA) or other benefits. This will largely involve quantitative work, using data collected by the Agency or other organisations (eg the Department for Economic Development) and supplementing this with survey work of, for example, New Deal participants. In GB, the Employment Service are intending to carry out a survey of a sample of participants some 15 months after they begin New Deal: the Agency will probably follow suit so that comparable data can be collected. This quantitative work will need to be supplemented by qualitative work (for example through focus groups or individual interviews), aimed at putting flesh on the quantitative bones - qualitative work will attempt to gain greater insight to participants attitudes to and experience of New Deal, and get at the reasons they have for any decisions in relation to their labour market status.

IMPACT ON EMPLOYERS

The experience of employers is crucial to the long-term success of New Deal. Research will try and provide information on factors that inhibit or enhance effective participation in the New Deal. It will probably be necessary to use a mixture of quantitative and qualitative methods for this aspect of the research. Work will cover a large range of topics, for example it will try and get at the perceptions employers have (of New Deal itself, of participants etc); their attitudes to training; why some employers have chosen to participate and what benefits they are getting - or expect to get - from this participation; and why some employers have chosen not to participate, and the extent to which these reasons are a continuation of previous resistance to government initiatives or are specific to the New Deal itself.

IN-DEPTH STUDIES OF PARTICULAR ASPECTS OF NEW DEAL

One of the problems with evaluating the New Deal is that there is really nothing to compare it with, because everyone in the target group who is eligible should go through it. In the evaluation jargon, there is no **control group** (or even reliable comparison group). For that reason, the evaluation will have to concentrate on areas that, through the monitoring process, are thrown up as being of interest - for example, do males have different outcomes to females; does one routeway produce "better" results - however defined - than another; does NI appear to be showing different outcomes in some areas than GB? These questions will demand answers.

WIDER IMPACT OF NEW DEAL

The New Deal for 18-24 year olds will not just impact on those taking part, but also on some people not taking part. For example, it is possible that the existence of a subsidy for workers aged 18-24 who have been six months plus unemployed will mean that employers select these individuals at the expense of those outside the target group (ie other 18-24 year olds, or those aged over 24). The extent to which this happens will be very difficult to determine (there are so many factors operating in the labour market to be able to ascribe cause and effect with any certainty), but analysis of unemployment flows and employment figures should be able to shed some light as to what is happening in the labour market. There are also other, non-labour market aspects of the New Deal: for example to what extent is it operating to reduce social exclusion? These will be covered in the final evaluation specification - as will equity (PAFT and TSN) issues.

Much of the work to date in monitoring and evaluation terms has concentrated in getting monitoring systems - which will be required for both on-going monitoring and for evaluation purposes. The objective over the next few months will be to bring the evaluation plan together with a view to beginning work before the end of 1998. That way, evaluation results can begin to feed into the programme at the earliest opportunity.

FURTHER READING

LITERACY SKILLS FOR THE KNOWLEDGE SOCIETY - OECD

This is the second Report giving results from the International Adult Literacy Survey (IALS) (see Article in this issue for further details). The first Report 'Literacy, Economy and Society' was released in December 1995 and gave the results for 7 countries.

This Report gives the results for an additional 5 countries - so that the following are now included Australia, Belgium, Canada, Germany, Republic of Ireland, the Netherlands, New Zealand, Poland, Sweden, Switzerland, UK, USA. Eventually some 25 OECD countries will be covered.

The basic premise of the Report is that "literacy is an essential condition for the actual and equitable participation of citizens in social, cultural, political and economic life" and it goes on to stress "the strong (causative) links between economic growth and labour force skill" - but see below for a different view!

Published 1997
ISBN 92 64 15624 0
195 pages
Available from:
HMSO

LITERACY, NUMERACY AND ECONOMIC PERFORMANCE

by Peter Robinson - CEP

This Report examines the assumption that improving literacy and numeracy are critical in improving the relative economic performance of the UK and reducing unemployment and low pay. Three key questions are posed:

(i) how are these key skills measured?;
(ii) how can levels of attainment be raised - with particular reference to the relative weight assigned to pre-school, primary, secondary and tertiary education?; and
(iii) the connection between higher levels of numeracy and literacy and employment and economic prosperity.

The conclusions are:

- there is confusion over different methods of measurement;
- the National Targets "seem focused on raising attainment at the top and middle of the range (the bottom 10-15% could be neglected) whereas the focus should be on that lower group";
- employers demand for literacy and numeracy is modest but is lower for numeracy: accordingly separate targets should be set;
- in terms of educational attainment, as home background is more important than such factors as class size, streaming etc the focus should be on the dominant factors of social and economic disadvantage ie on reducing child poverty;
- the link between skills and economic growth is weak;
- public policy initiatives in the area of literacy and numeracy need to emphasise improvements at the lower end of the attainment range as low levels increase the risk of unemployment.

Published September 1997
Price £12.00
40 pages
ISBN 0 85328 866 6
Available from:
The Publications Unit
Centre for Economic Performance
The London School of Economics & Political Science
Houghton Street
LONDON WC2A 2AE

EXPLAINING INTERNATIONAL DIFFERENCES IN MALE WAGE INEQUALITY BY DIFFERENCES IN DEMAND AND SUPPLY OF SKILL

- Edwin Leuven, Hessel Oosterbeck and Hans van Ophem - CEP

As the article in this issue of the Labour Market Bulletin illustrates many Western countries have experienced growing wage inequality. There is much debate among economists if the main cause is due to market forces (eg technological change, international competition) or due to institutional factors (eg weakening of trades unions, abolition of Wage Councils).

There are huge problems in comparing skill levels across countries - never mind between educational standards in different schools in the same area - witness the debate over school league tables in the UK!

However the International Adult Literacy Survey (IALS) (see Article in this issue) produces the nearest to a 'gold standard' in international comparisons and this source is used for 7 countries; (Canada, Germany, Netherlands, Poland, Sweden, Switzerland, US).

There follows much statistical testing only accessible to specialists. But the author's clear conclusion is that market forces are much more important than institutional forces. Thus the large wage inequalities in the US are due in part to an educational system which produces a high proportion of low skilled workers - relative say to Sweden which has lower wage inequality and a lower proportion of lower skilled workers.

Published May 1998
Price £5.00
17 pages
ISBN O 7530 1219 7
Available from:
Centre for Economic Performance (see above).

LABOUR MARKET TRENDS

Office for National Statistics

The Office for National Statistics (ONS) have recently revised the format - and content - of its monthly publication of key labour market data - Labour Market Trends. The main changes are to the statistics section - Labour Market Data - which still appears as a stand alone section in the new-look publication. The changes partly mirror the change in emphasis from relying on, for example, administrative sources for the headline unemployment figures (the claimant count), to precedence being given to data from the Labour Force Survey (LFS) which uses the internationally agreed ILO (International Labour Organisation) definition of unemployment. These changes were introduced in the May issue of Labour Market Trends, which contains details of how the new reporting arrangements will work. It is not only the statistics section that has altered - other changes include a revised "Labour Market Update" section which contains a brief (3-4 page) précis of the current labour market position including key economic indicators; and a "Labour Market Spotlight" section which provides pen-pictures of certain key areas in the labour market on a regular basis. In addition Labour Market Trends will continue to publish more in-depth analysis of labour market issues in its "Features" section.

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Subscriptions Department
The Stationery Office Publications Centre
PO Box 276
LONDON SW8 5DT

FURTHER READING

SMALL FIRMS SURVEY - SKILLS

British Chamber of Commerce

As the labour market in the UK has tightened in recent years - as evidenced by growing employment and falling unemployment - firms, especially small firms, have complained of skills shortages. In late 1997 the British Chamber of Commerce (BCC) surveyed the members of its Small Firms Panel specifically on the issue of skills. Most firms on the panel have fewer than 50 employees. Key findings were

- occupational areas that were most reported to suffer from shortages were sales and management/ administration. Nearly a third of firms reported an adverse impact on competitiveness from deficiencies in these areas
- IT skills were lacking in all occupational categories; communication and basic skills were lacking in many cases
- for new entrants to the labour market, personal attributes such as motivation and enthusiasm are the most important factors which influence recruitment decisions
- nearly three-fifths of firms thought that NVQs were irrelevant to them; nearly half thought that skill levels of NVQs were inadequate
- in firms that had a training budget, 3.7% of the salary bill is spent on training: However 22% of firms either did not spend anything on training or failed to answer the relevant question.

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COMPETITIVENESS AND INDUSTRIAL POLICY IN NORTHERN IRELAND

By John H Dunning, Edward Bannerman and Sarianna M Lunden

The authors were commissioned by the Northern Ireland Economic Council (NIEC) to examine the appropriate role of competitiveness in formulating economic policy for Northern Ireland. This was in the light of the Council's ongoing interest in the subject and the Department of Economic Development's (DED) review of its competitiveness strategy, planned for completion in 1999.

The authors have produced a wide ranging report which discusses a broad range of issues connected with competitiveness. They begin by presenting data covering Regional GDP per Head, Gross Value (£) per Head and Regional Share of Foreign Non-UK Owned Companies in Total Investment, which demonstrate that Northern Ireland's competitiveness has been lagging behind that of other UK regions.

They go on to argue that for the situation to improve, a number of important lessons need to be absorbed by policy makers in the Public and Private sectors. Thus, because of the growth in globalisation of economic relations, every country needs to be aware of the determinants of competitiveness in rival economies as well as in its own. It is important to understand and be able to develop the concept of competitiveness as applied at firm, industry, region and nation state level.

Improving the fundamentals of competitiveness requires setting high standards for:

- transport and communications infrastructure;
- technology transfer and diffusion amongst companies;
- skills levels in the workforce;
- targeting successful industrial clusters; and
- attracting foreign direct investment.

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INDEX OF PREVIOUS LABOUR MARKET BULLETIN ARTICLES

Each Bulletin opens with an Editorial, followed by updated Labour Market Statistics. Starting with Bulletin No 8 a "Further Reading" section contains labour market publication reviews.

Copies of the Labour Market Bulletin can be obtained by contacting:

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