Labour Market Bulletin

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Editorial

A record year! For the first time the NI unemployment level was the same as the UK at just over 5%. At one time it was 6 percentage points higher! Now 5 other regions of the UK's 12 regions have a higher unemployment rate than us. Employment is at record levels and, as a consequence the employment rate (the percentage of people of working age in employment) is at a record high at 69%. However this is still at an unsatisfactory level – see Chapter 16 for a detailed examination – which indicates that the labour market is somewhat slacker than unemployment rates indicate.

Inflation is at its lowest level for half a century. The HICP (Harmonised Index of Consumer Prices) measure used by the European Central Bank – and which has recently been adopted by the UK Government – puts the UK rate at just over 1%. For the first time since the 1930s deflation is causing concern in some countries. It is already a problem in the stalled Japanese economy – it is easier to escape from an inflationary trap than a deflationary one. Japanese monetary policy has been described by one commentator as having the same effect on their economy as "pushing a brick with a string".

And interest rates are also at record lows in modern times – in Japan they are effectively zero (which does not leave much room for inflating the economy through interest rate reductions – how do you offer negative interest rates?). They are 1% in the USA (the lowest since 1958); 2% in the EU and 3.75% in the UK.

Indeed **real** interest rates (the nominal rate minus inflation) are, in most Eurozone countries, negative. The extreme case is RoI where high inflation makes it so; this in part (together with other factors such as no property taxes) explains their very high, (and undesirable) house prices. At the other extreme is Germany where very low inflation makes their real interest rates the highest in the Eurozone and also in part explains their economic recession.

Another record was broken in 2002 the lowest number of births in NI since records began. The average number of births per female is now 1.8; this compares with 2.5 twenty years ago. As for a stable population, birth rates should be 2.1, this means we will eventually be joining other EU countries such as Germany, (on present trends Germany's population will fall from 80m at present to 25m by 2100) Italy, and Spain, in having falling population levels – subject of course to what happens to migration.

Perhaps the best measure of success in a country's social and economic progress is whether people wish to live there! Failing societies, of which regrettably there are many examples, lose people through migration; successful societies attract them. An excellent example of a turn around is that of our Southern neighbours who went from a net loss of 200,000 people in the 1980s to a net gain of 80,000 in the 1990s. NI also has had a long history of emigration (although historically less than RoI). But for the first time since records began in 1841 we had, in the 1990s, close to zero net migration see Chapter 7 for details.

On the research front the good news is that the Department is finalising the complex but rewarding task of designing a full scale Youth Cohort Study for NI. There have been many such short-term "one-off" exercises in this area in NI in the past: now we will have in place a comprehensive regular survey to meet DEL's needs – catching up in this regard with all other advanced economies. Full details will appear in next year's Bulletin.

And on a personal note I have joined Frank Sinatra, Shirley Bassey etc in making a comeback – the readers of this Bulletin can judge if this is good or bad news!

Terry Morahan
Editor

Labour Market Bulletin
Head- Research and Evaluation Branch

The NI Labour Market 'At a Glance'

Statistics Research Branch, Department of Enterprise, Trade and Investment

The Labour Force Survey (LFS) is a quarterly sample survey whereby some 3,900 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 European Union (EU) allowing cross-country comparisons to be made.

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

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

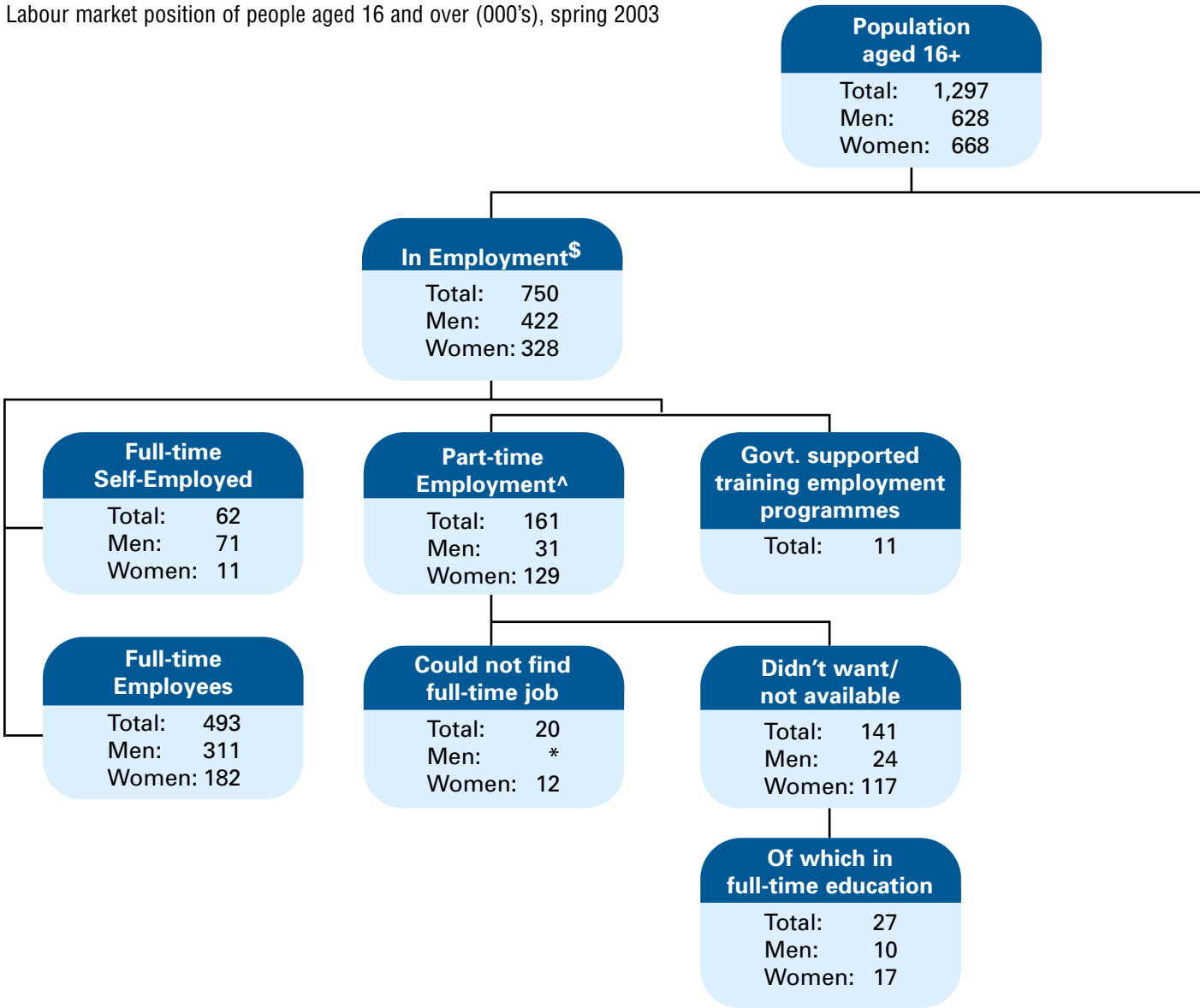
The chart shows how each of these three major categories may be further sub-divided to produce LFS estimates for an entire spectrum of non-overlapping labour market groups ranging from full-time employee to economically inactive people who do not want a job. The results are for Spring 2003.

Each person aged 16 and over in the LFS sample is classified, using the standard ILO[1] guidelines, into one of the following categories: employed, unemployed or economically inactive. The chart shows how these three major categories may be further sub-divided to produce LFS estimates for an entire spectrum of labour market groups ranging from full-time employees to economically inactive people who do not want a job.

1

OVERALL LABOUR MARKET STRUCTURE

Labour market position of people aged 16 and over (000's), spring 2003



[1] International Labour Organisation
$ Includes a small number of unpaid family workers. * Too small for a reliable estimate. £ Full-time education.
# This includes a small number of persons who are waiting to take up a job already obtained and are, therefore, not included in the subsequent breakdown of type of work being looked for. Figures are in thousands and may, therefore, not sum due to rounding.
^ Comprises part-time employees and part-time self-employed.
Estimates of less than 8,000 are considered too unreliable to be published. This explains why a gender split for some categories is omitted.

Unemployed#

Total:	41
Men:	25
Women:	16

Economically Inactive

Total:	506
Men:	181
Women:	325

Looking for full-time/no pref

Total:	33
Men:	23
Women:	10

Looking for part-time

Total: *

Wants job

Total:	54
Men:	19
Women:	35

Not Wants job: in FTE £

Total:	451	: 65
Men:	162	: 28
Women:	290	: 37

Not seeking work but available

Total: *

Seeking work but not available

Total: *

Not seeking work, not available

Total:	46
Men:	14
Women:	32

Labour Market Statistics

Statistics Research Branch, Department of Enterprise, Trade and Investment

2

This article outlines current trends in the NI labour market using data from the Labour Force Survey (LFS). A major strength of the LFS is that it is a self-contained integrated source of information on employment, unemployment, economic activity and many other labour market topics. It is the largest regular household survey carried out in NI and it uses concepts and definitions which are consistent with International Labour Organisation (ILO) guidelines. For consistency with previously published articles, LFS estimates for spring 2003 have been used – that is, the 3 month period March to May 2003.

Table 1 provides a seasonally adjusted summary of the NI labour market position at March-May 2003 and an indication of change over the previous quarter. The figures show that there has been no change in the seasonally adjusted employment and a decrease in seasonally adjusted unemployment of 2,000, while the numbers of seasonally adjusted economically inactive increased by 4,000.

UNADJUSTED EMPLOYMENT

The total number of persons in employment at March-May 2003 was 750,000. Of these 493,000 (66%) were full-time employees, 150,000 (20%) were part-time employees, 93,000 (12%) were self-employed and 14,000 (2%) were on government employment and training programmes or unpaid family workers.

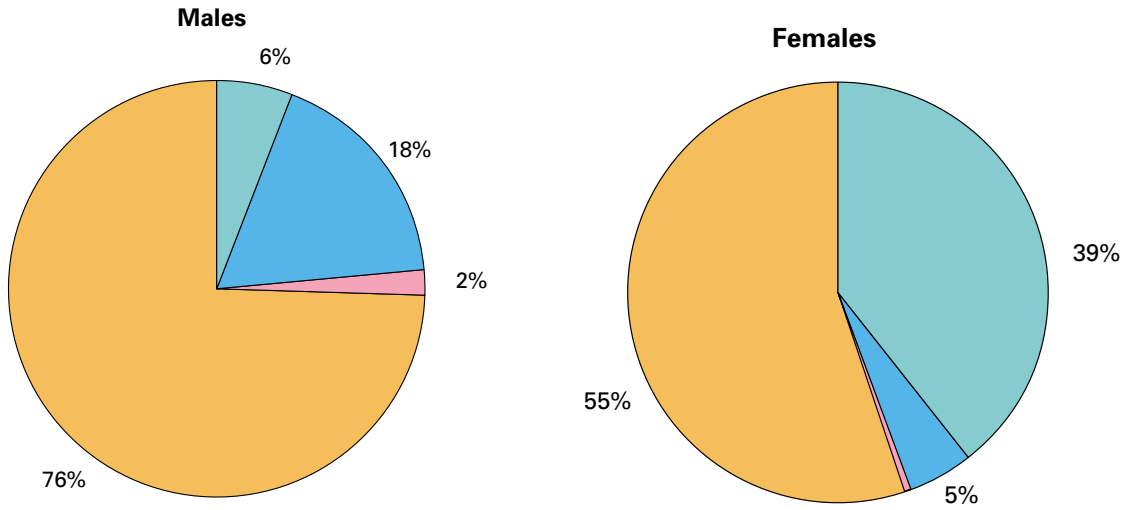
Figure 1 shows how the relative size of these categories differs for men and women. While self-employment accounts for 18% of the total number of male jobs, it makes up just 5% of female employment. Another feature of the NI labour market is the significant contribution which part-time work makes to female employment. 38% of all females in employment are part-time employees compared with just 6% of males.

Table 1: Summary of Labour Market Statistics March to May 2003 (seasonally adjusted)

	Level	Sampling Variability of level +/-#	Change over Quarter	Sampling Variability of change +/-#
ILO* employment	745,000	19,000	0	14,000
ILO* unemployment	41,000	8,000	- 2,000	8,000
Economically active	786,000	18,000	-2,000	13,000
Economically inactive	500,000	18,000	4,000	13,000
ILO*unemployment rate	5.3%	1.0%	- 0.2pp[1]	1.1%
Economic activity rate working age	73.7%	1.6%	-0.2pp[1]	1.2%
Economic inactivity rate working age	26.3%	1.6%	0.2 pp[1]	1.2%

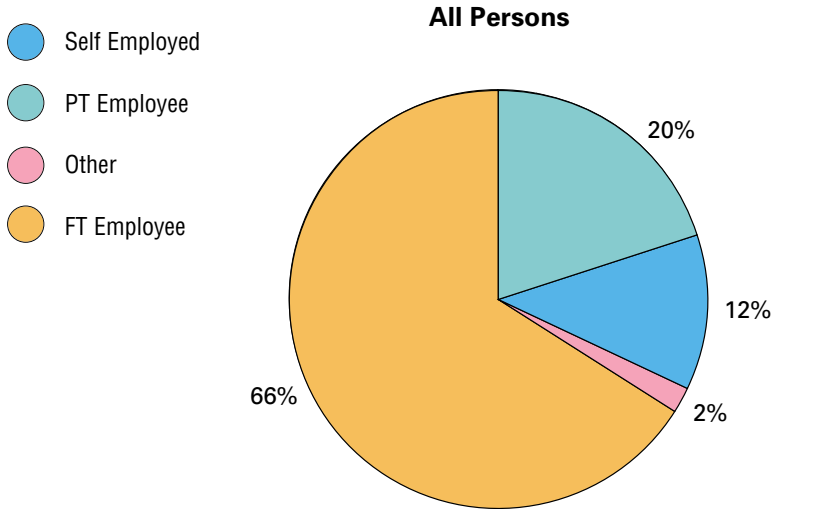
* Definition agreed by the International Labour Organisation (ILO) - taken from the Labour Force Survey (LFS),
# 95% confidence interval,
[1]pp percentage points

Figure 1: Categories of Employment



REASONS FOR PART-TIME WORK

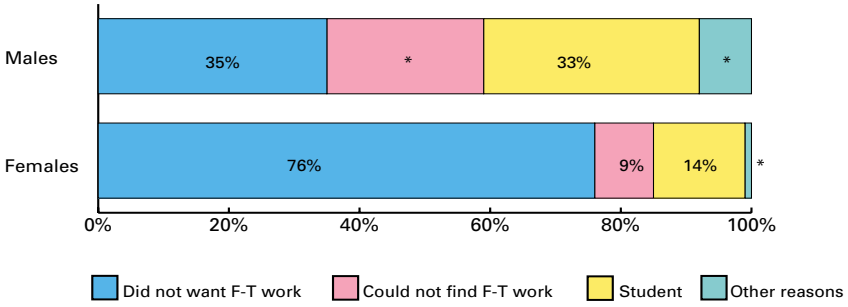
Figure 2 shows that the reasons for part-time working also differ for men and women. While the majority of males (57%) worked part-time because they were students or were unable to find full-time work, the main reason given by females was that they did not want a full-time job (76%).



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

* Too small for a reliable estimate.

Figure 2: Reasons for Employees Working Part-time



Other reasons comprise being ill or disabled or not known

* Too small for a reliable estimate.

2

EMPLOYEE JOBS

The other major source of employment information is the Quarterly Employment Survey (QES) which measures the number of employee jobs in NI. **Table 2** shows the breakdown of NI employee jobs at June 2003. Substantially more male employees are working full-time (264,890) compared to part-time (59,100), whereas the female split in employee jobs is more evenly spread (173,830) working full-time compared to 169,790 working part-time. In June 2003 the total number of Female Employee Jobs accounted for over half of the NI total.

Table 2: Employee Jobs - Full-time/Part-time split, June 2003

	Male		Female		Total	% change in total	
	Full Time	Part Time	Full Time	Part Time		since last quarter	since last year
Manufacturing	66,670	2,100	19,440	4,550	92,760	-0.7%	-4.8%
Construction	30,220	1,460	2,300	1,270	35,250	1.0%	-1.9%
Services	160,780	45,990	151,170	162,450	520,390	0.4%	2.2%
Other[1]	7,230	9,550	910	1,520	19,210	-0.3%	-0.0%
Total	**264,890**	**59,100**	**173,830**	**169,790**	**667,610**	**0.3%**	**0.9%**

1 Covers Industry Sections A,B,C and E

Figure 3: Annual and Quarterly Changes in Employee Jobs

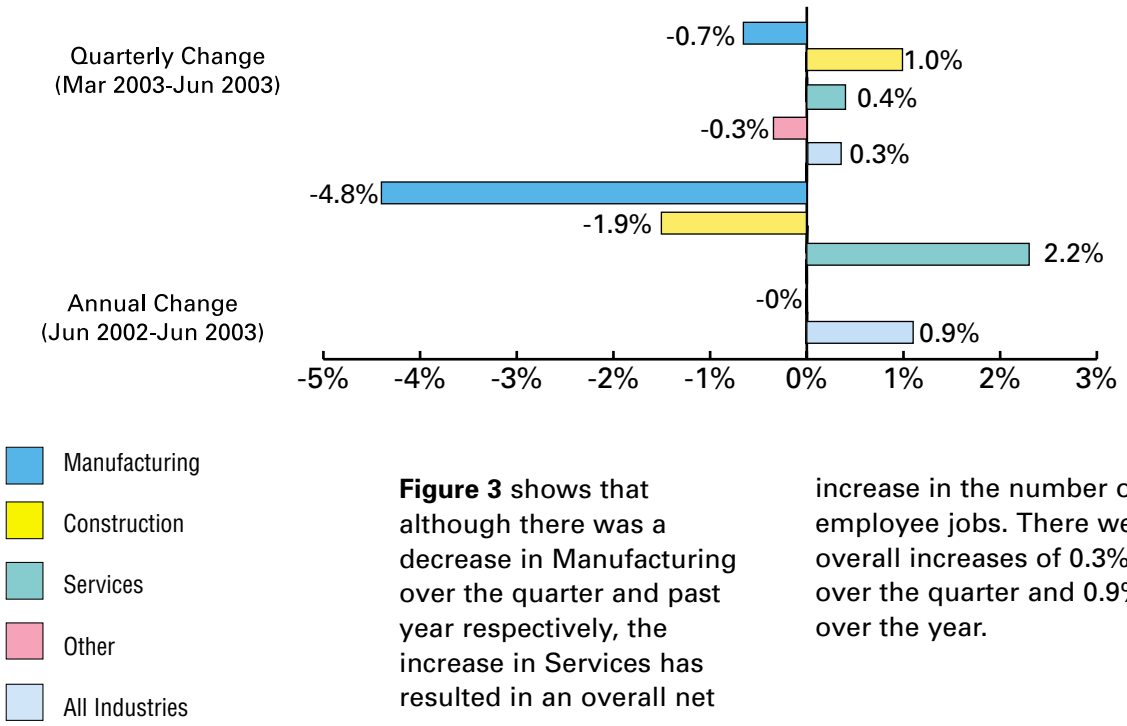


Figure 3 shows that although there was a decrease in Manufacturing over the quarter and past year respectively, the increase in Services has resulted in an overall net increase in the number of employee jobs. There were overall increases of 0.3% over the quarter and 0.9% over the year.

Figure 4: NI Employee Jobs by Broad Industry Sector

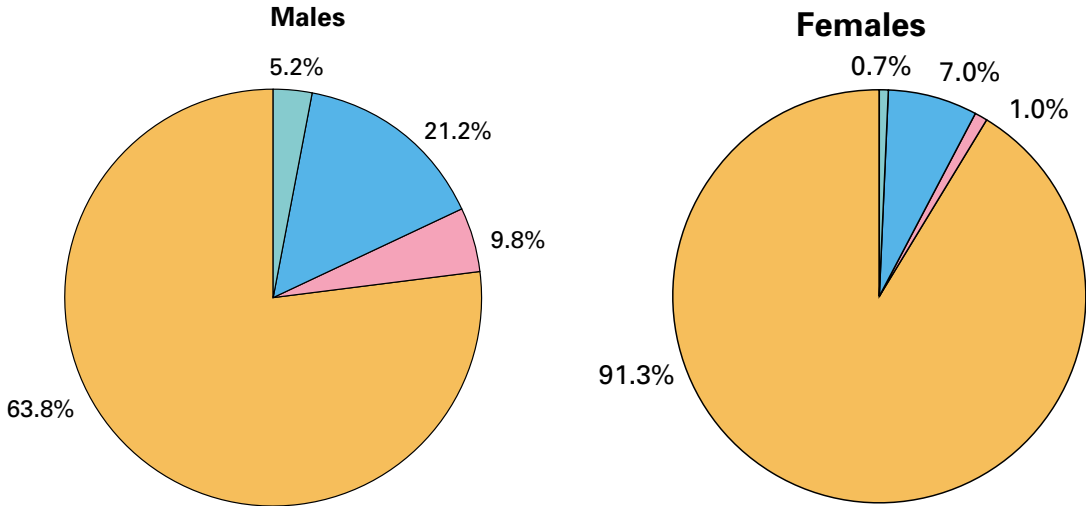
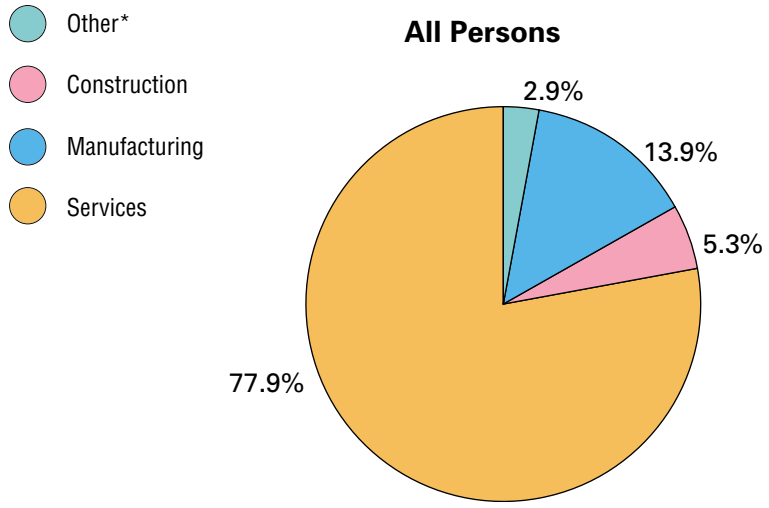


Figure 4 above shows the breakdown of Male and Female Employee Jobs by Broad Industry Sector as at June 2003. There are notable differences in the distribution of male and female employees across the broad sectors. While 63.8% of male employee jobs are in the service sector, males are still well represented in Manufacturing (21.2%) and Construction (9.8%). Female employee jobs however are more concentrated in the Service Sector (91.3%), with only 7.0% involved in Manufacturing and 1.0% in Construction.

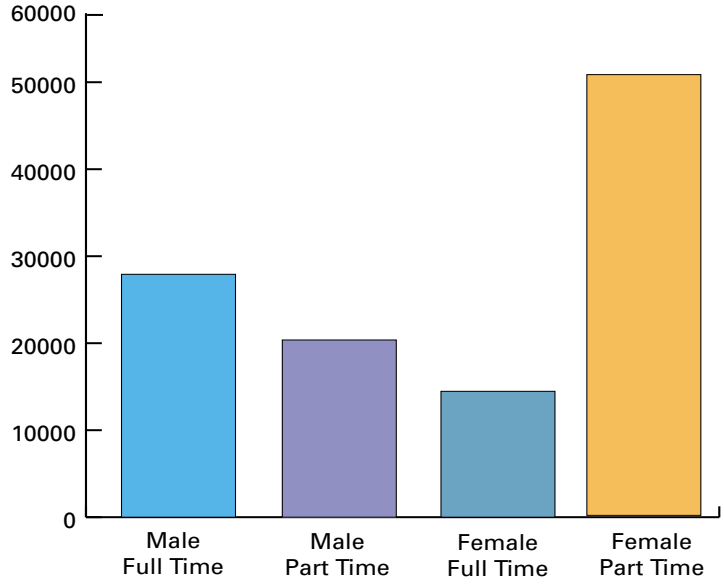


* Other industries includes Agriculture, Hunting, Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply.

2

Figure 5 shows the rise in employee jobs between June 1993 and June 2003 for Males/Females, Full-time and Part-time. By far the largest increase occurred in Female Part-time jobs, with an increase of +55,930. The second largest rise occurred in Male Full-time jobs (+27,770).

Figure 5: Change in NI Employee Jobs, June 1993 – June 2003



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 2003 there were 41,000 persons unemployed in NI, 5.2% of the total workforce. **Figure 6** shows that unemployment rates have been on a downward trend for a number of years.

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

DURATION OF UNEMPLOYMENT

In the period March-May 2003, 18,000 (43%) of the unemployed had been out of work and seeking employment for one year or more.

Just over one half (52%) of unemployed males had been unemployed for one year or more. In contrast, the majority (70%) of unemployed females have been unemployed for less than 1 year, with relatively few unemployed for one year or more.

Figure 6 Unemployment Rates

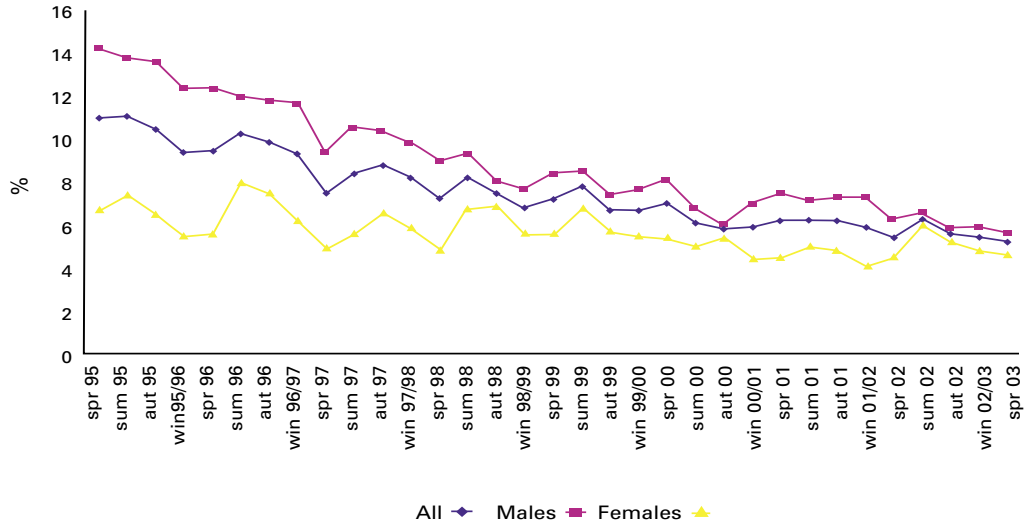
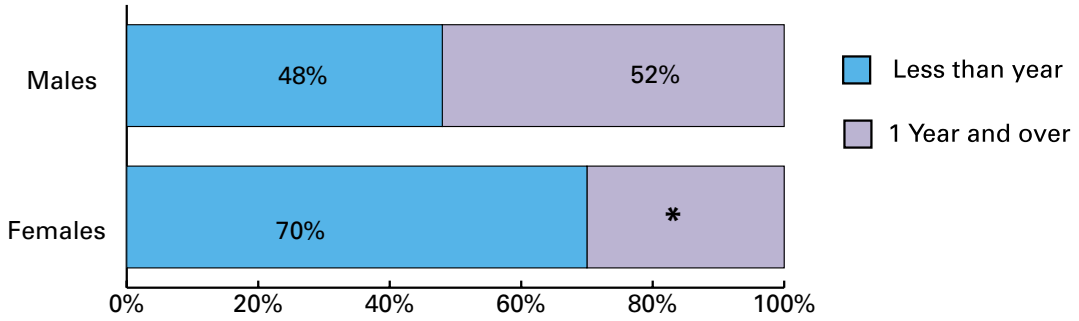


Figure 7: Duration of Unemployment



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

CLAIMANT COUNT UNEMPLOYMENT

The seasonally adjusted claimant count rate for NI in July 2003, 4.2%, was the lowest seen since August 1974. The claimant count rate for NI has been consistently higher than the UK rate throughout the past ten years while maintaining a similar pattern to that of the UK. However the gap between the UK rate and the NI rate has narrowed considerably in the last ten years.

The greatest differential between NI and the UK in this period was seen in August 1996 when the difference was 4.2 percentage points. The lowest differential was seen in July 2003 when the difference was 1.1 percentage points. The claimant count rate of 3.1% for the UK in July 2003 is also the joint lowest seen throughout the past ten years. **(Figure 8)**

SUBREGIONAL ANALYSIS

Claimant count rates at sub-regional level are calculated on a residence-based basis (i.e. number of claimants as a percentage of the resident working age population). An analysis at District Council Area (DCA) level shows that claimant count rates were generally highest in the west of the region and lower in the east. The highest rate was 5.9% in Derry, and the lowest in Banbridge at 1.8% (Figure 9) compared to a residence-based rate of 3.5% for Northern Ireland as a whole.

Figure 8: Seasonally adjusted claimant count rates for NI and the UK, July 1993 to July 2003.

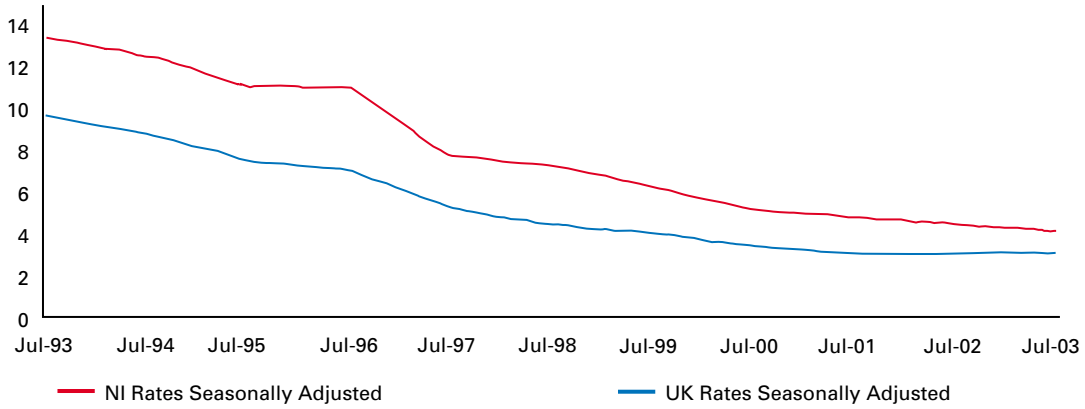


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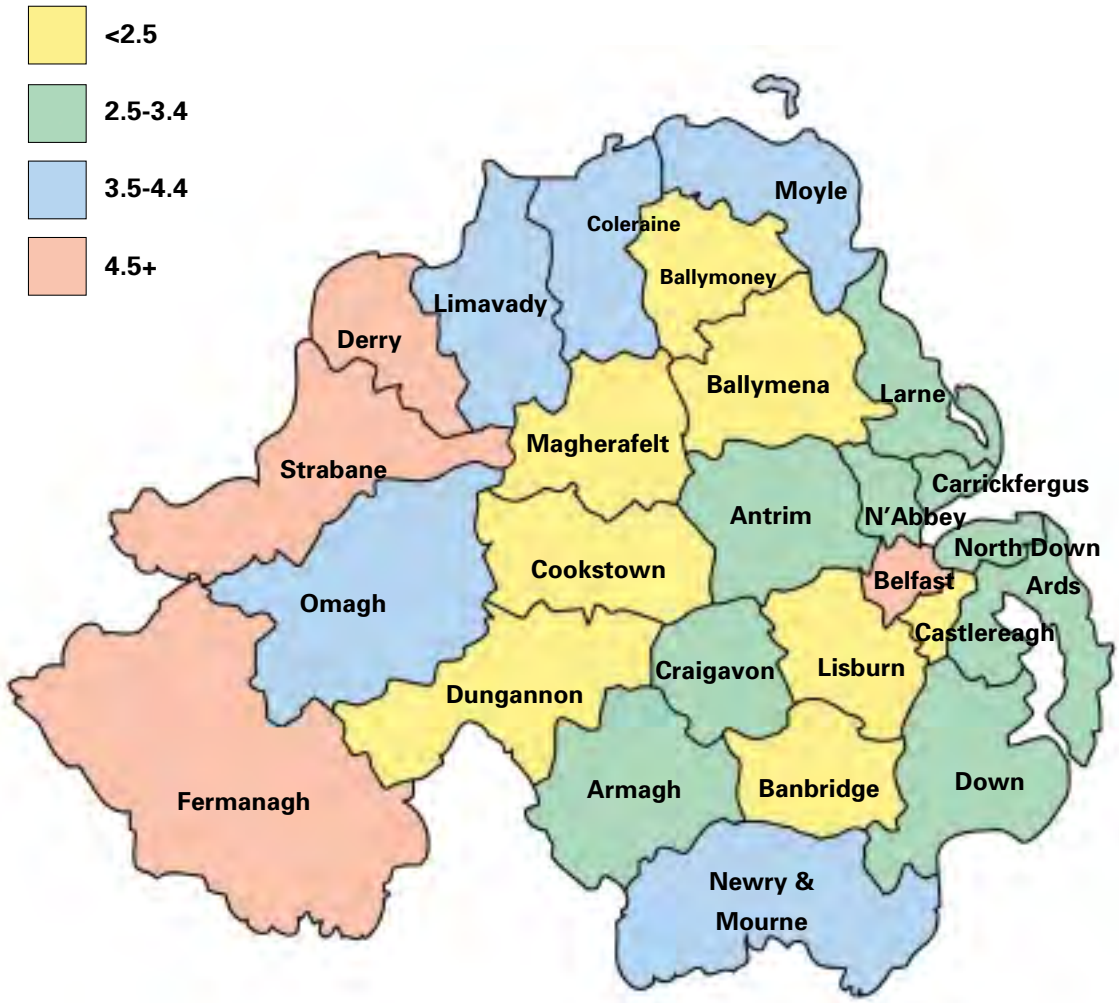
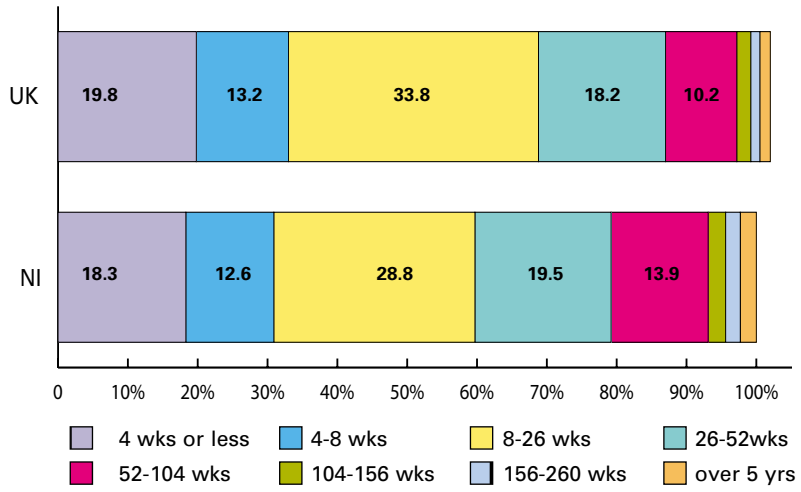
Figure 9: NI claimant count District Council Area Rates - July 2003



ANALYSIS BY DURATION

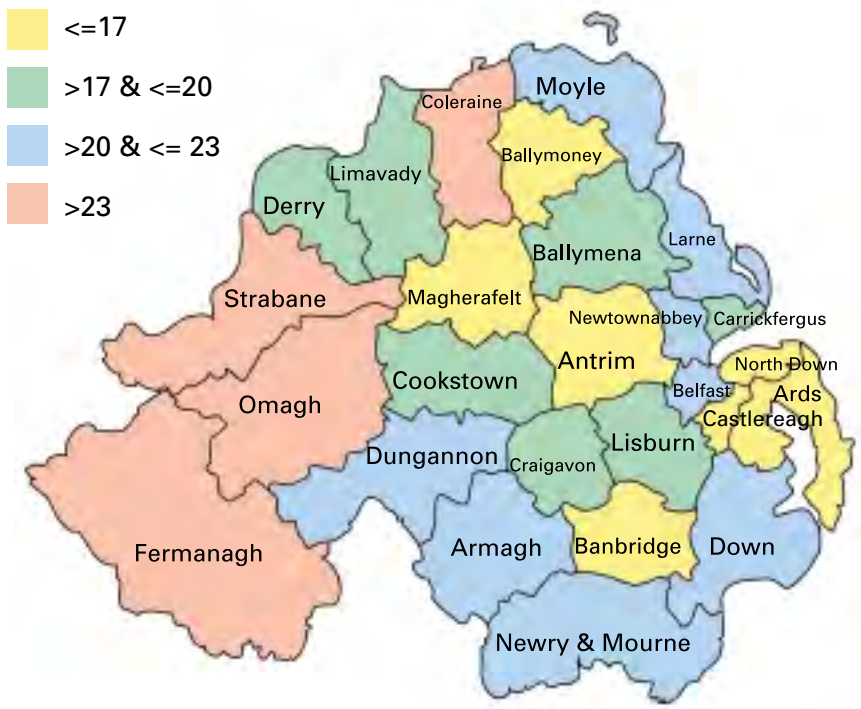
In July 2003, the duration structure of claimants in NI was only slightly different from that of the UK. There were some notable differences. For example, 79.2% of claimants in NI were short-term unemployed (claiming unemployment- related benefits for less than one year) compared to 85.0% in the UK. Also, NI had a greater proportion of claimants who had been claiming for three years or more (4.4% compared to less than 3% for the UK) **(Figure 10)**.

Figure 10 Proportion of claimants by duration; July 2003



In general, districts in the west of NI showed the highest concentrations of long-term claimants (i.e. those individuals who had been claiming unemployment-related benefits for one year or more), with those in the centre and east of the region tending to be lower. Four districts had one quarter or more of long-term claimants: Coleraine with 25.1%, Omagh with 25.3%, Strabane with 29.4% and Fermanagh with 30.4%. The two districts with the lowest proportions were Ballymoney with 11.7% and Castlereagh with 13.6% (Figure 11) with the NI average at 20.8%.

Figure 11: Concentration of long-term claimants by District Council Area; July 2003



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ECONOMIC ACTIVITY

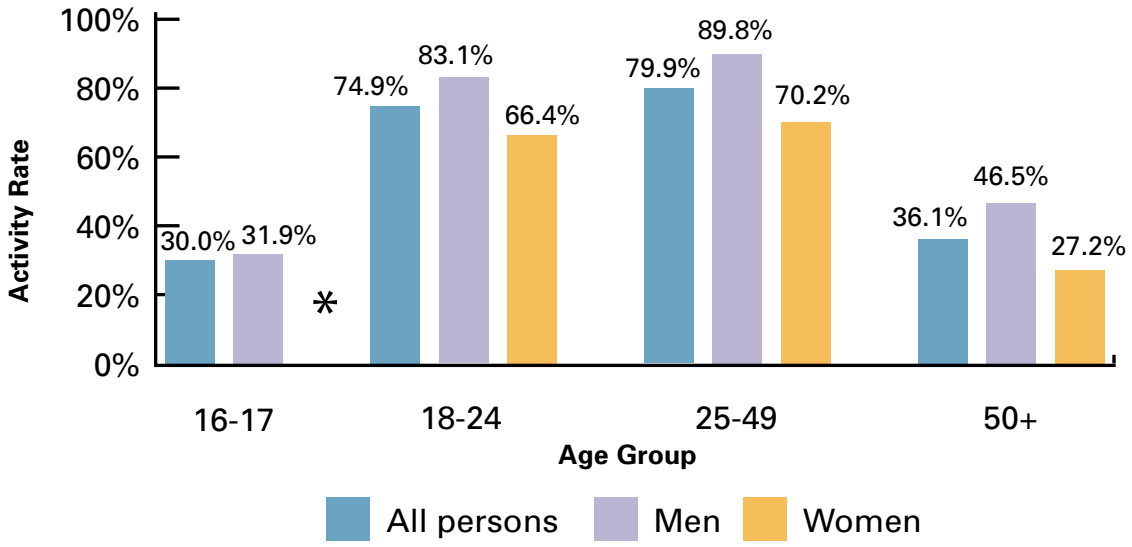
The economically active (ILO employed + unemployed) are those participating in the labour market either by working or looking for work. Economic activity rates express the number economically active as a percentage of the population aged 16 and over.

In the period March-May 2003, there were 791,000 economically active people in NI – an overall activity rate of 61.0%.

ACTIVITY RATES

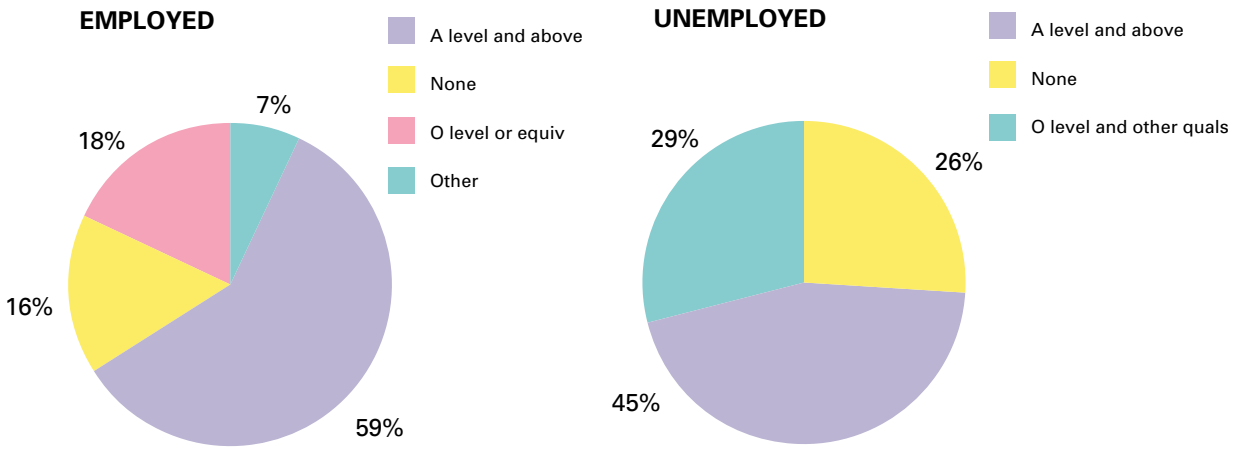
Figure 12 shows how economic activity rates are relatively low during the ages associated with full-time education, rise during the 'prime' working years (18-49 years of age) and begin to drop again near retirement age. For women this trend is slightly more mute, largely because many females of working age have domestic commitments which make it difficult for them to actively participate in the labour market.

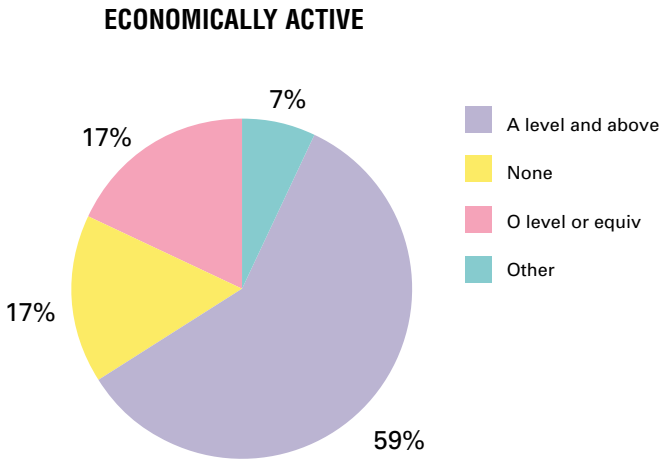
Figure 12: Economic Activity Rates by Age



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

Figure 13: Qualification Levels of the Economically Active





QUALIFICATION LEVELS

Figure 13 shows the qualification levels of the workforce at March-May 2003, with separate estimates for the employed and the unemployed. Overall 59% of the economically active were qualified to GCE'A' level or above, while 17% had no formal qualifications. Comparing the position of the employed and unemployed- 59% of those in employment were qualified to GCE'A' level or above compared with 45% of those unemployed.

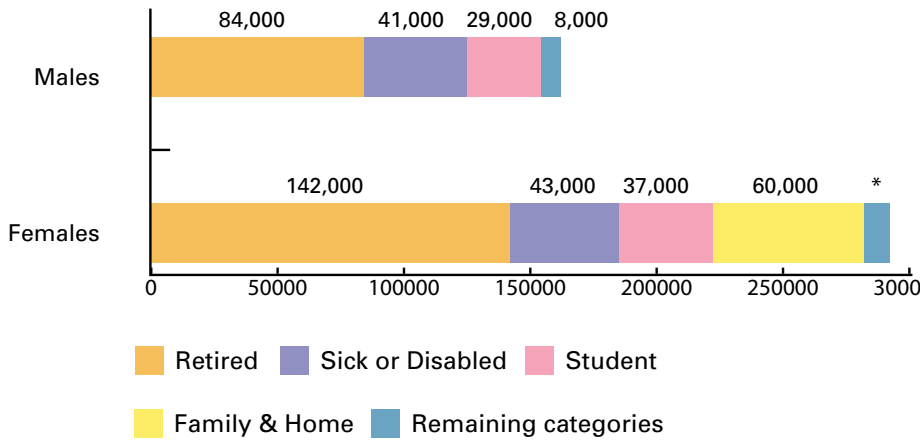
ECONOMIC INACTIVITY

People aged 16 and over who are not in employment and are not unemployed according to the ILO definition are classified as economically inactive. In the period March-May 2003 there were 506,000 economically inactive persons in NI – a decrease of 18,000 from one year earlier.

The economically inactive can be divided into two main groups; those who do not want a job (89%) and those who do want a job but fail to satisfy the ILO unemployment requirement for active job-search (11%). A breakdown of the former category is shown at Figure 14. Overall, the main reason for not wanting work was retirement; 52% of men and 49% of women who did not want a job were retired. The other reasons for not wanting work varied according to the gender of the respondent, with men more likely to cite sickness/disability (25%) as their reason and women domestic commitments. Indeed, 21% of women gave 'looking after family home' as their reason.

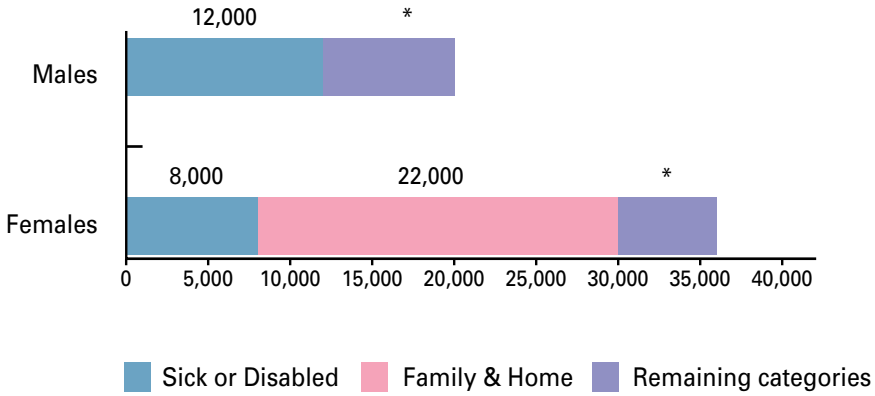
At March-May 2003 there were 54,000 economically inactive who did want a job, but for a variety of reasons were not actively seeking work. The majority (65%) of this group are women and the main reason given for their inactivity was family commitments (61%). In contrast, for males the main reason for economic inactivity was sickness or disability (64%).

Figure 14: Reason for not Wanting Work



* Remaining categories too small for a reliable estimate.

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



* Remaining categories too small for a reliable estimate.

HOUSEHOLDS

Separate datasets specifically designed for analyses at the household level are also available from the Labour Force Survey (LFS). At spring 2003 there were 641,000 private households in Northern Ireland. There were 1,690,000 persons living in these households, giving an average of 2.64 persons per household. This compared with a UK average of 2.37 as a whole. Indeed, NI was the region with the highest number of persons per household.

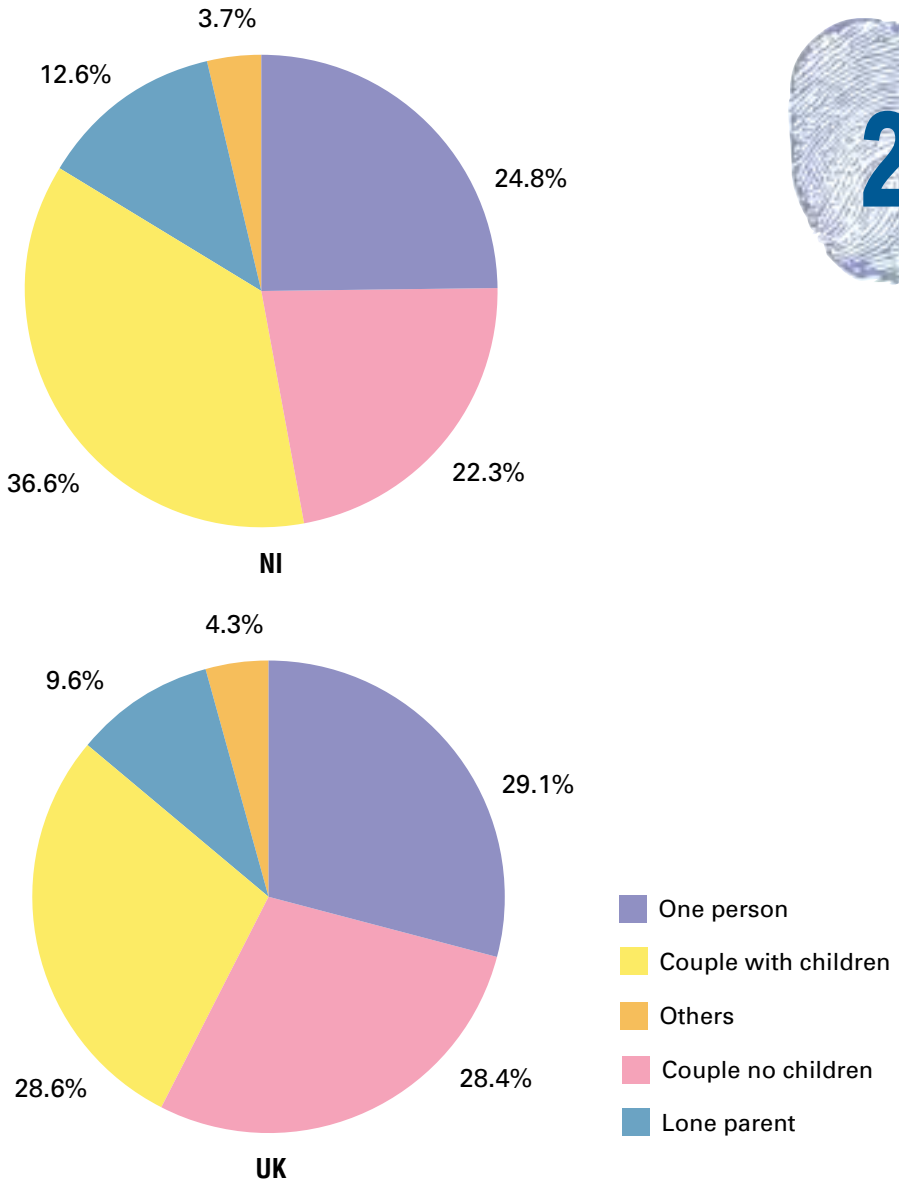
Figure 16 looks at household types according to the relationships between the persons living in them, for both NI and the UK. The most common type of household in NI consisted of a couple with children, which accounted for 36.6% of all households. The other two main household types were one person households (24.8%), followed by couples with no children (22.3%).

Lone parents with children amounted to 12.6% (81,000) households. The main difference between the distribution of household types in NI and the UK is the higher proportion of households in NI composed of couples with children than in the UK (36.6% compared with 28.6%). This is balanced by a lower proportion of households composed of couples with no children in NI (22.3% compared with 28.4%). There were proportionally more lone parent households in NI than in the UK (12.6% compared with 9.6%).

Table 3 shows the proportions of **working age households** according to the economic activity of their members. (**A working age household** is defined as a household with at least one person of working age in it.) The most common type of household in NI was one where all persons were employed (referred to as a **workrich household**), accounting for 49% of all working age households. Note these households may contain only one person who is employed, or several persons, all of whom are employed. There is a 9 percentage point difference between the proportion of workrich working age households in NI and the UK. In fact, NI has the lowest proportion of working age households of all UK regions in this category. The other two main categories of households were those containing employed and economically inactive persons (28%) and those where all persons were economically inactive (16%).

A **workless household** is defined as a household where no one is in employment and comprises types 3, 4 and 5 from Table 3. In Spring 2003, there were 97,000 workless working age households, or 19.2% of all working age households, in NI.

Figure 16: Household Types, NI and UK, Spring 2003



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

This compared with 16.1% in the UK as a whole and was the fourth highest proportion among the UK regions, lower than the North East (22.0%), Wales (19.4%) and London (19.3%).

Table 3: Working age Households by Combined Economic Activity, Spring 2003

Type of Economic Activity	NI	UK
1) All Employed	49%	58%
2) Employed and Economically Inactive	28%	22%
3) All Economically Inactive	16%	13%
4) Unemployed and Economically Inactive	-	1%
5) All Unemployed	2%	2%
6) Employed and Unemployed	2%	3%
7) Employed, Unemployed and Econ. Inactive	2%	1%
All households# (100%)	502,000	18,031,000

Excludes cases where the combined household economic activity is not known.
- Too small for a reliable estimate.

Note that the proportions in these household categories are affected by the number of persons in a household. Consequently the fact that N.Ireland has a larger average number of persons per household and a smaller proportion of one person households than the UK, means that there is more likely to be a combination of economic activity states within households than all persons of one activity state.

REGIONAL AND INTERNATIONAL COMPARISONS

One of the strengths of the Labour Force Survey is the availability of comparable socio-economic data for other UK regions and European Union (EU) member states. Table 4 provides a Labour market profile of each region of the UK at March-May 2003.

Table 4: Regional Summary (seasonally adjusted) Spring 2003

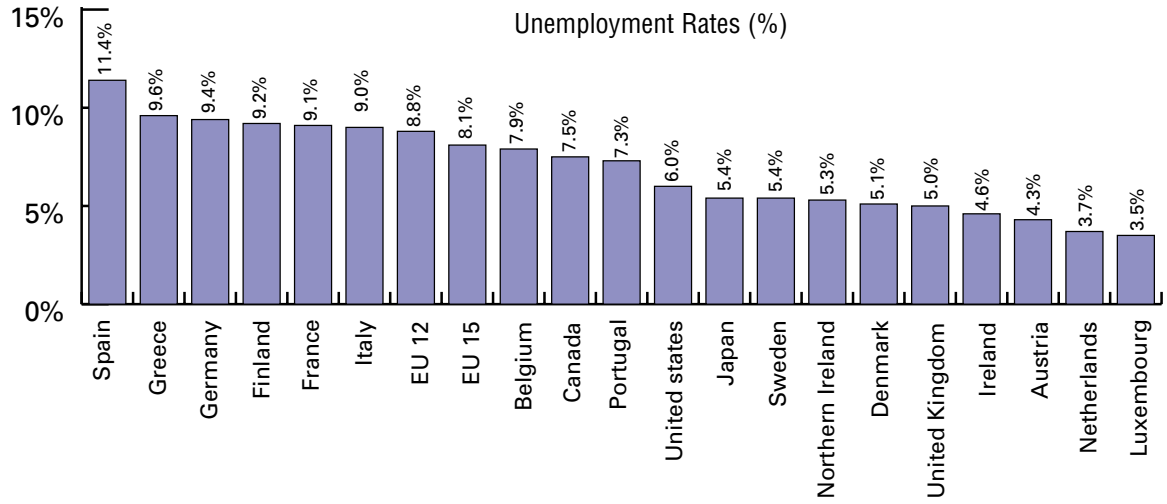
	Total aged 16 and over (000's)	Activity rate (%) 16-59/64	Unemployed (000's)	Unemployment rate (%)	LTU as % of total unemployed*	Employment rate (%) 16-59/64
North East	1,992	73.1%	73	6.4%	22.9%	68.3%
North West & Merseyside	5,269	77.2%	161	5.0%	25.9%	73.3%
Yorkshire & Humber	3,912	78.4%	130	5.4%	28.4%	74.1%
East Midlands	3,323	79.4%	88	4.2%	26.1%	76.1%
West Midlands	4,134	78.5%	148	5.7%	21.4%	74.0%
Eastern	4,304	81.9%	115	4.1%	16.5%	78.4%
London	5,730	75.2%	255	7.0%	25.3%	69.9%
South East	6,371	82.5%	160	3.8%	14.0%	79.3%
South West	3,955	81.8%	96	3.8%	16.8%	78.6%
Wales	2,302	76.5%	61	4.4%	17.1%	73.0%
Scotland	4,031	79.1%	142	5.6%	25.7%	74.6%
NI	1,286	73.7%	41	5.3%	43.4%	69.7%
United Kingdom	46,618	78.7%	1,474	5.0%	22.9%	74.7%

LTU = Long-term unemployed (1 year or more). * Not seasonally adjusted and 1991 Census Population based

This shows that the NI economic activity rate for those of working age (73.7%) is lower than any of the other UK regions apart from the North East (73.1%). The unemployment rate in NI (5.3%) is lower than five other UK regions, with the highest rate (7.0%) occurring in London. It is perhaps more significant to note that long-term unemployment (lasting 1 year or more) is much worse in NI than in any other region of the UK.

Figure 17 shows how the unemployment rate in NI compares to others in the European Union and beyond. The NI rate (5.3%) is 2.8 percentage points lower than the European Union 15 average (8.1%). It is 0.7 percentage points above the current rate in the Republic of Ireland (4.6%).

Figure 17: International Unemployment (seasonally adjusted)



FURTHER INFORMATION

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

Writing to	Statistics Research Branch, Room 110, Netherleigh, Massey Avenue, BELFAST BT4 2JP
Telephoning	Belfast (028) 9052 9344 [Fax (028) 9052 9459]
Textphone	Belfast (028) 9052 9304
Visiting the web site	www.statistics.detini.gov.uk

Women In The NI Labour Market

Patrick McVeigh and Owen Johnston
Statistics Research Branch, Department of Enterprise, Trade and Investment

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This article provides the most recent (Spring 2003) information available from the Labour Force Survey (LFS)[1] about the economic activity of women in the NI labour market. Where appropriate comparison with the economic activity of males is included.

SUMMARY

- The economic activity rate of working age (16-59) women (65%) has risen by 4 percentage points over the last three years but is much lower than the rate for working age (16-64) men (81%).
- The economic activity rate of working age women (65%) in NI continues to be considerably lower than their counterparts in GB (73%).
- Women without dependent children in NI are also less likely to be economically active (70%) compared to women in GB (78%).
- 44% of all those in employment are women but only 17% of self-employed persons are women, up from 16% of self-employed persons three years ago.
- Women are much more likely to work part-time (40% of female employees) than men (8% of male employees).
- 83% of part-time employees in NI are women, broadly similar to the proportion in GB (81%).
- About three quarters of female employees who work part-time say they do not want a full-time job, rather than being unable to find a job.
- Only 7% of women in employment are Managers and/or senior officials, compared to 15% of men.
- For male full-time employees the gross weekly wage is £409 which is 40% higher than that for female full-time employees (£292).
- The unemployment rate for females in Spring 2003 was 4.6% compared to 5.6% for men.

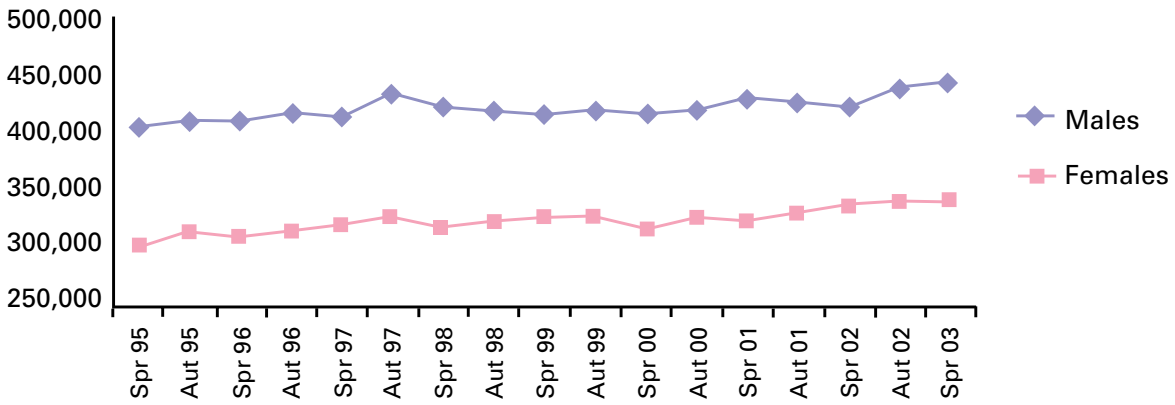
WOMEN ECONOMICALLY ACTIVE

At Spring 2003 there were 343,000 women (51%) aged 16 and over economically active (either in employment or unemployed) in NI. This compares with 448,000 men (71%). **Figure 1** shows how the numbers of economically active men and women have been increasing from Spring 1995. The number of economically active women has increased by 14%, while the increase for men has been slightly less at 10%. Since 1984 (the earliest date for comparable LFS records) the number of economically active women has increased by nearly one third (31%). Married women now make up 26% of the economically active, compared to 23% in 1984.

Women In The NI Labour Market

Patrick McVeigh and Owen Johnston
Statistics Research Branch, Department of Enterprise, Trade and Investment

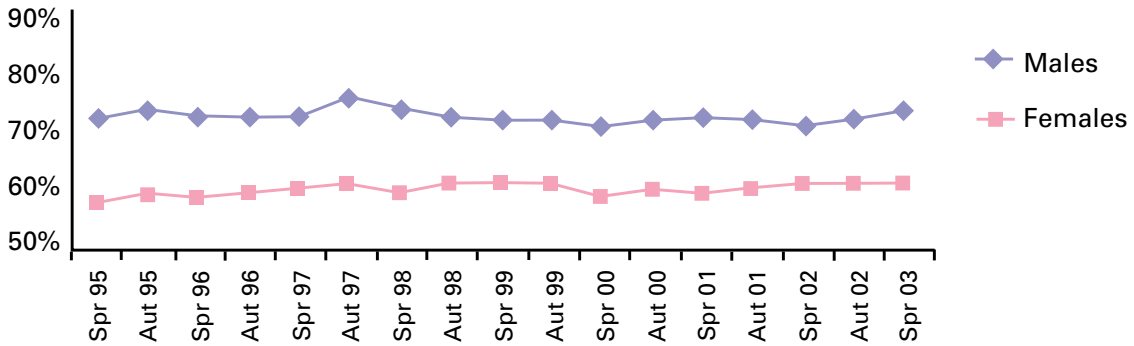
Figure 1: Economically Active Persons (16+) 1995-2003



Another way of comparing economic activity is to use the appropriate economic activity rates, which is the proportion of persons in any specified age group who are economically active. The activity rate for women of working age (16-59) is 65%, much lower than the rate of 81% for men of working age (16-64).

Since 1984 the difference in activity rates has decreased, as the activity rate for females has risen by 8 percentage points, while the activity rate for males has fallen by 3 percentage points.
Over the last three years economic activity rates have increased by 4 percentage points for females and for males have increased by 3 percentage points. Despite this the female activity rate in NI (65%) is still considerably lower than that in GB (73%), while there is less difference in male activity rates (81% in NI and 84% in GB).

Figure 2: Economic activity rates (working age) 1995-2003



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Patrick McVeigh and Owen Johnston
Statistics Research Branch, Department of Enterprise, Trade and Investment

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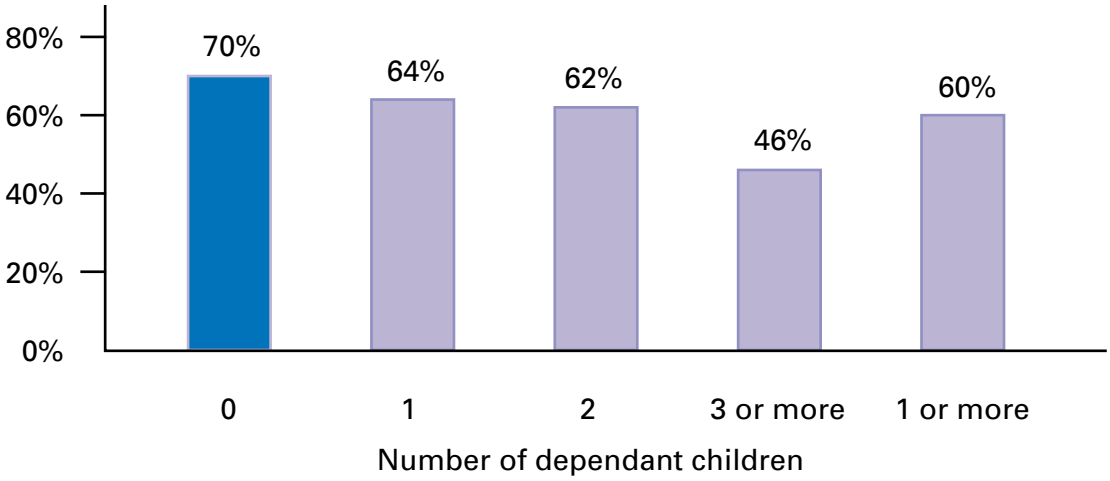
The economic activity rate for women of working age depends on the presence of dependent children (those aged under 16). For women with dependent children the activity rate is 10 percentage points lower than for those without dependent children (60% compared with 70%). There is a similar difference in activity rates in GB (67% compared with 78%).

Women in NI without dependent children are still considerably less likely to be economically active than their counterparts in GB.
There is evidence that the activity rate depends on the number of dependent children and it is much lower for women with three or more dependent children (46%) than those with one or two dependent children (64% and 62% respectively). Perhaps surprisingly the activity rate varies little according to the age of the youngest dependent child, with the rates being 60% for women with the youngest child aged 0-4, 58% for those with youngest child aged 5-10 and 61% for those with youngest child aged 11-15.

Figure 3: E.A. rates (working age) by number of dependent children, Spring 2003



WOMEN IN EMPLOYMENT

At Spring 2003 there were 328,000 women aged 16 and over economically active (either in employment or unemployed) in NI. This compares with 422,000 men. Figure 4 shows how the numbers of men and women in employment have been increasing from Spring 1995 to date. In Spring 2003, 44% of all those in employment were women (328,000). The number of women in employment has increased by 16%, less than the percentage increase for men (22%).
Since 1984 (the earliest date for comparable LFS records) the number of women in employment has increased by 44%, compared with an increase of 30% for men.

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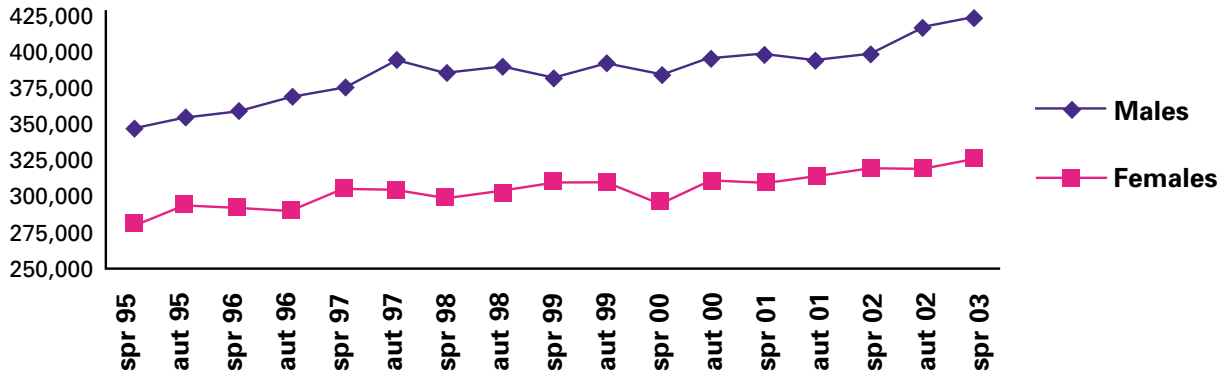
Statistics Research Branch, Department of Enterprise, Trade and Investment

Figure 4: Persons in Employment (16+) 1995-2003



The 328,000 women in employment consist of 306,000 employees (93%), 16,000 self-employed (5%) and less than 8,000 in total on either government training and employment schemes or unpaid family workers. While women account for nearly one half of all employees (48%), only 17% of self-employed persons are women.

Another way of comparing employment is to use the appropriate employment rates, which is the proportion of persons in any specified age group who are in employment. The employment rate for women of working age (16-59) is 62%, much lower than the rate of 77% for men of working age (16-64). Since 1984 the difference in employment rates has decreased, as the employment rate for females has risen by 12 percentage points, while the employment rate for males has risen by 9 percentage points. Despite this, the female employment rate in NI (62%) is still considerably lower than that in GB (70%), while there is less difference in male employment rates (77% in NI and 79% in GB).

Figure 5: Types of Employment by gender, Spring 2003

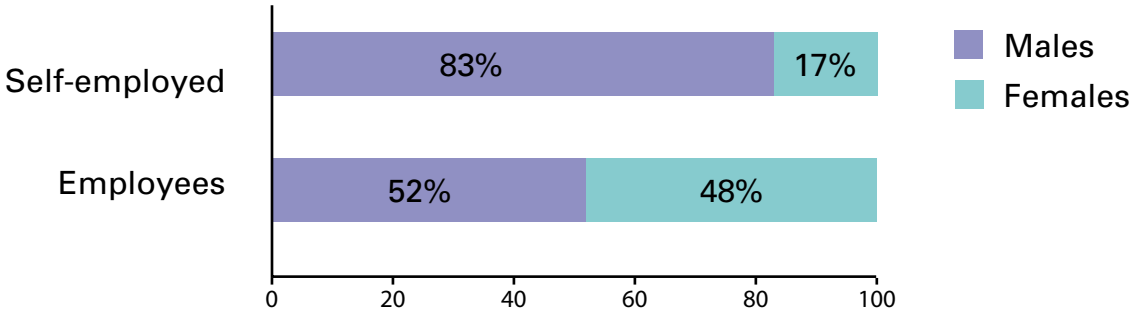


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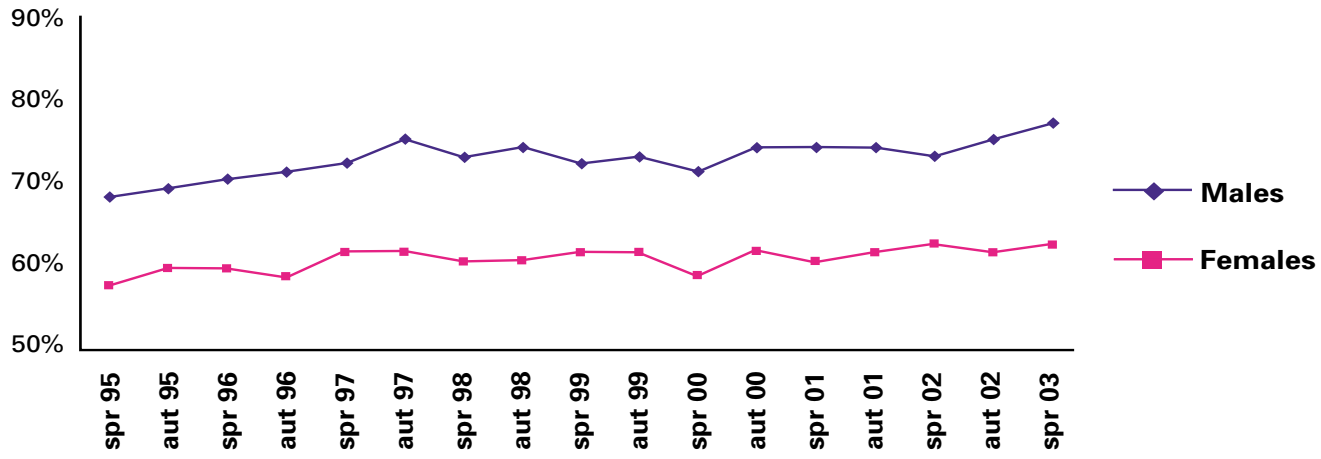
Figure 6: Employment rates (working age) 1995-2003



Two fifths (40%) of female employees work part-time, compared with 8% of male employees who work part-time. As a result 83% of part-time employees are women. This is similar to the proportion of female part-time employees in GB (81%). For females the number of part-time employees has risen much more from 1984, than the number of full–time employees (67% compared with 28% respectively). This increase in female part-time employees in NI is much larger than the 28% increase in GB.

Figure 7: Full-time/Part-time split of Employees, Spring 2003

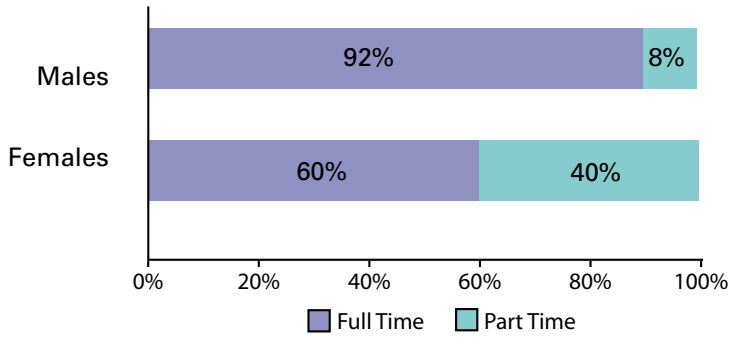


Figure 8: Reason for Female Employees working Part-time, Spring 2003

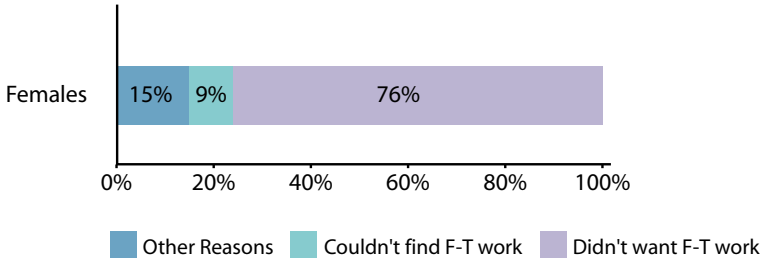


Figure 8 shows the reasons for female employees working part-time. About three quarters of female employees (76%) who work part-time say they do not want a full-time job, rather than being unable to find a full-time job.

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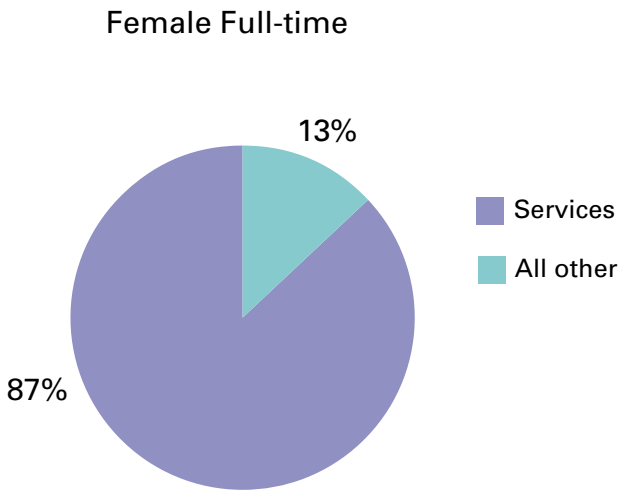
Despite a significant proportion of female employees working part-time, nearly all female employees are in permanent jobs, with only 7% of female employees in temporary positions. 3% of women in employment work mainly from home.

A higher proportion of female employees work under an agreed flexitime system than male employees (10% compared with 7%).

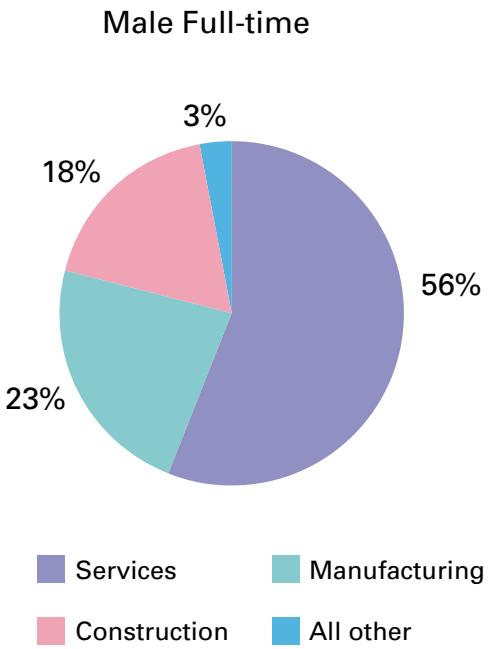
Female full-time employees are concentrated in the Service sector industries, with 87% working there, compared with 56% of male full-time employees. Over one half of female full-time employees (55%) are employed in the Public administration, Education and Health service sectors, compared with one quarter (25%) of males.

Relatively few female full-time employees work in the Manufacturing and Construction industries.

Figure 9: Employees by Industry sector, Spring 2003



"All other" comprises Agriculture and fishing, Energy and water, Construction and Manufacturing.



"All other" comprises Agriculture and fishing and Energy and Water Industries."

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Statistics Research Branch, Department of Enterprise, Trade and Investment

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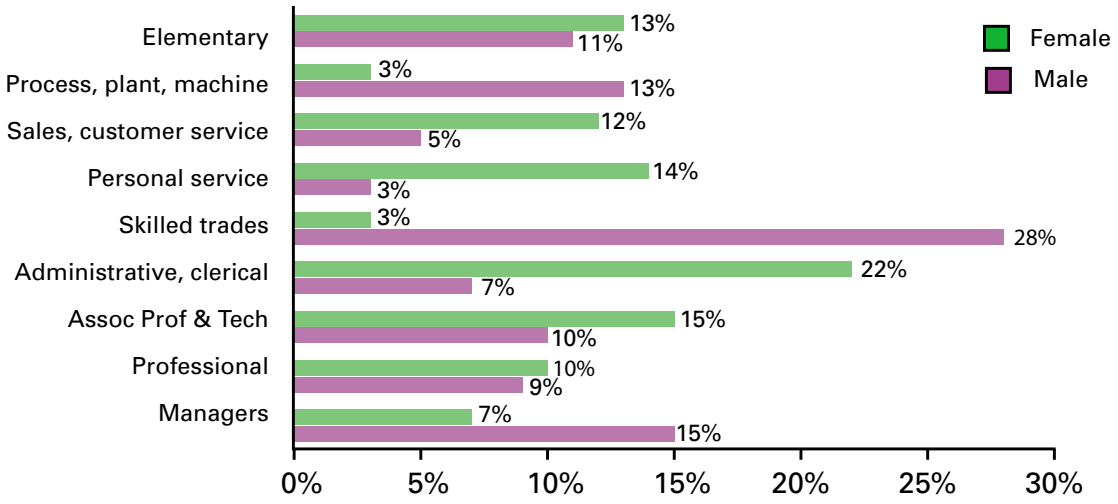
The distribution of occupations that men and women work in is also different.
22% of women in employment are in Administrative and secretarial occupations, compared with 7% of men.

A further 14% of working women are in Personal service occupations, such as catering, domestic service and hairdressing, compared with 3% of men. However, only 7% of working women are Managers and /or senior officials, compared with 15% of men. The area where the highest proportion of men work is Skilled trades (28%), while only 3% of women worked there.

Figure 10: Employment by Occupation, Spring 2003



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The gross weekly pay for male employees is £386, which is 73% higher than that for female employees (£223). However, this difference is inflated by the higher proportion of females than males who work part-time and therefore, work less hours per week. For male full-time employees the gross weekly pay is £409, which is 40% higher than that for female full-time employees (£292). Looking at hourly rates of pay of all employees, the male rate of £9.50 is about one third higher (32%) than the rate for females (£7.20).

Figure 11: Persons Unemployed (16+) 1995-2003

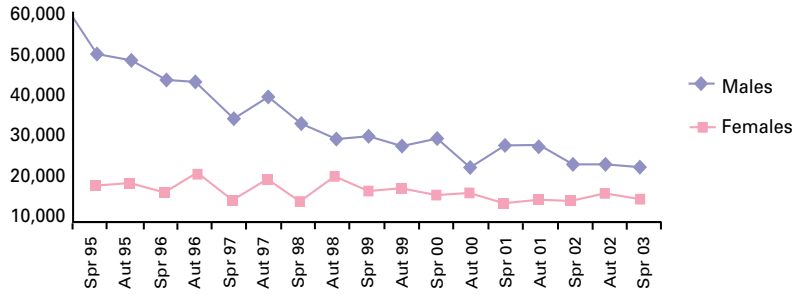
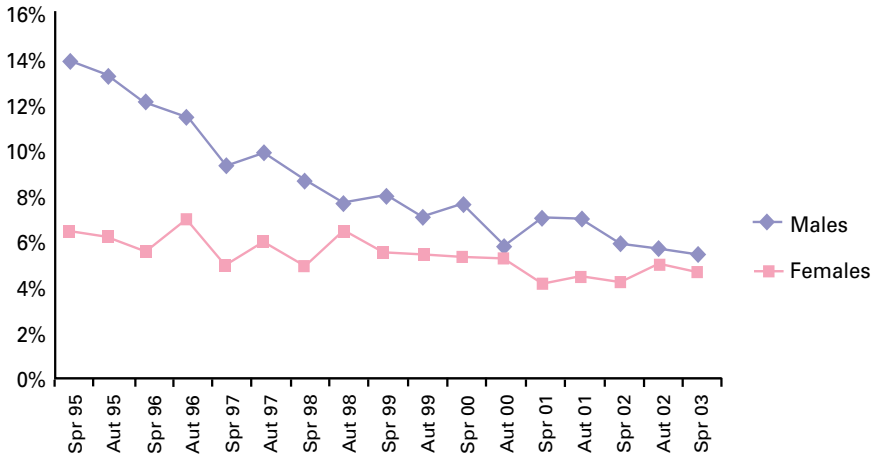


Figure 12: Unemployment rates (16+) 1995-2003



UNEMPLOYED WOMEN

At Spring 2003 there were 16,000 women aged 16 and over who were unemployed in NI. This compares with 25,000 men. Figure 11 shows how the numbers of unemployed men and women have been decreasing from Spring 1995 to date. The number of unemployed women has decreased by 22%, less than the percentage decrease for men (56%). Since 1984 (the earliest date for comparable LFS records) the number of unemployed women has decreased by 53%, compared with a decrease of 68% for men.

The unemployment rate (16+) is the number of persons unemployed expressed as a percentage of the number of economically active persons. At Spring 2003 the unemployment rate for females was 4.6% compared with 5.6% for men. Unemployment rates have fallen to less than one third of their levels in 1984, with the unemployment rate for females falling from 12.9% to 4.6% and the rate for males falling from 19.3% to 5.6%. The difference between male and female unemployment rates is now one percentage point compared with over six percentage points in 1984.

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Statistics Research Branch, Department of Enterprise, Trade and Investment

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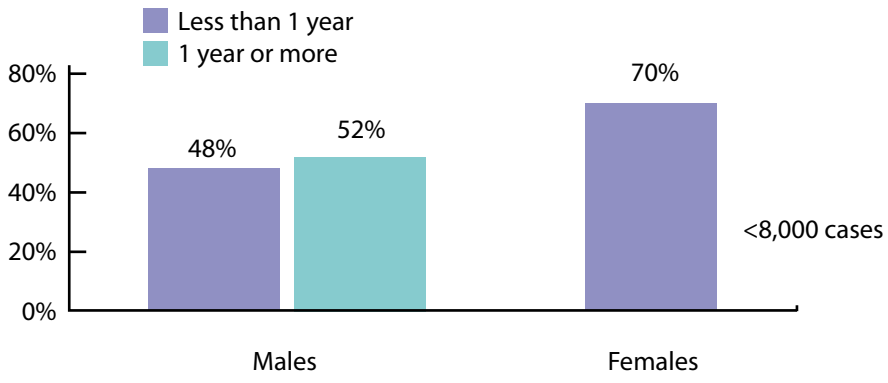
Long-term unemployed persons are those who have been unemployed for one year or more and short-term unemployed persons are those who have been unemployed for less than one year. At Spring 2003 70% of unemployed women were short-term unemployed, while the number of long-term unemployed women was too small to quote a reliable estimate. For males the numbers short-term and long-term unemployed are more evenly divided, with 48% short-term unemployed and 52% long-term unemployed.

Figure 13: Short-term and Long-term Unemployed, Spring 2003



WOMEN ECONOMICALLY INACTIVE

At Spring 2003 there were 325,000 women aged 16 and over economically inactive (neither in employment nor unemployed) in NI. This compares with 181,000 men. Figure 14 shows the numbers of economically inactive men and women from Spring 1995 to date. While the number of economically inactive women was 325,000 in both 1995 and 2003, the number of economically inactive men has increased by 5%. In 1984 the number of economically inactive women (323,000) was similar to the present, while the number of economically inactive men has risen by one third from 136,000 in 1984.

The proportion of economically inactive men and women who do not want a job is similar (89% of women and 90% of men). The remaining 11% of economically inactive women want a job, but were not seeking work in the previous four weeks or were unable to start work in the next two weeks.
About one half of economically inactive women and men who do not want work are retired, with 49% of women and 52% of men falling into this category. A further 21% of women give looking after their family or home as their reason for economic inactivity.

Figure 15 shows the proportion of economically inactive women and men according to the reasons for their economic inactivity. After retirement, which is the main reason for economic inactivity of both women and men, looking after their family or home is the next highest reason for women (25%), while for males it is sickness or disability (29%). The percentage of all economically inactive women who are looking after their family or home has decreased from 45% in 1984 to 25% at present.

Women In The NI Labour Market

Patrick McVeigh and Owen Johnston

Statistics Research Branch, Department of Enterprise, Trade and Investment

Fig 14: Economically Inactive Persons (16+) 1995 – 2003

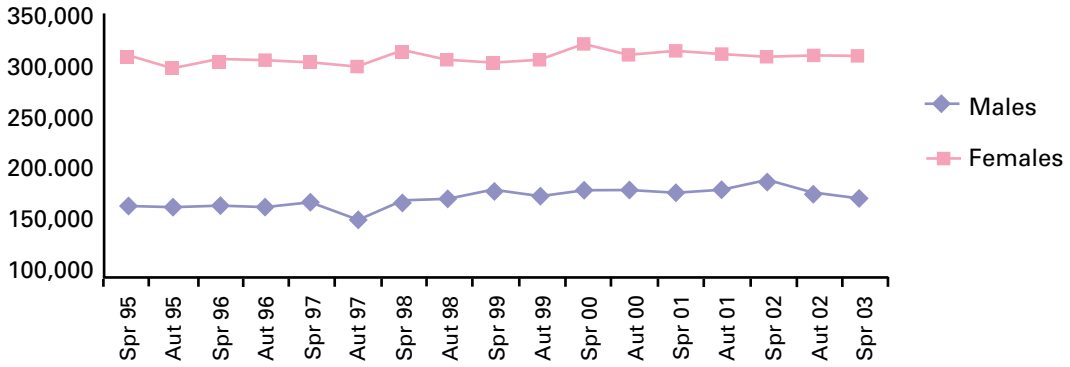
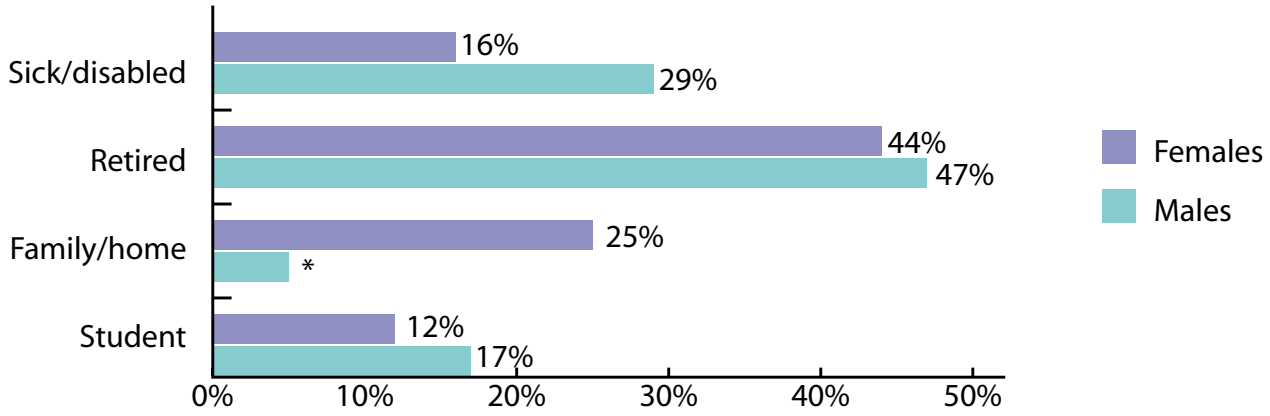


Figure 15: Reason for Economic Inactivity, Spring 2003



* Too small for a reliable estimate.

1 The LFS is a sample survey carried out by interviewing individuals about their personal circumstances and work. It is the biggest regular household survey in NI and provides a rich source of information on the labour force using internationally agreed concepts and definitions. As the LFS is a sample survey and not a complete count all estimates obtained from it are subject to sampling error.

There are three main classifications of economic activity, in employment, unemployed and economically inactive, as follows:-
Persons in employment are those aged 16 and over who did some paid work in the reference week (either as an employee or self-employed), those who had a job which they were temporarily away from, those participating in government training and employment programmes and those doing unpaid family work.
Unemployed persons are those without a job who were available to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.
Economically active persons are those aged 16 and over who are either in employment or unemployed.
Economically inactive persons are those neither in employment nor unemployed. This group includes for example all those who were looking after their family/home, students not working and retired persons.

Where do Claimants go when they leave the register and do they return?

Sean Donnelly and Jonathan Irwin
Statistics Research Branch, Department of Enterprise, Trade and Investment

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The claimant count records the number of people claiming unemployment-related benefits. The series has been used as a main indicator of labour market activity since the 1970's and figures are derived from records of claimants held at Social Security Offices (SSOs). The term 'claimants' is used here to refer to those claiming Jobseekers Allowance (JSA) and National Insurance credits.

Destination, recycling and cumulative long-term data are obtained from the longitudinal databases held within Statistics Research Branch, DETI. The databases hold details of all computerised claims started and terminated since October 1993. The longitudinal databases are a rich source of information on the characteristics of those claiming unemployment-related benefits.

NI DESTINATION DATA 2002 DATA

Using the claimant count longitudinal database, it has been possible to trace some 80,426 spells that ended in NI during 2002. Chart 1 below gives a breakdown of the destination of all these claimant count leavers.

Chart 1: Destination of claimant count leavers in 2002 (including unknowns)

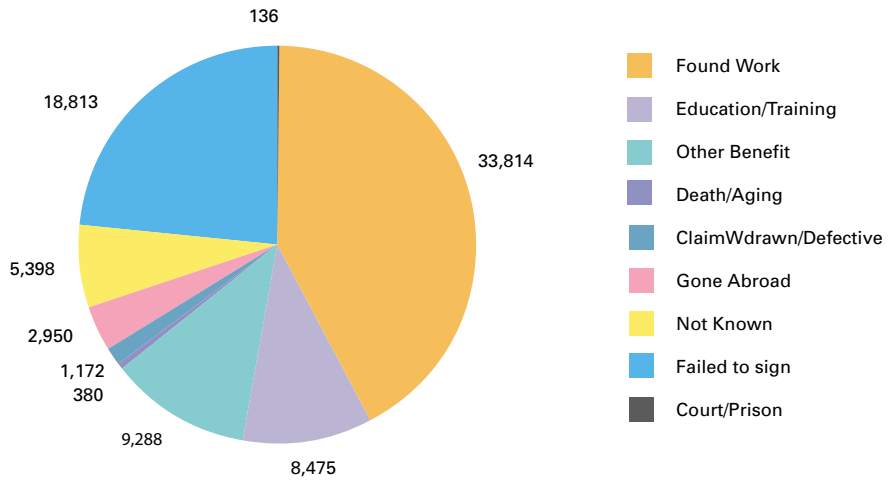

Chart 1 shows that some 33,814 (or 42.0%) of those who left the claimant count in 2002 left to start a job. However the chart also highlights the fact that 18,813 (23.4%) of leavers in 2002 failed to sign and a further 6.7% (5,398 people) had 'Not Known' destinations. By excluding these unknowns (i.e. 'Failed to sign' and 'Not Known'), the destination data can be examined in more detail.

Where do Claimants go when they leave the register and do they return?

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Statistics Research Branch, Department of Enterprise, Trade and Investment

Table 1: Destination by Sex 2002 (percent - excluding unknowns)

	2002		
Destination	**M**	**F**	**T**
Found Work	58.2	64.0	60.2
Education/ Training	16.3	12.6	15.1
Other Benefit	17.5	14.6	16.5
Death/Ageing	0.8	0.4	0.7
Claim Withdrawn/ Defective	2.0	2.3	2.1
Gone Abroad	4.9	6.0	5.2
Court/Prison	0.4	0.0	0.2

Of those for whom a destination on leaving the count is known, over 90% who left in 2002 went into one of three main categories: Found Work (60.2%), education or training (15.1%) or switched to another benefit (16.5%). Also, the data show that males (58.2%) were less likely than females (64.0%) to have left the count to find work, but more likely to enter education/training or move to another benefit. It is these three main categories that are considered in more detail (whilst still excluding those claimants with an unknown destination).

Table 2: Historical analysis – Destination of leavers (percent - excluding unknowns)

Destination	2002	2001	2000	1999	1998	1997
Found Work	60.2	63.9	65.0	65.0	68.0	64.9
Education/Training	15.1	11.1	9.8	8.3	7.9	8.8
Other Benefit	16.5	16.0	16.2	17.8	13.8	15.9
Death/Ageing	0.7	0.7	0.7	0.7	0.8	1.1
Claim Withdrawn/ Defective	2.1	2.0	2.1	2.2	2.8	4.4
Gone Abroad	5.2	6.1	6.0	5.9	6.5	4.8
Court/Prison	0.2	0.2	0.2	0.2	0.3	0.2

Table 2 highlights in the destination of claimants leaving the count each year in the last 6 years. There has been a noticeable rise in the proportion of claimants leaving JSA to enter education/training and a fall in the percentage leaving to find work, with all other categories remaining fairly steady.

Where do Claimants go when they leave the register and do they return?

Sean Donnelly and Jonathan Irwin
Statistics Research Branch, Department of Enterprise, Trade and Investment

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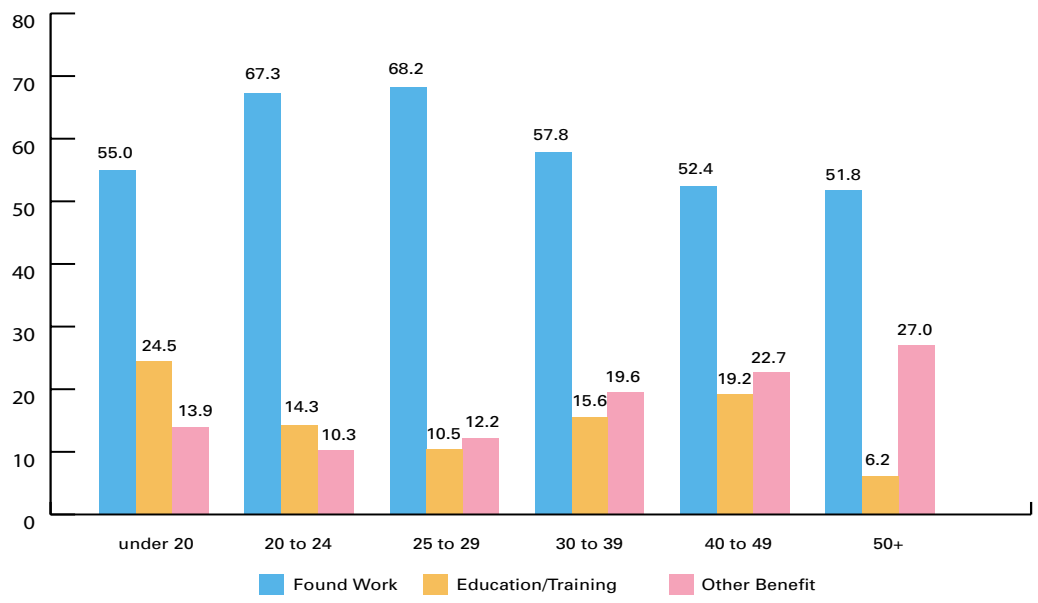
DESTINATIONS BY AGE GROUP (3 MAIN DESTINATIONS) 2002 DATA

Chart 2 below shows that older claimants who leave the count are more likely to go to 'less favourable' destinations than their counterparts. The proportion of claimants switching to another benefit tends to increase with age with over one quarter of claimants aged 50 or more, who left the count in 2002, switching to other benefits, this is compared to just over 10% for the 20-24 age group. Predictably, claimants under twenty years of age were more likely to leave the count to enter education/training than other age groups, while claimants aged 50 or over are least likely to leave the count to enter education/training. However, it is worth noting the higher proportion of claimants in the 30-39 (15.6%) and 40-49 (19.2%) age groups who left to begin an education/training course compared to previous years (e.g. corresponding figures for 2000 were 3.9% and 3.5% respectively). Over two-thirds of leavers aged between 20 and 24 (67.3%) and 25-29 (68.2%) left the count to start a job compared to just over half of leavers aged over 50 (51.8%) who found work.

Chart 2: Destination by Age Band 2002



DESTINATIONS BY DURATION BAND (3 MAIN DESTINATIONS) 2002 DATA

In line with the link between age and destination, long-term claimants (i.e. those who had a claim of one year or more) were more likely to leave the count to go to 'less favourable' destinations than their counterparts. **Chart 3** shows that claimants who left the count after a duration of 6 months or less were much more likely to have found work and much less likely to have switched to another benefit.

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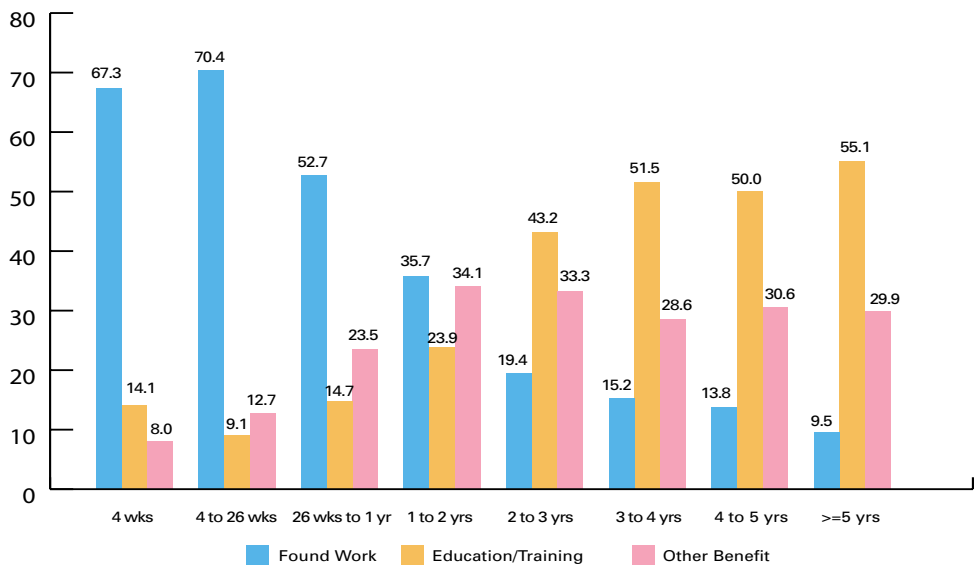
Statistics Research Branch, Department of Enterprise, Trade and Investment

Predictably (and in line with previous years) as duration increases, claimants were less likely to leave the count to start a job. Surprisingly however, data for 2002 shows that claimants were more likely to leave to enter education or training as duration increases. The very high proportion of claimants who were on the count for 2 years or more before leaving and who left to enter education/training is quite different to analysis from previous years and is possibly a reflection of claimants being involved in the enhanced New Deal for 25+ scheme, a programme aimed at those aged 25 and over who have been claiming JSA for 18 months or more.

Historically (i.e. prior to 2001), for those groups with a duration on leaving the count of one year or more, a maximum of 12% left the count to go to education/training. However, as Chart 3 shows, these proportions have increased substantially in 2002 (proportions were also much higher in 2001). Over half (55.1%) of very long-term claimants (i.e. those with a duration of over five years) left the count to enter education or training with only 9.5% of these very long-term claimants finding work compared to around 10% and 70% respectively for those who left the count after a duration of less than 6 months. Obviously, with such large increases in the proportion leaving to begin training/education courses there has been a downward effect on the proportions leaving to find work or switch to another benefit. For example, in 2000, 35% of those who left the count after claiming for 5 years or more found work, 7.1% entered education/training and 50.9% switched to another benefit. Chart 3 shows that these proportions have changed dramatically with much lower proportions finding work and switching to other benefits and a much higher proportion going to education/training.

Chart 3: Destination by Duration Band 2002



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Statistics Research Branch, Department of Enterprise, Trade and Investment

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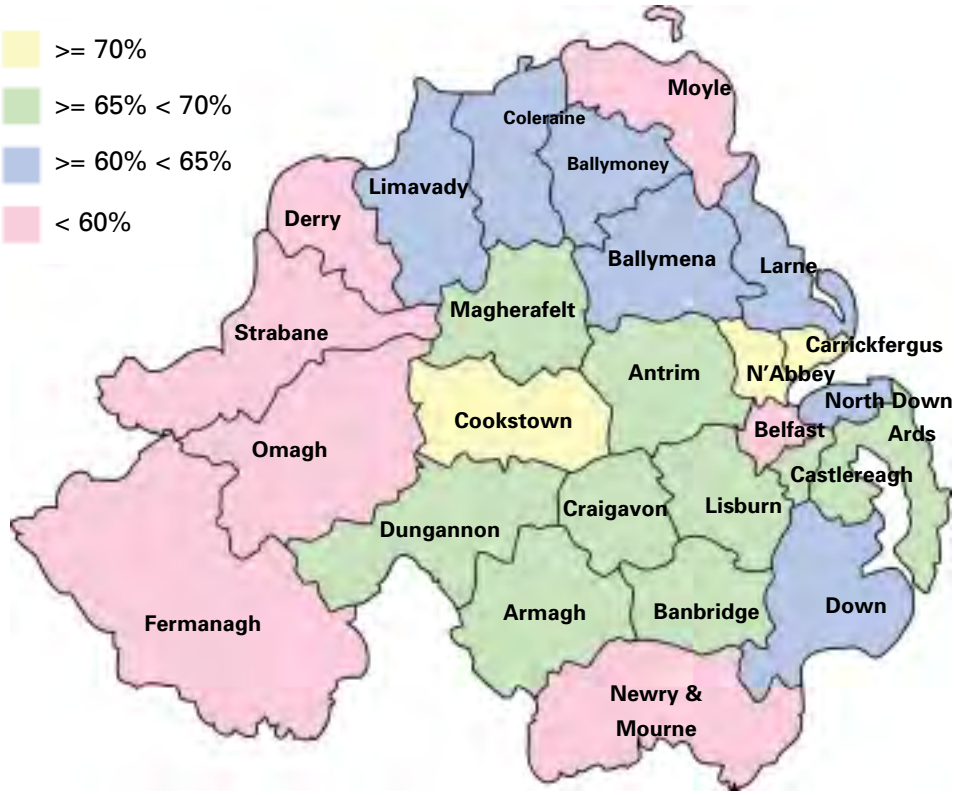
Destination by District Council Area

Figure 1: Percentage finding work by DCA 2002



At District Council Area (DCA) level, the data highlighted considerable variations in the proportion of claimants who left JSA to find work (see Figure 1). The percentage finding work ranged from around 48% in Derry DCA to 72% in Cookstown DCA. Areas with a lower percentage of claimants who left to find work tend to be concentrated in the north and west.

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Statistics Research Branch, Department of Enterprise, Trade and Investment

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SUMMARY- DESTINATION DATA

Excluding unknowns, the destination data for 2002 shows that some three-fifths of those leaving the claimant count found work, a lower proportion than in previous years (although a higher proportion left to begin an education/training course). Age and duration were shown as influences on the destination of leavers with older, longer-term claimants generally more likely to leave to claim another benefit and, consequently, less likely to have found employment. The data also highlighted that a much larger than normal percentage of long-term claimants left to enter education/training as did those in the 30-39 and 40-49 age groups.

NI RECYCLING DATA BACKGROUND

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

The following analysis assesses the overall impact of recycling on claimants who left the count during 2001, ignoring the fact that some individuals featured more than once. This should give an indication of the complete dynamics of the labour market in relation to the recycling of claimants. The data used in this section relates to all claimants who left the count during 2001 (i.e. 2001 'outflows') rather than those who left in 2002. This is because those who left claimant unemployment in December 2002 have (at time of writing) had only seven months (to end July 2003) in which to return to claiming JSA. Thus, it is not possible to give recycling data for a full year's outflows until everyone in that year has had the same length of time in which to return.

Table 3 shows that, for those claimants who left the register in 2001, 34% had experienced a further spell on the count within six months and an additional 11% returned after 6-12 months. In all, some 46% of those who left the count in 2001 returned within one year. A significantly higher percentage of males (49%) returned to the count within a year compared to females (39%).

Table 3: Percentage of claimants returning to claiming JSA by sex

Percentage of claimants who left the claimant count in 2001 returning within:			
	0-6 Months	6-12 Months	12 Months
Male	37	12	49
Female	28	10	39
Total	**34**	**11**	**46**

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Table 4: Percentage of claimants recycled within 1 year by destination on leaving the count

	Found Work	Education/ Training	Other Benefit	Claim Withdrawn	Gone Abroad	Not Known	Failed to Sign	Total
Male	45	70	31	41	75	64	56	50
Female	37	53	23	27	73	47	40	39
Total	42	64	29	35	74	59	51	46

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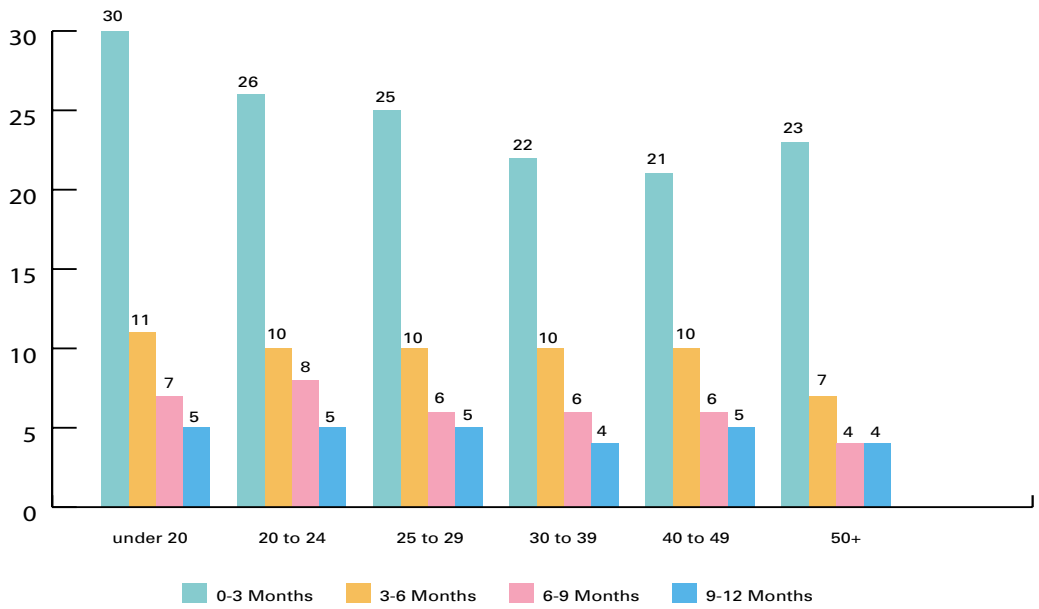
Table 4 shows that 42% of claimants who left the count because they found a job returned to claiming JSA within a year while almost two-thirds (64%) who left the count to undertake education/training returned to the count within a year. In contrast, only 29% of claimants who claimed another benefit were 'recycled' within one year. Males were more likely to return to the count across all destination bands regardless of the reason they originally left.

RECYCLING BY AGE BAND

As **Chart 4** shows, there is a notable consistency to the level and pattern of recycling across age bands particularly in the 3-12 months period. A slightly higher proportion of younger claimants, who left the count in 2001, had a further spell within three months compared to their older counterparts. The slightly lower level of recycling for claimants aged 50 plus (38% within 1 year) is likely to be influenced by the greater propensity of these older claimants to switch to another benefit or age/die out of the system, combined with the lower overall level of recycling from these destinations.

Chart 4: Percentage recycled by age band by time between spells



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RECYCLING BY DURATION BAND

By the time one year had elapsed, around 46% of those whose previous spell had lasted less than 4 weeks experienced a further spell of claimant unemployment (see Chart 5). Indeed, up to 2 years duration, there are fairly similar trends of recycling occurring. However, while the percentage being recycled for those whose previous spell on the count lasted for five years or more was similar (47%), they were much more likely to return to the count between 3-6 months than people who had been on the count less than 3 years.
Indeed, as **Chart 5** shows, the proportion of claimants returning to the count after a period of between 3 and 6 months increases according to duration of previous spell. This may be linked to the earlier analysis, which explained that a significant proportion of claimants in the longer duration groups who left the count in the last two years (i.e. 2001 and 2002) left to enter education/training. Also, as mentioned before, the enhanced New Deal for 25+ programme may be having an impact here as people may be returning from the Education & Training Option which lasts up to 26 weeks.

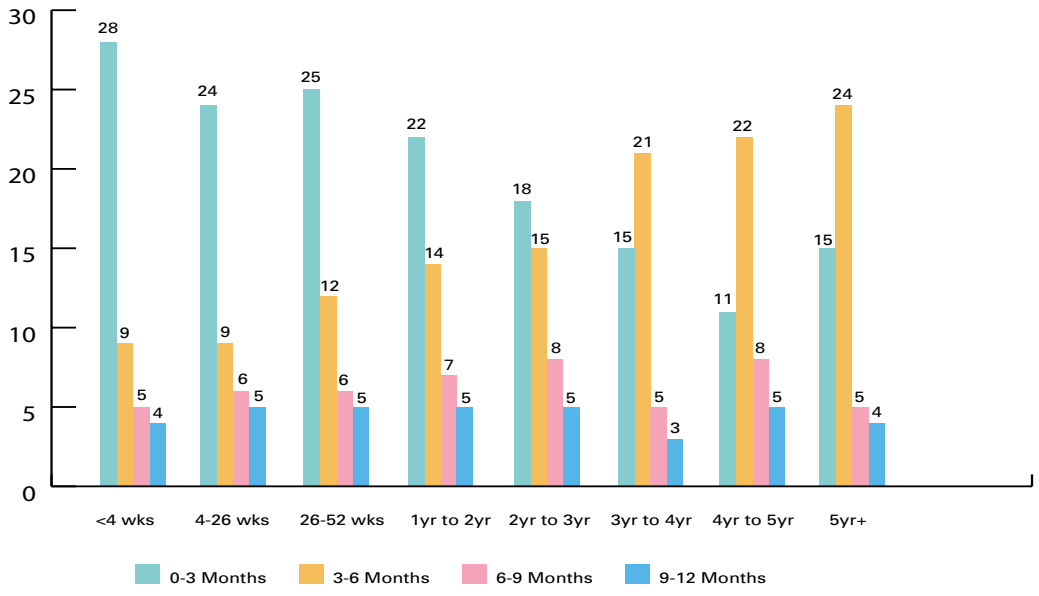
SUMMARY- RECYCLING DATA

Overall the recycling data showed that 46% of those who left the count in 2001 had made another claim within one year. As with the destination of claimants, several factors were seen to affect the propensity of leavers to re-claim. In particular, the extent of recycling is affected by the claimants' destination on leaving the count, by their age and to a lesser extent the duration of their previous spell. However, the proportion of leavers returning to the count after a period of between 3 and 6 months increased according to duration of previous claim.

CUMULATIVE LONG-TERM CLAIMANTS

It is possible to calculate, through tracking claimants' National Insurance Number, the length of time individual claimants spend on the count in a particular period regardless of the number of spells. Claimants may have several long spells on the count, which are broken up by short periods off the

Chart 5 : Percentage recycled by duration of previous spell by time between spells



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count. Alongside the usual measure of long-term claimant unemployment (i.e. claiming continuously for one year or more) it is possible, using the longitudinal databases, to calculate the proportion of claimants who have spent at least one year on the count in the previous two or three year period regardless of the number of spells taken to accumulate this duration.

Table 5 below shows that, at April 2003, there were 33,419 computerised JSA claimants* – of these, 22.3% had been on the count continuously for one year or more. Some 46.1% of all claimants on the count at April 2003 had claimed JSA for one year or more in the last two years (i.e. between April 2001 and April 2003) while some 52.6% of the 33,419 computerised claimants at April 2003 had been claiming JSA for one year or more in the last three years (i.e. between April 2000 and April 2003).

The Table shows that since 1997 the proportion of long-term and cumulative long-term claimants has fallen each year. However, the proportion of long-term claimants has fallen at a greater rate than the proportion of cumulative long-term claimants. The data shows that, at April in each of the last six years, the majority of claimants on the count have spent at least one year claiming JSA in the previous 3 years.

Table 5: Cumulative long-term claimant unemployment: Proportion of claimants on the count for 1 year or more in the previous 3 years; 1 year or more in the previous 2 years and 1 continuous year or more – at April each year 1997 to 2003

	1997	1998	1999	2000	2001	2002	2003
% Cumulative - 3 yrs	73.0	68.6	63.3	59.0	58.1	55.0	52.6
% Cumulative - 2 yrs	67.5	61.8	56.6	53.0	50.9	47.5	46.1
% Long-term – one continuous year or more	54.7	45.3	42.2	32.7	31.7	27.7	22.3
Number of claimants	63,311	56,748	53,846	41,415	39,229	36,766	33,419

* Cumulative long-term claimant spells can only be calculated for computerised claimants through tracking National Insurance Numbers. A small proportion of claims (currently around 1%) are treated clerically in Social Security Offices, typically because one of the required fields for inclusion on the computerised system is not known (e.g. National Insurance Number, postcode). Clerical claims are therefore excluded from this analysis.

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Table 6: Cumulative long-term claimant unemployment by age group: Proportion of claimants on the count for 1 year or more in the previous 3 years; 1 year or more in the previous 2 years and 1 continuous year or more (LTC) – at April each year 1997 to 2003

Year Age Group	Category	1997	1998	1999	2000	2001	2002	2003
Under 20	LTC	10	10	4	5	5	4	2
	2 yrs	15	16	10	13	11	11	10
	3 yrs	15	16	10	13	12	11	10
20 to 24	LTC	36	28	13	8	7	6	5
	2 yrs	56	51	39	39	35	36	35
	3 yrs	64	61	49	49	47	48	46
25 to 29	LTC	50	41	38	26	25	21	18
	2 yrs	67	62	56	53	48	45	45
	3 yrs	75	71	65	61	59	55	54
30 to 39	LTC	63	52	52	41	39	33	24
	2 yrs	76	69	65	61	60	54	52
	3 yrs	81	77	73	67	67	62	60
40 to 49	LTC	70	59	57	46	47	38	25
	2 yrs	79	72	68	63	63	57	54
	3 yrs	84	78	73	68	69	64	60
50+	LTC	69	58	59	52	49	52	51
	2 yrs	78	71	69	67	65	65	65
	3 yrs	81	75	74	71	70	71	69

Table 6 shows that the proportion of claimants who have been claiming JSA continuously for one year or more increases with age. Since 1997 the proportion of claimants who have been claiming for more than one year continuously has decreased for all ages: in particular there have been substantial falls in the 20-24, 25-29, 30-39 and 40-49 age groups. For example, the proportion of claimants aged 40 to 49 claiming continuously for a year or more fell from 70% in April 1997 to 25% in April 2003. The least significant fall in the proportion of long-term claimants has been in the over 50 category: over half had been on the count continuously for a year or more in April 2003 – more than twice the proportion than for any other age group.

In general, cumulative long-term claimant unemployment (i.e. the proportion of claimants who have been claiming JSA for at least one year in the last two years or one year in the last three years) increases with age. The general trend across all age groups has been a fall in the proportion of cumulative long-term claimants between 1997 and 2001 with the proportions generally remaining stable after this (though there were notable falls in the 30-39 and

Sean Donnelly and Jonathan Irwin
Statistics Research Branch, Department of Enterprise, Trade and Investment

40-49 age groups between 2001 and 2002). Indeed, the proportion of claimants aged over 50 who have been claiming for one year in the last two has remained unchanged since 2001 with nearly two thirds having been on the count for at least one year in the previous two.

The table also shows that, whilst only 5% of claimants in the 20-24 age group had been claiming continuously for one year or more at April 2003, over one-third (35%) had been on the count for at least a year in the previous two and almost half (46%) had claimed JSA for one year in the previous three years. This trend is also applicable in the three groups within the 25 to 49 age range where around a quarter or less of claimants at April 2003 had been on the count continuously for a year or more, but about half had claimed JSA for a year in the previous two years. Evidently, the analysis shows that there are a significant number of claimants that, while not having claimed continuously for one year or more, have spent the majority of the previous two years claiming JSA.

CONCLUSION

Destination, recycling and cumulative long-term data reveal interesting characteristics about claimants, which are useful in a policy-planning context.

The destination data showed that just over 60% of claimants who left the count in 2002 and for whom a destination was known left to begin a job – a lower proportion than in previous years. The data highlighted that a claimants destination is influenced by their age on leaving the count with older claimants much more likely to leave the count to switch to another benefit while younger claimants (particularly those aged 20-29) are more likely to find work. A much higher than normal proportion of claimants aged between 30 and 49 left to begin an education/training course compared to previous years. The length of time a claimant was on the count before leaving was also found to influence a claimant's destination. In general, as duration on the count increases, claimants are more likely to leave to claim another benefit or enter education/training and less likely to leave to start a job. Surprisingly however, data for 2002 shows that claimants were more likely to leave to enter education or training as duration increases - possibly a reflection of claimants being involved in the enhanced New Deal for 25+ scheme. There was also a geographical dimension to the destination data with claimants living in Derry, Strabane and Belfast District Council Areas the least likely to leave to find work.

The recycling data showed that some 46% of claimants who left the count in 2001 had another claim within one year, with males more likely than females to return. The likelihood of a claimant re-claiming within a year varies according to the reason that the previous claim was terminated, with almost two-thirds who left the count to undertake education/training returning within a year compared to less than a third of claimants who left to claim another benefit. The data also showed that there are remarkably similar patterns of recycling occurring across all age groups. However, there were some notable differences according to the length of previous claim. A significantly higher proportion of claimants who left the count after a long previous duration (3 years or more) reclaimed after a 3 to 6 month period compared to those who had been claiming less than 3 years.

Finally the cumulative long-term data highlighted that (at April in each of the last seven years) the majority of claimants on the count had spent at least one year claiming JSA in the previous 3 years. Also, while the proportion of those who had been on the count continuously for a year or more is low for some age groups, a significant percentage had been claiming for one year in the last two – this occurrence is particularly striking in the younger age groups.

Employment Change by District Council Area: 1995-2001

Martin Monaghan and Suzanne Stevenson
Statistics Research Branch, Department of Enterprise, Trade and Investment

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

The CoE counts the number of jobs rather than the number of persons with a job (i.e. a person holding two part-time jobs will be counted twice) and the sub NI analysis [1] is based on the actual location of the jobs, not on the home address of the employees. For example, the number of employee jobs in Antrim District Council Area (DCA) refers to the number of jobs

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Table 1: Employee Jobs by District Council Area (DCA), September 2001

District Council	Number of Employee Jobs					% of Total for each DCA				
	Manuf.	Const.	Serv.	Other*	Total	Manuf.	Const.	Serv.	Other*	Total
Antrim	3,469	1,454	17,214	154	22,291	16%	7%	77%	1%	100%
Ards	3,153	1,030	12,289	95	16,567	19%	6%	74%	1%	100%
Armagh	2,000	1,132	13,535	129	16,796	12%	7%	81%	1%	100%
Ballymena	5,597	1,621	18,194	364	25,776	22%	6%	71%	1%	100%
Ballymoney	1,366	808	4,394	76	6,644	21%	12%	66%	1%	100%
Banbridge	1,644	986	6,940	164	9,734	17%	10%	71%	2%	100%
Belfast	15,828	4,864	160,805	1,079	182,576	9%	3%	88%	1%	100%
Carrickfergus	1,665	357	6,168	173	8,363	20%	4%	74%	2%	100%
Castlereagh	3,527	1,260	20,172	88	25,047	14%	5%	81%	0%	100%
Coleraine	3,250	1,037	16,392	252	20,931	16%	5%	78%	1%	100%
Cookstown	2,059	896	5,857	96	8,908	23%	10%	66%	1%	100%
Craigavon	9,459	1,867	22,010	253	33,589	28%	6%	66%	1%	100%
Derry	6,640	1,781	30,367	275	39,063	17%	5%	78%	1%	100%
Down	1,432	1,450	14,008	255	17,145	8%	8%	82%	1%	100%
Dungannon	4,851	906	10,801	244	16,802	29%	5%	64%	1%	100%
Fermanagh	3,395	1,289	13,505	387	18,576	18%	7%	73%	2%	100%
Larne	1,945	222	5,315	376	7,858	25%	3%	68%	5%	100%
Limavady	2,026	938	5,503	52	8,519	24%	11%	65%	1%	100%
Lisburn	7,252	2,492	25,312	192	35,248	21%	7%	72%	1%	100%
Magherafelt	3,216	1,701	7,003	272	12,192	26%	14%	57%	2%	100%
Moyle	238	320	2,564	26	3,148	8%	10%	81%	1%	100%
Newry & Mourne	3,940	2,369	20,001	239	26,549	15%	9%	75%	1%	100%
Newtownabbey	5,615	2,084	22,293	100	30,092	19%	7%	74%	0%	100%
North Down	2,058	815	17,135	141	20,149	10%	4%	85%	1%	100%
Omagh	1,818	1,423	12,375	186	15,802	12%	9%	78%	1%	100%
Strabane	2,743	987	5,366	72	9,168	30%	11%	59%	1%	100%
N.I.	100,186	36,089	495,518	5,740	637,533	16%	6%	78%	1%	100%

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

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

Employment Change by District Council Area: 1995-2001

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Statistics Research Branch, Department of Enterprise, Trade and Investment

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that are actually located in Antrim DCA, not the number of employees living in Antrim. The re-location or change of reporting procedures by large employers can therefore affect the CoE sub NI analysis when making inter-censal comparisons. The latest available census data relates to September 2001. Collection of data for the 2003 census commenced in September and results will be available in December 2004.

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

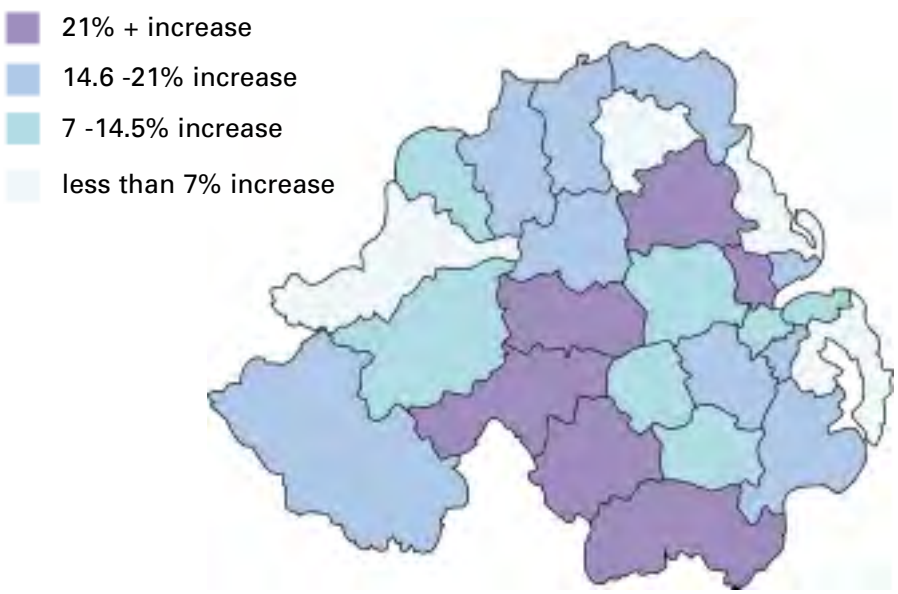
The table highlights that the largest number of employee jobs are located in Belfast DCA – i.e. 182,576 jobs (or 28.6% of total employee jobs). Belfast DCA also has the highest concentration of jobs within the Service Sector (88%), consequently the proportion of jobs in Manufacturing (9%) and Construction (3%) are well below the NI average. In contrast Moyle DCA has the fewest number of employee jobs with just 3,148 being located there. Moyle DCA has the lowest proportion of jobs in Manufacturing (8%) and a relatively high proportion of jobs in the Service Sector (81%).

The industry breakdown of employee jobs varies significantly between District Councils. The Manufacturing Sector in Strabane, Dungannon and Craigavon is comparatively large (over 28% of all jobs are in the manufacturing sector), whereas in Moyle and Down manufacturing only represents 8% of the total. Magherafelt has the largest proportion of jobs in the Construction industry (14%), while Belfast and Larne have the smallest proportion of jobs in this Sector (3%). The Service Sector shows the largest variation between the two extremes. While only 57% of jobs in Magherafelt are in Services, the figure for Belfast (88%) is 31 percentage points higher.

Changes since 1995 Census of Employment

Figure 1 shows the percentage change in employee jobs for each District Council Area between the 1995 and 2001 Censuses of Employment. Overall the number of employee jobs in NI increased by 80,536 (14%). However, the comparative growth in each DCA differed significantly during the period. Ards and Ballymoney recorded a fall in the number of employee jobs, while Larne and Strabane recorded a growth of less than 7%, well below the NI average (14%). In contrast Cookstown, Newtownabbey, Armagh, Dungannon, Newry & Mourne and Ballymena District Councils experienced growth in excess of 21%. Table 2 shows the changes since the 1995 Census in more detail.

Figure 1: % Change in Employee Jobs, 1995-2001



Employment Change by District Council Area: 1995-2001

Martin Monaghan and Suzanne Stevenson
Statistics Research Branch, Department of Enterprise, Trade and Investment

Table 2: Changes in Employee Jobs by District Council Area, 1995-2001

District Council	Number of Employee Jobs					% change in each DCA				
	Manuf.	Const.	Serv.	Other*	Total	Manuf.	Const.	Serv.	Other*	Total
Antrim	327	185	2,032	-11	2,533	10%	15%	13%	-7%	13%
Ards	-738	251	280	-54	-261	-19%	32%	2%	-36%	-2%
Armagh	51	455	2,782	-1	3,287	3%	67%	26%	-1%	24%
Ballymena	255	523	3,826	1	4,605	5%	48%	27%	0%	22%
Ballymoney	-722	459	217	-20	-66	-35%	132%	5%	-21%	-1%
Banbridge	-194	330	953	1	1,090	-11%	50%	16%	1%	13%
Belfast	-2,384	955	19,535	-580	17,526	-13%	24%	14%	-35%	11%
Carrickfergus	177	61	1,319	-175	1,382	12%	21%	27%	-50%	20%
Castlereagh	336	627	3,356	-47	4,272	11%	99%	20%	-35%	21%
Coleraine	-266	297	2,741	24	2,796	-8%	40%	20%	11%	15%
Cookstown	397	504	1,375	-13	2,263	24%	129%	31%	-12%	34%
Craigavon	-2,042	715	4,739	-23	3,389	-18%	62%	27%	-8%	11%
Derry	-2,063	456	5,508	-137	3,764	-24%	34%	22%	-33%	11%
Down	-94	533	2,228	-97	2,570	-6%	58%	19%	-28%	18%
Dungannon	1,054	411	1,731	24	3,220	28%	83%	19%	11%	24%
Fermanagh	23	624	1,920	-130	2,437	1%	94%	17%	-25%	15%
Larne	-152	83	274	-101	104	-7%	60%	5%	-21%	1%
Limavady	96	415	871	-69	1,313	5%	79%	19%	-57%	18%
Lisburn	1,823	627	3,560	-73	5,937	34%	34%	16%	-28%	20%
Magherafelt	324	528	1,306	-49	2,109	11%	45%	23%	-15%	21%
Moyle	-31	190	367	-25	501	-12%	146%	17%	-49%	19%
Newry & Mourne	77	855	3,944	-8	4,868	2%	56%	25%	-3%	22%
Newtownabbey	522	999	4,679	-14	6,186	10%	92%	27%	-12%	26%
North Down	-453	299	2,436	-65	2,217	-18%	58%	17%	-32%	12%
Omagh	142	601	1,402	-192	1,953	8%	73%	13%	-51%	14%
Strabane	-247	363	452	-27	541	-8%	58%	9%	-27%	6%
N.I.	**-3,782**	**12,346**	**73,833**	**-1,861**	**80,536**	**-4%**	**52%**	**18%**	**-24%**	**14%**

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

CHANGE IN MANUFACTURING JOBS

Between September 1995 and September 2001 the number of manufacturing jobs in NI decreased by 3,782 (4%). The actual change in each District Council varies considerably, with Lisburn showing the largest increase (+1,823) and Belfast the largest fall (-2,384). Ballymoney District Council recorded the largest proportional fall in manufacturing jobs (down 35% during the period). This decrease was a major factor in the overall fall in employee jobs in Ballymoney between 1995 and 2001.

Figure 2 shows the change in employee jobs between 1995 and 2001 for each Manufacturing Subsection at NI level. It illustrates clearly how the fall in Manufacturing has been caused by a major loss of employee jobs in the Manufacture of Textiles and Textile Products.

Employment Change by District Council Area: 1995-2001

Martin Monaghan and Suzanne Stevenson
Statistics Research Branch, Department of Enterprise, Trade and Investment

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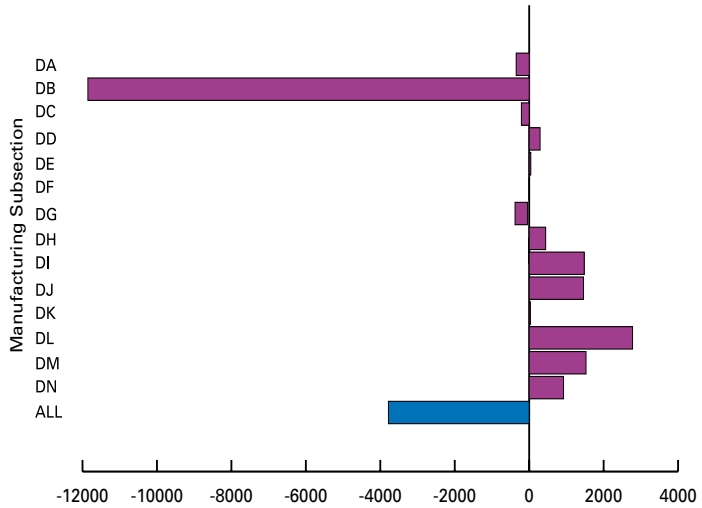
Figure 2: Change in Employee Jobs, 1995-2001

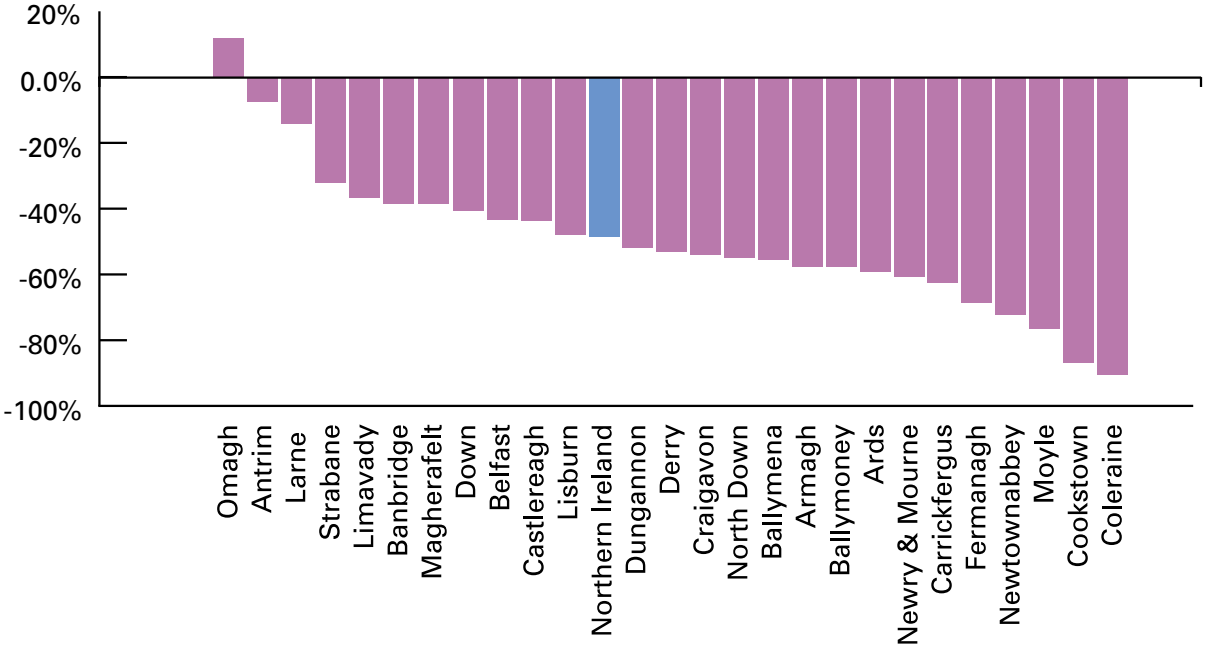


Manufacturing Section

DA	Food Products; Beverages & Tobacco
DB	Textiles & Textile Products
DC	Leather & Leather Products
DD	Wood & Wood Products
DE	Pulp & Paper; Publishing & Printing
DF	Coke, Petroleum Prods & Nuclear Fuel
DG	Chemical Products & Man-Made Fibres
DH	Rubber & Plastic Products
DI	Other Non-Metallic Mineral Products
DJ	Basic Metals & Fabricated Metal Prods
DK	Machinery & Equipment, (NEC)
DL	Electrical & Optical Equipment
DM	Transport Equipment
DN	Manuf Not Elsewhere Classified (NEC)
All	All Manufacturing

During the period 1995-2001 the number of employee jobs in Textiles & Textile Products (DB) fell by 11,856. Figure 3 shows how this decline has affected each District Council, with all but Omagh DCA suffering a decrease. Coleraine, Cookstown, Moyle and Newtownabbey showed the largest proportional decrease, with the Textile jobs in these DCA's reducing by more than 70%.

Figure 3: Employee Jobs in Textiles & Textile Products, % Change 1995-2001



Employment Change by District Council Area: 1995-2001

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Although there was a large fall in the Textiles industry, other areas of Manufacturing did fair better (see Figure 2). There were increases in 9 of the 14 Manufacturing Subsections with the largest increases being reported in the Manufacture of Electrical and Optical Equipment (+2,777), the Manufacture of Transport Equipment (+1,527), the Manufacture of Other Non-Metallic Mineral Products (+1,478) and the Manufacture of Basic Metals and Fabricated Metal Products (+1,458).

The number of employee jobs involved in the Manufacture of Electrical and Optical Equipment increased by 2,777, with the majority of the rise occurring in Limavady (+780), Belfast (+780) and Newtownabbey (+687) District Councils. Employee jobs in the Manufacture of Transport Equipment increased by 1,527, with Lisburn (+1,147) showing the largest increase. The Manufacture of Other Non-Metallic Mineral Products recorded an increase of 1,478 employee jobs with Fermanagh DCA recording growth of 758 jobs.

CHANGE IN CONSTRUCTION JOBS

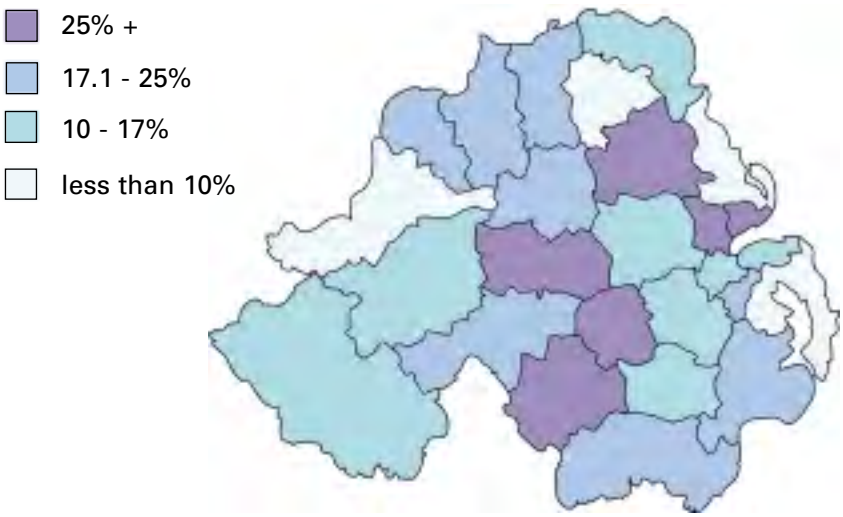
Between September 1995 and September 2001 the number of construction jobs in NI increased by 12,346 (52%). An increase in Construction was recorded in all District Councils, however, the magnitude of the increase varied considerably. Moyle (+146%) had the largest proportional increase, whereas Antrim (+15%) recorded the smallest.

It should be noted that the large increase in Construction employee jobs throughout NI has partly been due to modifications to tax legislation during the period. Changes enforced by the Inland Revenue in April 1997 reclassified many self-employed persons to employee status, therefore making them eligible for PAYE and National Insurance Contributions. These changes have had a large impact on the number of employee jobs in the Construction industry as recorded by the Census of Employment. It is estimated that the classification change has resulted in an increase of at least 4,000 employee jobs in Construction, with a corresponding decrease in the number of self-employment jobs.

CHANGE IN SERVICE SECTOR JOBS

During the period September 1995 to September 2001, the number of Service Sector employee jobs in NI increased by 73,833 (18%). The rise in Services accounts for 92% of the total rise in employee jobs during the period. Figure 4 shows the percentage change in Service Sector employee

Figure 4: % Change in Service Sector Employee Jobs, 1995-2001



Employment Change by District Council Area: 1995-2001

Martin Monaghan and Suzanne Stevenson
Statistics Research Branch, Department of Enterprise, Trade and Investment

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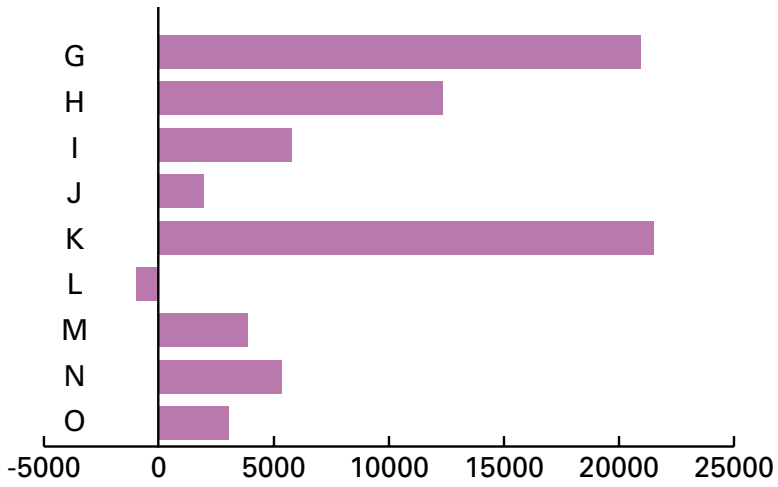
Figure 5: Change in Service Sector Employee Jobs, 1995 - 2001



Industry Section

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

jobs for each District Council Area. Cookstown, Craigavon, Carrickfergus, Ballymena, Newtonabbey and Armagh all recorded a rise in Services of over 25%, well above the NI average (+18%). Conversely Ards, Ballymoney, Larne and Strabane had a growth of less than 10% in Service Sector jobs during the period.

Figure 5 shows the increase in Services in more detail. It indicates that the largest increases have occurred in Real Estate, Renting & Business Activities (+21,517), Wholesale & Retail Trade; Repairs (+20,956) and Hotels & Restaurants (+12,319). The rise in these three industry sections accounts for 74% of the increase in Services during the period.

Section K: Real Estate, Renting & Business Activities – During the six-year period the number of employee jobs in NI in this section increased by 21,517 (67%) and all but Ballymoney District Council recorded an increase. The extent of the change varied from a 165% increase in Armagh to a 12% fall in Ballymoney. Within this industry section there were large increases in Other Business Activities (+15,246) and in Computer and Related Industries (+4,401). The increase of 15,246 employee jobs in Other Business Activities consisted of noticeable rises in businesses involved in Labour Recruitment and Provision of Personnel (+6,631), in Legal, Accounting and Consultancy services (+3,123) and in Industrial Cleaning (+2,171).

Section G: Wholesale & Retail Trade; Repairs – NI employee jobs in this section increased by 20,956 (24%). Increases were recorded in all of the District Councils, with the largest proportional increase occurring in Castlereagh (+66%) and the smallest increase in Larne (+8%).

Section H: Hotels and Restaurants – The number of employee jobs in NI in this section increased by 12,319 (46%) during the period. Increases were recorded in all District Councils and varied from a 15% increase in Ballymoney to a 171% increase in Magherafelt. The rise in employee jobs in Section H included increases in Restaurants (+6,170), Bars (+4,625) and Hotels (+1,455).

Changed Times and Changing Attitudes at Work: Recent NI Experience

Boyd Black, School of Management and Economics, Queen's University of Belfast

Legal Environment

The most dramatic change in the last twenty-five years has been the decline of trade union influence and a shift to a more individualised approach to employment management. Collectivism has been forced onto the retreat by increased competitive pressures on employers, resulting from globalisation, and by restrictive government legislation brought in during the Thatcher era. At the same time employers have been adopting a more individualised approach to managing their more demanding employees and these same employees have been assertively exercising their recently enacted statutory rights in employment. Collectivism and individualism are now more in balance, but this is generating a new set of problems in the workplace.

Labour Party policy since 1997 has worked with the grain of this shift. The same approach has been pursued in NI by the Department for Employment and Learning (DEL). The main thrust has been to secure competitiveness through labour market flexibility, based on minimum standards such as the statutory National Minimum Wage, and security of employment. Partnership between employers and employees aimed at the modernisation of the workplace is actively promoted, as opposed to the adversarial relationships of the past.

New individual rights were introduced, some of them such as those for part-time workers and on Working Time and Parental Leave, resulting from Labour's decision to sign up to the Social Chapter. New collective rights, such as the right to statutory trade union recognition for collective bargaining purposes have also been enacted. European Works Councils, covering multinationals with more than 1000 employees have been established, again as the result of signing up to the Social Chapter.

STRUCTURAL CHANGE

Economically, the last decade has been a good one for the NI workforce, with low inflation, unemployment falling to new lows and rising real wages. As employment levels break new records, labour shortages may be generating a more assertive attitude among the workforce.

That workforce is increasingly feminised (44 per cent), working part-time (21 per cent), working in the private sector (69 per cent) and working in services both public and private (72 per cent). In the private sector it is increasingly working in small firms employing less than 100 employees (56 per cent).

The occupational structure of the workforce is also changing with a shift into managerial, professional and technical occupations. This is matched by a decline in the number of unskilled and semi-skilled blue-collar jobs. The skill structure of the workforce reflects this shift. 25 per cent have a degree or some form of higher education, while 29 per cent have no qualifications at all. On average women in the workforce are better qualified than men.

EMPLOYMENT RELATIONS

Trade union density, defined as the proportion of employees who are trade union members, has been above the UK average in

Changed Times and Changing Attitudes at Work: Recent NI Experience

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recent decades. In 2001, 37 per cent of employees were members of a trade union in NI, compared to a UK average of 27 per cent (LFS). This partly reflects the bigger public sector in NI, where density is 66 per cent. In the private sector, density is only 23 per cent. Trade union density has, until recently, been falling quite rapidly, down from 45 per cent in 1992 to 34 per cent in 2000. There are some signs this fall may have bottomed out, but it is too early to say. Even with the help of the new statutory recognition procedure, unions have been failing to recruit sufficient new members in the expanding private sector.

Alongside this contraction of trade union density, and to a large extent driving it, has been the consolidation of managerial control as employers pursue competitive advantage in an increasingly globalised economy. Managers increasingly prefer to set terms and conditions for their employees unilaterally, rather than setting them jointly with trade unions. As a result only 45 per cent of employees in NI have their pay influenced by a collective agreement (LFS 2001). While 75 per cent of public sector workers have their pay and conditions affected by collective agreements, this is so for only 25 per cent (one in four) of private sector workers. In small firms in the private sector, especially those that are family businesses, this proportion is likely to be even smaller.

In these smaller firms, union recognition is likely to be rare and the presence of a personnel or human resources manager may be the exception rather than the rule. Employment relations may be somewhat rough and ready as a result.

The lack of trade union representation in the workplace in part explains the growing resort to law to resolve individual complaints. As a result there has been a big increase in the number of individual conciliation cases being dealt with by the Labour Relations Agency and an increase in the number of cases coming before Industrial Tribunals. These cover applications under jurisdictions such as unfair dismissal, wages orders, sex discrimination, breach of contract, equal pay, disability discrimination and race discrimination. In Britain, over 50 per cent of Industrial Tribunal applications for all jurisdictions come from workplaces with less than 25 employees.

CONFLICT

The number of days lost in strikes and the number of stoppages in progress continue at the very low levels that have prevailed since the early 1990s **(Table 1)**. The figures reflect the decline in collectivism and adversarialism, even as the recent firemen's dispute reminds us that serious unrest is never far beneath the surface. NI's record in industrial disputes is below the UK average and is considerably better than that in eg Scotland.

Table 1: Working Days Lost per 1,000 employees.
Annual Average: All Industries and Services.

	Years 1998-2002
UK	22.4
NI	16.8
Scotland	52.6
Wales	20.6
North- East	29.8

Source: Labour Market Trends June 2003.

While on the surface, employment relations may seem good by historical standards, there is cause for concern about underlying attitudes in the workplace. One legacy of managerial control may be employee apathy and even cynicism that can threaten competitiveness. In the current climate, this may only occasionally be

Changed Times and Changing Attitudes at Work: Recent NI Experience

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reflected in overt industrial conflict. But it may be reflected in a legalistic approach to the workplace and in a claims culture in which the interests of the employer and the workforce as a whole take low precedence. Soon to be published evidence from the Life and Times Survey (2000) suggests there was a serious drop in work motivation in NI over the previous decade.

All this poses a challenge to employers, human resource managers and trade unionists. Performance management is not enough if it damages workplace relationships and motivation. What is needed is to rebuild social relations at work, to generate what is being called 'social capital' in the workplace.

The Government's support for partnership at work is one way to do this. And surely the establishment of a Partnership Fund for NI is an overdue priority. Also, without compromising employee rights, alternative approaches must be devised and promoted to avoid the breakdown in relationships and trust that results from the crude legal adversarialism fostered by our Industrial and Fair Employment Tribunal procedures.

Progress in the NI Economy – A UK Regional Comparison

Terry Morahan, Research and Evaluation Branch, DEL

The original article (this is the eighth in the series), - was initiated in 1996 by the author because there was a lot of ill-informed comment being expressed about "the poor performance" of the NI economy. The fact is that, taking as a base year 1990, - we have had the fastest improving economy of the twelve UK regions, although since 1997 our performance has been similar with the catch-up occurring in the period 1990-1996.

It remains to be seen if this will also be true of the remaining years of the decade. Currently our progress – as in other regions and nations – is being hampered by the global economic slowdown, with recovery delayed longer than expected.

PERFORMANCE MEASURES

The usual measures of the performance of an economy are:

- Growth in gross domestic product (GDP); it is the sum of all the economic activity taking place in a particular territory, and reflects the numbers of people employed and their productivity and is important because it broadly measures changes in the standard of living.

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

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

GDP - NOW GROSS VALUE ADDED

There has been an important change of nomenclature! Under ESA 95 (the European System of Accounts) GVA (Gross Value Added) is used to denote estimates that were previously known as GDP at basic prices. The term GDP denotes GVA plus taxes (less subsidies) on products i.e. at market prices. As regional accounts are currently only published at basic prices so the figures refer to GVA.

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

Table 1 shows that only the South East of England (83.0%) had a larger % increase than NI (78.4%) in the period 1990 to 2001.

Another way of measuring this is in index form with UK = 100 see **Table 2**. Here London joined the South East in having the best performance. NI improved substantially (+4.3pp) unlike any of the more "northerly" regions. The figures also illustrate why there is growing political concern over the North/South "divide" in the UK.

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

Progress in the NI Economy – A UK Regional Comparison

Terry Morahan, Research and Evaluation Branch, DEL

Table 1: GVA per head (£) 1990-2001

Region	1990	2001	% Change
South East	9,495	17,380	83.0%
London	11,194	19,597	75.1%
East	9,430	16,030	70.0%
North West	7,802	12,913	65.5%
West Midlands	7,956	12,997	63.4%
South West	8,007	13,066	63.2%
East Midlands	8,179	13,192	61.3%
Yorkshire/Humber	7,763	12,396	59.7%
North East	7,135	10,918	53.0%
England	8,757	14,853	69.6%
Scotland	8,434	13,578	61.0%
Wales	7,150	11,385	59.2%
NI	6,335	11,303	78.4%
UK	8,581	14,470	68.6%

Source: Economic Trends October 2003 P.54

Table 2: GVA per head UK = 100 1990 UK = 100 2001

Region	1990	2001	Absolute Change
South East	110.7	120.1	9.4
London	130.5	135.4	4.9
East	109.9	110.8	0.9
North West	90.9	89.2	-1.7
West Midlands	92.7	89.8	-2.9
South West	93.3	90.3	-3.0
East Midlands	95.3	91.2	-4.1
Yorkshire/Humber	90.5	85.7	-4.8
North East	83.2	75.5	-7.7
England	102.1	102.6	0.5
Scotland	98.3	93.8	-4.5
Wales	83.3	78.7	-4.6
NI	73.8	78.1	4.3

Source: Economic Trends October 2003 P.54

Progress in the NI Economy – A UK Regional Comparison

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Table 3: GVA % Annual Change in real terms 1990-2001

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
NI	1.7%	1.2%	2.6%	4.4%	5.6%	4.1%	2.8%	3.0%	2.9%	2.2%	2.1%	1.2%
UK	1.1%	-0.9%	0.5%	2.4%	4.7%	2.7%	2.3%	3.6%	3.7%	2.0%	2.2%	1.7%

Table 4: NI and UK GVA Cumulative Change in real terms 1990-2001

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
NI	100.0	101.2	103.8	108.4	114.5	119.2	122.6	126.2	129.8	132.6	135.4	136.9
UK	100.0	99.1	99.5	101.9	106.7	109.6	112.1	116.1	120.4	122.9	125.6	127.7

Source: See ONS Website "Regional Gross Value Added" Table 9 – August 2003

population. We have easily the youngest population structure in the UK who are, of course, not income earners; 25% of our population is aged 16 and under compared with 19% to 21% in the other regions.

Table 3 shows annual changes in NI GVA growth relative to the UK over the period 1990-2001.

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

As can be seen from the data, NI largely missed out on the recession of 1991 and expanded more rapidly than the UK until 1996. Since 1997, growth has averaged a little lower than the UK.

Table 4 gives NI and UK GDP indexed to 100 in 1990 and shows the cumulative effect. It can be seen that NI grew almost 1% per annum faster than the UK over the period 1990-2001.

EMPLOYMENT GROWTH

Table 5 shows the change in the number of employee jobs in NI and the UK by broad industrial sector for the period March 1990 to March 2003. Clearly in relative terms NI had a much greater growth than the UK.

Unfortunately **regional** comparisons for that period are not available due to new Government Office Regions (GOR) being introduced (see LMB No 14 Chapter 5). GOR data are only currently available for the period starting March 1996 to March 2003 – see **Table 6**.

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

EMPLOYMENT RATE

Another way of looking at this is to take the percentage of those of working age (defined as 16-64 for males; 16-59 for females) who are in employment – this is known as **the employment rate** and the results are shown in **Table 7.**

Here NI recorded an exceptional performance, well above that for all other regions.

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

Progress in the NI Economy – A UK Regional Comparison

Terry Morahan, Research and Evaluation Branch, DEL

Table 5: Employee Jobs by Broad Industry Sector, March 1990 – March 2003

	NI				UK			
	Mar-90 (0000's)	Mar-03 (0000's)	Absolute Change	% Change	Mar-90 (000's)	Mar-03 (000's)	Absolute Change	% Change
Manufacturing	104	94	-10	-9.8%	4,819	3,532	-1287	-26.7%
Construction	29	35	6	22.0%	1,267	1,121	-145	-11.5%
Services	373	519	146	39.1%	17,298	20,573	3,276	18.9%
Other[1]	27	19	-7	-27.9%	721	431	-290	-40.3%
TOTAL	532	667	135	25.3%	24,104	25,657	1,553	6.4%

Source: DETI and ONS 1 Other industries include Agriculture, Forestry & Fishing, Mining & Quarrying and Electricity, Gas & Water Supply

Table 6: Employee Jobs by UK Region, March 1996 – March 2003

REGION	1996 (000's)	2003 (000's)	Absolute Change	% Change
LONDON	3,358	3,960	602	17.9%
SOUTH EAST	3,112	3,569	457	14.7%
SOUTH WEST	1,828	2,054	226	12.4%
EAST	2,004	2,227	223	11.1%
NORTH WEST	2,633	2,857	224	8.5%
NORTH EAST	922	968	46	5.0%
EAST MIDLANDS	1,629	1,707	78	4.8%
WEST MIDLANDS	2,197	2,284	87	3.9%
YORKSHIRE/HUMBER	1,991	2,067	77	3.8%
SCOTLAND	2,100	2,234	134	6.4%
WALES	991	1,064	73	7.3%
NI	578	667	89	15.4%
UK	23,342	25,657	2,316	9.9%

includes the self-employed. Estimates are based on the 1991 Census of Population and will be revised.

Whilst NI no longer has the lowest employment rate in the UK (this unenviable title now belongs to the North East) it is still lower than the UK average and this indicates hidden labour market reserves (see LMB No 11 Chapter 7 and LMB No 14 Chapter 3). However whilst it is unlikely that NI will ever reach the level of South East England – if only because of our much higher birth rate (with mothers staying at home especially when the children are young), higher numbers in education, lower **local** wages interacting with benefit levels paid at **national** rates, a higher proportion of long term unemployed, inferior public transport etc – it does illustrate how increases in employment have a smaller effect on unemployment.

Progress in the NI Economy – A UK Regional Comparison

Terry Morahan, Research and Evaluation Branch, DEL

Table 7: Employment Rates: Spring 1992 – Spring 2003

Region	1992	2003	Absolute Change
London	67.9	70.3	2.4
South East	76.0	79.5	3.5
South West	73.5	78.4	4.9
East	75.8	78.7	2.9
East Midlands	73.1	75.9	2.8
West Midlands	69.6	74.0	4.4
North West	69.2	73.4	4.2
North East	65.9	68.1	2.2
Yorkshire/Humber	70.6	74.1	3.5
Scotland	71.1	74.3	3.2
Wales	67.3	72.6	5.3
NI	63.2	69.5	6.3
UK	71.1	74.7	3.6

Source: Labour Force Survey, DETI and ONS

Thus in a strengthening labour market 'hidden' labour reserves are drawn into the market driving up the **employment rate** with a smaller effect on unemployment. A further analysis of variations in the employment rate is supplied in Chapter 16.

CHANGE IN UNEMPLOYMENT

Table 8 shows the numbers unemployed and the percentage change Spring 1992 to Spring 2003. The NI performance has been very good with a fall of 52%; better than the fall in the UK as a whole (-47%) with only the South West doing better and better than Wales (-47%) and Scotland (-41%).

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 9** shows the relative change in manufacturing output for NI and the UK over the past six years (base 1995=100) and our much better performance even taking into account the recent sharp fall in output in the ICT Sector.
And since this was accomplished with fewer employees, between 1995 and 2002 there has been a substantial improvement of 33% in labour productivity.

VAT REGISTRATIONS

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

As **Table 10** shows there is a fair correlation between a good labour market performance and the change in the stock of VAT registered businesses. NI did better than Scotland, Wales and the more northerly English regions - but not as well as the midland and southerly English regions.

Progress in the NI Economy – A UK Regional Comparison

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Table 8: Unemployed: Spring 1992-Spring 2003 (seasonally adjusted)

REGION	1992 (000's)	2003 (000's)	Absolute Change	% Change
London	418	255	-163	-39%
South East	313	160	-153	-49%
South West	214	96	-118	-55%
East	204	115	-89	-44%
West Midlands	276	148	-128	-46%
North West	330	161	-169	-51%
East Midlands	180	88	-92	-51%
North East	143	73	-70	-49%
Yorkshire/Humber	248	130	-118	-48%
Wales	116	61	-55	-47%
Scotland	242	142	-100	-41%
NI	85	41	-44	-52%
UK	2,769	1474	-1295	-47%

Source: Labour Force Survey, DETI and ONS

EFFECT ON MIGRATION PATTERNS

Prior to the 1990's there had been substantial emigration from NI for a variety of reasons, for example – to avoid "the troubles", take up higher education places, seek better jobs. NI "lost" 82,000 people in the 1970s, 47,000 in the 1980s but in the last decade just 4,000*. The earlier data on GDP growth, employment and unemployment help explain this dramatic improvement.

Further evidence for the role of a strong labour market in affecting migration can be shown in the change in migration patterns with RoI. A number of data sources are used to estimate annual migration figures with RoI. The primary sources are an analysis of health card records along with the LFS in RoI and are subject to revision when the Census of Population data become available. Although less accurate than Census data they offer a useful guide in being more up-to-date and give patterns over time. – see **Table 11.**

Thus in 1991/92, some 1,400 people left NI for the RoI but 2,800 came in, - a gain for NI of 1,400; later the situation changed as the RoI economy powered ahead; in the period mid 2000 to mid 2001 NISRA estimate that 2,252 came in from RoI but 2,000 left NI for RoI – a gain for NI of just 250. But the movements are nowhere as large as many think and much less than movements back and forward to the UK. Over the period 1991 – 2001 migration to and from the UK was of the order of 10,000 to 13,000 people in any one year.

Table 9: Manufacturing Output 1995-2003 (Q1)

	1995	2003 (Q1)	Change
NI	100	119.4	+19.4%
UK	100	98.1	-1.9%

Source: Index of Production

* Census of Population bases, 1971, 1981, 1991, 2001

Progress in the NI Economy – A UK Regional Comparison

Terry Morahan, Research and Evaluation Branch, DEL

HOUSE PRICES

It is not at all surprising therefore that the strengthening economy and rising population are also reflected in NI having in recent years the highest house price increase of any UK region other than the Southern England regions as **Table 12** shows. (Note the index is based on 1993 at 100).

CONCLUSION

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

But it is also clear that – with the benefit of a full decade of data – that all the relative improvement took place in the first half of the decade. As **Table 4** shows, in the period 1990 to 1996 our GVA growth was 22.6% v 12.1% in the UK; but in the period 1997 to 2001 our growth was almost identical 10.7pp v 11.6pp in the UK.

However it should also be borne in mind that the strongest UK growth rates are in the large and affluent southern English regions (in particular London, South East, East and South West) see **Table 13.** When compared to the other 'northerly' UK regions, our performance is considerably better.

TABLE 10: VAT Registrations 1994-2003 Net Change

Region	% Increase
London	20.8%
South East	13.6%
East	9.8%
East Midlands	6.1%
West Midlands	5.7%
South West	4.5%
North West	3.9%
Yorkshire/Humber	1.1%
North East	-0.3%
Scotland	2.6%
Wales	-4.0%
NI	4.5%
UK	7.9%

Source: DTI Small Business Service's Research Unit

But the fact remains that it has been a period of substantial progress; we have lost our unenvied tags of being the UK region with (i) the highest unemployment rate (several other regions are worse) and (ii) the lowest employment rate. Unemployment is at its lowest for over a generation and for the first time on record it is close to the UK average (5%) and is well below the EU level (8%) and we no longer have a large population loss through emigration.

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Table 11: Inward and Outward Migration, 1991/92 to 2000/01

		91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
In	England & Wales	11785	11397	9666	9765	12993	9430	9148	9798	9237	8986
	Scotland	1593	1486	1500	2049	2505	2016	2120	2491	2313	2549
	RoI	2824	2757	2390	2555	3332	2641	2474	2079	2179	2252
	International	3270	2638	2638	2465	4989	4095	4631	4445	5858	6728
	TOTAL	**19472**	**18278**	**16194**	**16834**	**23819**	**18182**	**18373**	**18813**	**19587**	**20515**
Out	England & Wales	8539	9320	10056	10281	10157	10975	10711	10198	10094	9668
	Scotland	2322	2245	2639	2994	2743	2976	3054	2311	2324	1826
	RoI	1400	1600	1300	2000	4510	2700	1700	2874	2249	2010
	International	3057	1090	1227	1889	191	856	2786	6209	5079	6831
	TOTAL	**15318**	**14255**	**15222**	**17164**	**17601**	**17507**	**18251**	**21592**	**19746**	**20335**
	NET GAIN/LOSS	**+4154**	**+4023**	**+972**	**-330**	**+6218**	**+675**	**+122**	**-2779**	**-159**	**+180**

Source: NISRA

Table 12: House Prices: 1993=100; 2003 (Q1)

REGION	2003 (Q1)
London	263
South East	260
South West	259
East	252
East Midlands	210
West Midlands	205
North West	174
Yorkshire/Humber	170
North East	160
Wales	190
Scotland	146
NI	229

Source: Economic Trends August 2003

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Table 13: Share of GVA by Region 2001 UK = 100

REGION	2003 (Q1)
London	17
South East	16
East	10
North West	10
West Midlands	8
South West	8
Yorkshire/Humber	7
East Midlands	7
North East	3
Scotland	8
Wales	4
NI	2

OUTLOOK

There are at least 25 unofficial short-term economic forecasts produced for the UK **national** economy(!) and one official one by HMT - which is quoted below. There are many unofficial **regional** forecasts but no official one. We have used PWC on this occasion.

Looking further out to the new decade will our economy perform well?

There are grounds for a canny optimism:

(i) the world economy recovers from the slow down of 2002/03 and gathers pace in 2004;

(ii) Sterling has weakened relative to the Euro – which encourages exports to the Eurozone;

(iii) an export boost potential from the strong performance of RoI's economy remains (although growth rates in RoI have come to a halt);

(iv) agriculture and tourism are showing signs of recovery and job losses in the clothing and textile sectors will slow down;

(v) inward investment which, as elsewhere throughout Europe, has been at a low level, recovers its success in supplying a substantial number of high quality projects to replace lower productivity sectors;

(vi) past and present improvements in education and training pay off;

(vii) capital and labour inputs grow faster than the UK average;

(viii) political stability is gained.

But with threats to our economic environment still around – from unfavourable exchange rates, to effects from the big expansion eastwards of the EU, to oil induced shocks, to the unexpected!

Table 14: GDP Estimates/Forecasts %p.a.

	2002	2003	2004
UK*	1.9%	2.0 to 2.5%%	3.0 to 3.5%
NI**	2.0%	2.2%	2.3%

Source * HMT
**PCW NI Economic Review, August 2003

Scenario Forecasting the NI Economy

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Alan Wilson, Oxford Economic Forecasts July 2003

The Department for Employment and Learning (DEL) Corporate Plan for 2003/4 – 2005/6 depends on a view of economic conditions over that period. The level of unemployment over that period will determine the resources that DEL puts into the Employment Service and into certain types of training. In addition the sectoral evolution of the economy will also influence the skills and occupations which will be in most demand.

Because the allocation of departmental funds will be influenced by the state of the NI labour market over the period of the Plan, there is need to consider how these might vary under differing labour market conditions. While not all of the Department's programmes would be affected by the state of the labour market, some important programmes are highly sensitive to such things as the level of unemployment and the degree of labour shortage.

In this article we report three sets of economic forecasts for the NI economy which were undertaken for DEL in the Spring of 2002. The first of these was a so-called standard forecast, describing our central estimate of the economic outlook based on economic conditions prevailing at that time. In addition the Department was interested in economic scenarios in which growth is higher or lower than in a central scenario where GDP expands at close to 2.5% per annum. A high growth scenario was requested involving growth at around 4% per annum, and a slow growth scenario at around 1% per annum.

The three sets of forecasts below are based on scenarios with average rates of growth for GDP in NI that are close to those the Department requested. The central forecast is the current NIERC/RF forecast for the NI economy produced in February 2002. Two variant forecasts were generated specifically for DEL, one with faster GDP growth than the central forecast and the other with slower growth.

This article briefly describes how the forecasts were produced and comments on the detail of both the central forecast and the two scenarios.

METHODOLOGY

The forecasts are generated using the suite of econometric models operated by Oxford Economic Forecasting (OEF) and Regional Forecasts (RF). OEF operate an inter-linked model of major international economies, one of which is the macro-economic model of the UK economy. The latter is also linked to the OEF industry model of the UK economy which converts the macro-economic forecasts into industry forecasts for 42 individual sectors. As a final stage, these industry forecasts are fed into the NIERC regional model to generate forecasts for each region of the UK, including NI.

The UK macro-economic model was originally based on the Treasury model of the

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UK economy and is still similar in structure to the Treasury's own model. A key characteristic of this model is a trend rate of growth for the UK of 2.5% per annum, based on labour force growth and established productivity trends. Although the Treasury currently consider this rate of growth to have risen to 2.75% per annum, this is yet to be widely accepted and is not reflected in the forecasts produced here. Growth above this trend rate is unsustainable in the long term because it results in rising inflation which in turn undermines competitiveness and leads to increases in interest rates. Both of the latter changes slow the rate of growth bringing it back to the trend rate.

The UK industry model is based on an input-output system, augmented by trends in output and productivity. In brief it relates trends in each sector in each region to forecasts of sectoral output and employment in the UK as a whole. Each region also has a labour market system producing forecasts for population, labour force, migration and unemployment.

THE OEF/RF MULTI-REGIONAL MODEL (MRM)

The MRM regionalises UK forecasts of employment, output, the personal sector and the labour market. UK forecasts are taken from OEF's UK macro-economic and industry models. The major link between the OEF models and MRM is at the level of individual industry output and employment forecasts from the UK industry model **(Chart 1)**. Other variables, such as non-oil GDP growth, personal disposable income and consumers expenditure, are fed in directly from the UK Macro-economic model. The integrated forecasting system also has the capacity to incorporate the regional effects of alternative scenarios for world economic activity and UK competitiveness including the UK's position relative to other European economies.

Each of the UK variables becomes an argument in the various regional model equations. The relation between the MRM and the OEF models is thus not merely a mechanical imposition of constraints; it ensures that the projections are *fully consistent with a coherent macro-economic background.* Further, quantifiable alterations in the UK national or international context can be 'cascaded down' through the OEF models to the MRM and their regional implications traced out.

The MRM is a highly *simultaneous system* with well-articulated feedback links between labour supply, population growth, employment demand and personal incomes. **Chart 2** sketches the various modules of the regional model. Average earnings depend on regional labour market conditions and this enhances the simultaneity between the labour market and the income and spending modules.

The detailed attention paid to *regional labour markets* in the MRM is a distinguishing feature of the model. Regional labour markets in the MRM are permitted to adjust through a variety of mechanisms, including migration and participation. This is important. The fact that the MRM features a significant degree of simultaneity between each region's share of economic activity, and its supply of labour and population levels ensures that the system captures some of the important complexities of the real world. Research also suggests that regional econometric models ought to pay particular attention to labour markets, partly because migration responses are a key element underlying regional differences in population growth, and hence in interregional shifts in demand.

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Alan Wilson, Oxford Economic Forecasts July 2003

CHART 1: MODELLING FRAMEWORK

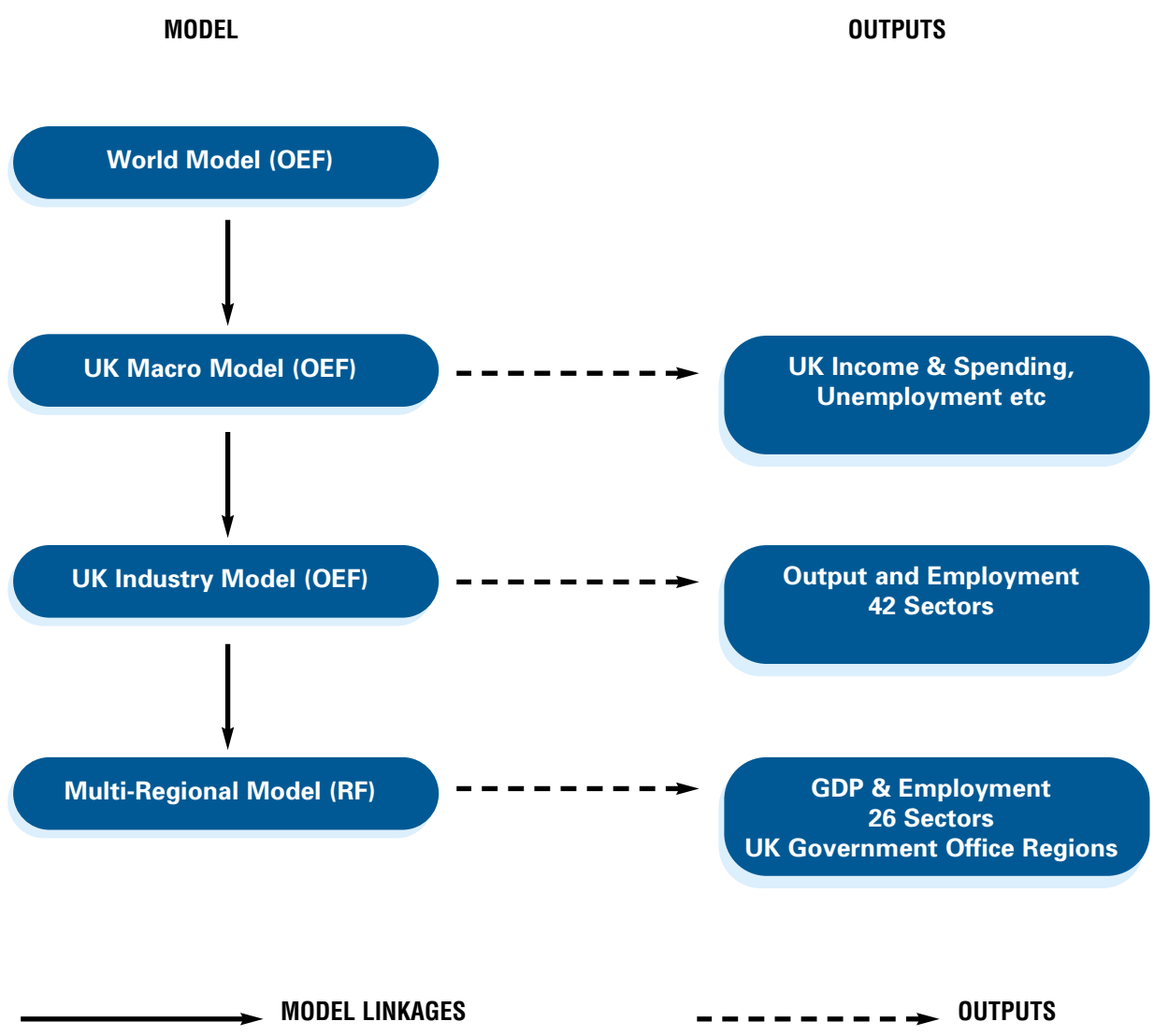

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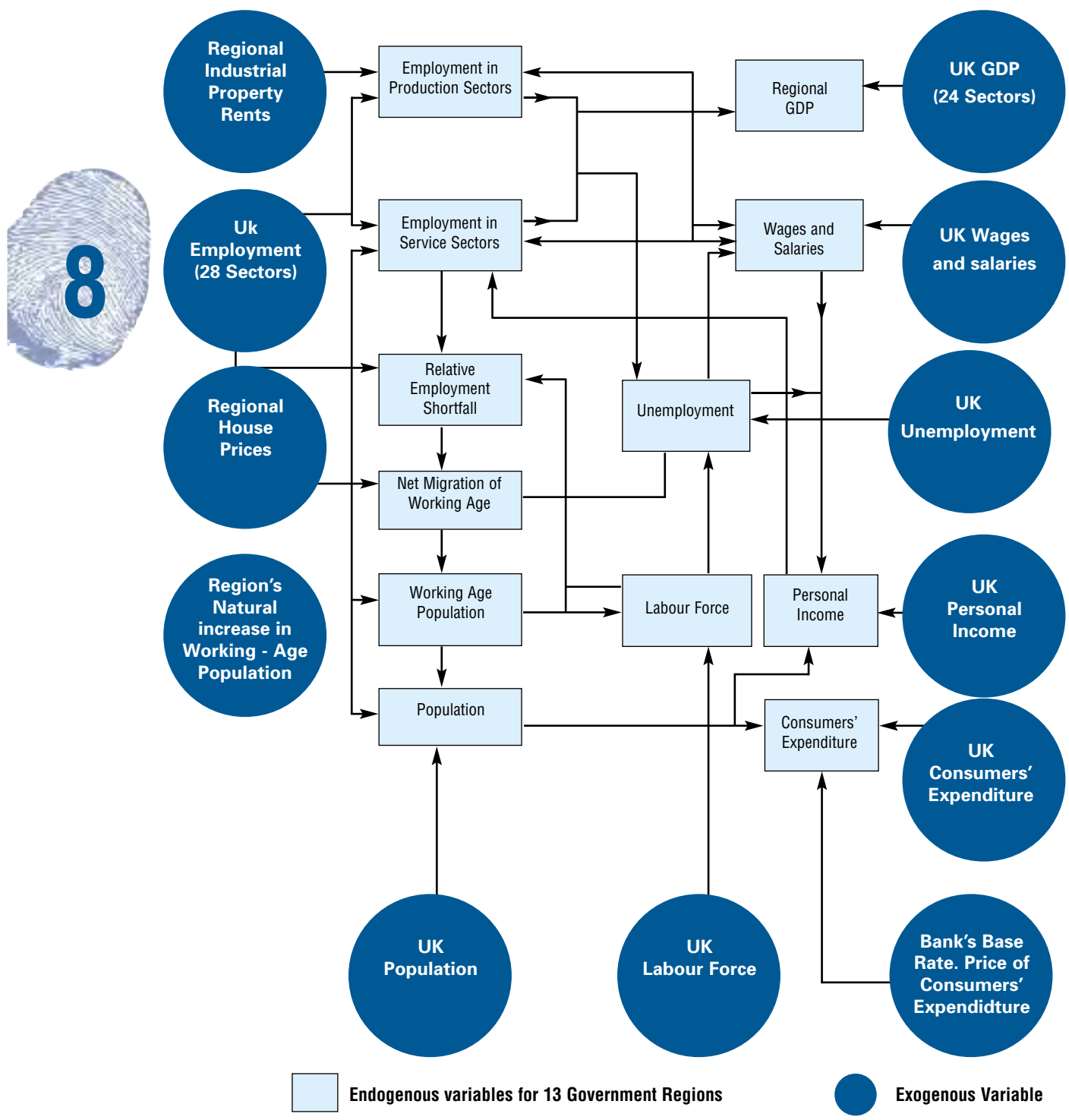
CHART 2: THE OEF/RF MULTI REGIONAL MODEL



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The behavioural equations of the system are estimated on *time-series data and incorporate causal influences.* For example, the equations for manufacturing include such determinants of inter-regional competitiveness as relative earnings and relative industrial property rents as well as a measure of the effectiveness of regional policy. We currently find a number of important links between industrial property rental values and the level of economic activity, particularly in the South East of England. This is clear for the manufacturing sector. We also find relative average earnings to have significant effects, independent of demand indicators such as personal incomes, in the equations for private sector service industries in some regions, most notably in the South East. Thus, the MRM implicitly models regional location patterns, both for industries and people. This means that, for a given macro-economic scenario, the projected regional growth rates are influenced by regional patterns in competitiveness indicators such as earnings. Regional variations in population movements resulting from projected migration flows also have a strong influence on the forecasts.

FORECASTS FOR THE UK ECONOMY

The standard forecast for the UK economy was generated in February 2002 and based on national and world economic conditions prevailing at that time. In summary these conditions were as follows; the end of the global boom in high technology and financial sectors had been followed by a sharp slowdown in US and EU markets during 2001. Despite this and a combination of the foot-and-mouth crisis, and sharp declines in business and consumer confidence following the attacks on 11 September the UK economy had continued to grow at a rate close to the economy's long-term sustainable rate of 2.5% per annum. Manufacturing was however in sharp contraction due to the overvalued sterling exchange rate since 1996. Instead it was continued rapid growth in the service sectors which maintained the growth both in overall GDP and in numbers of jobs. This in turn was maintained by continued fast growth in consumers spending underpinned by high personal borrowing including remortgaging of increasing valuable housing stock.

The main features of the forecasts for the UK economy, that underpin the standard forecast for NI, were slower growth in GDP (1.9%) in 2002 followed by recovery in 2003 (2.8%) with growth at close to the 2.5% long-term trend in the two following years. The key drivers of this generally favourable projected performance were a rapid growth in government consumption throughout the period, with a strong recovery in exports from 2003, aided by an expected weaker exchange rate against the Euro. Consumers' expenditure, which has supported economic activity through the recent period of recession in manufacturing, was projected to slow from 2003 year as interest rates rose to counter growing inflation. Revived exports also lead to a recovery in investment.

With the benefit of hindsight we now know that national GDP growth during 2002 was a little slower than forecast, at 1.6% instead of 1.9%. The current forecast for 2003, at 2.3% is also below the earlier estimate, reflecting among other things the disappointing expansion of EU markets. Forecasts for 2004 and 2005 are corresponding a little above earlier estimates to allow a recovery towards the long-term trend.

The two variant scenarios were generated by altering assumptions in the standard forecast for the UK economy and feeding these through

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the industry model to the regional model. The key change in each case was to the sterling exchange rate. In the high growth scenario, the sterling exchange rate was lowered by 10%, starting with a 2% depreciation in the first quarter of 2002, and 4% in the second and third quarters. The low growth scenario was generated by the opposite procedure i.e. a 10% appreciation in the sterling exchange rate.

This is only one of a range of ways in which high and low growth forecasts can be generated, and it is important to realise that different assumptions would result in different patterns of job creation across sectors. Alternatives would include changes in UK government fiscal or monetary policy. Of the various alternatives at a UK level, however, we consider changes in exchange rate to be the most plausible, and hence the most realistic scenarios for DEL policy.

A further alternative would be to make assumptions at the NI instead of the UK level. For instance we could assume that conditions for inward investment became more favourable and greater numbers of jobs were created in firms moving into NI. Another possibility is that tourism begins expanding more rapidly following a cessation or diminution in sectarian violence. Such assumptions are possible, but are necessarily arbitrary, each generating a different outcome in terms of the number of jobs generated and their sectoral distribution. Again, we consider our assumption of currency appreciation and depreciation to be more plausible and realistic.

RESULTS

STANDARD FORECAST

In the standard forecast, described in the appendix, GDP in the NI economy is projected to grow at 1.7% in 2002 and then at close to 2.5% in each of the following four years. Total employment, including the self employed, expands by 21,000 (2.8%) over the four calendar years covered by the DEL Corporate Plan (which includes three financial years). Claimant count unemployment is projected to rise by 3,000 between 2002 and 2003, but to remain relatively static, at close to 40,000, for the remainder of the period. This rise in unemployment occurs despite the increase in jobs, and reflects a rising economically-active population, a rise which is accentuated by a small increase in in-migration. Net in-migration rises from zero in 2002 (i.e. a balance of in- and out-migration) to 2,000 in 2005 and 2006.

Despite the projected easing of the sterling-euro exchange rate, and a resumption of growth in manufacturing output, the standard forecast projects a continued loss of jobs in manufacturing, down from 104,000 in 2002 to 100,000 in 2006. Similarly, no expansion of employment is expected in the other 'industrial' sectors of energy, construction and transport and communications, nor in agriculture.

All of the rise in employment thus occurs in the service sectors. Part of this is public services, where 5,000 extra jobs are created, buoyed up by a rapid expansion in government expenditure, but most is in private services. The largest rise is in business services with an additional 8,000 jobs created over the four years. Next largest increases are 4,000 extra jobs in hotels and catering and 3,000 in wholesale and retail distribution. This pattern follows the trend of recent years in which distribution, hotels catering and financial and business services account for the lion's share in any expansion in employment.

The loss of jobs is, as already indicated, concentrated in manufacturing. A total of 4,000 jobs are expected to go in textiles and clothing, with a further 1,000 in food

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production. This offset by a projected extra 2,000 jobs in electrical and electronic engineering where rapid growth is expected to resume from next year, and 1,000 jobs in transport equipment.

HIGH GROWTH SCENARIO

The high growth scenario, generated through a 10% depreciation of sterling, is also described in detail in the appendix. In this scenario growth in GDP averages 4.2% per annum over the four year period 2002-6. This is approximately 1.7% faster each year than in the standard forecast. The consequence for total employment (including self-employment) is that 62,000 extra jobs are generated over the period, 41,000 more than under the standard forecast. The claimant count unemployment rate, in this scenario falls to 2.5% of the labour force by 2006. The absolute decline in the number of unemployed people is 15,000, i.e. only a quarter of the number of new jobs created (some of which will be part-time jobs). The implication is that the rapid rate of job creation has sucked extra people into economic activity, as can be seen in the employment rate which rises from 69.5% to 72.1% by 2006.

Once again, most of the additional jobs are in the private services sectors. However the impact of a lower exchange rate aids growth in manufacturing, and leads to a broad stability in manufacturing employment i.e. 4,000 jobs more than in the standard forecast. Some of these extra jobs may be due to additional inward investment. However most jobs in in-moving companies are now in the services sectors, and an upsurge in manufacturing in-movers is unlikely. More probable is further expansion in existing manufacturing firms, albeit grant aided in many cases. The main projected job gains in manufacturing due to faster economic growth are in food and drink and in textiles and clothing. In each of these cases a lower exchange rate reduces the intense cost pressures from foreign competition.

The largest number of extra jobs compared with the standard forecast are however expected in distribution (17,000), and in hotels and catering (5,000). Business services (4,000) and transport and communications (4,000) are the other sectors with large gains generated through faster economic growth. The actual number of extra jobs created in these service sectors over the four years is 64,000, a rise of 24%.

LOW GROWTH SCENARIO

A prolonged period with an exchange rate even more over-valued than in the recent past is projected to reduce growth in GDP to only 1% per annum over the four years 2002-6. Since this is below the trend rate of productivity increase in the UK, including NI, the consequence is declining employment. The projection in this case is that total employment (including the self-employed) would decline by 21,000 (2.8%). The further result would be an increase in the rate of unemployment to 8.4% of the labour force, raising the number of claimants to 67,000 by 2006. Falling employment and rising unemployment also have the consequence that the number of the economically active is reduced. The employment rate falls from 69% in 2002 to 64% by 2006. The population of working age is also reduced through net out-migration. Instead of a gain of 4,000 people through migration, as in the standard forecast, there is a loss of 3,000 over the four years.

Over half of the job losses in this scenario occur in manufacturing (-12,000), with most of the rest in distribution (-6,000) and in hotels and catering (-7,000). Within manufacturing the losses occur in vulnerable sectors including food and textiles and clothing, but

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also in sectors that are highly dependent on exports, notably electrical and electronic engineering and transport engineering. Construction is also affected with the loss of 2,000 jobs. Other than the public sector the only major sector still to expand its employment under these difficult economic conditions is business services. In this sector employment expands by 5,000 over the four years. However this expansion is only half that projected in the standard forecast.

CONCLUSION

The difference between slow economic growth and rapid growth (albeit at a rate much slower than recent experience in the RoI) is very large in terms of employment. Favourable economic conditions at a UK level might lead to an 8% increase in employment over four years. Unfavourable conditions, in contrast, could reduce the number of jobs by 3%. The pattern of employment change will be determined to a significant extent by the nature of any economic expansion or contraction. Whatever the nature of the economic stimulus the pattern reported here, with most new jobs appearing in the private services sectors, is likely to reproduced.

Similarly most economic contractions are likely to result in major job losses in manufacturing. For DEL policy purposes the patterns reported here can thus be taken as a reasonable guide to what might happen under unusually favourable, or unusually unfavourable, economic conditions. The standard forecast should still however be taken as a best guide to what is most likely to happen.

In this model unemployment data from the Claimant Count are used rather than the usual LFS basis

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APPENDIX

STANDARD FORECAST

	2002	2003	2004	2005	2006
"Headline" indicators					
GDP (% yr)	1.7	2.7	2.4	2.5	2.8
Employment (000s)	753	756	762	768	774
Unemployment rate (%)	4.7	5	5.1	5	4.9
Employment Rate (%)	69.3	68.8	68.5	68.3	68.2
Labour market and demographics					
Employment (000s)	753	756	762	768	774
Unemployment (000s)	37	40	41	41	40
Labour force (000s)	790	796	803	809	814
Population (000s)	1729	1741	1754	1766	1778
Migration (000s)	0	1	1	2	2
Employment (% yr)	-0.1	0.4	0.7	0.8	0.8
Unemployment rate (%)	4.7	5	5.1	5	4.9
Labour force (% yr)	-0.4	0.7	0.8	0.8	0.7
Participation rate (%)	72.7	72.4	72.2	71.9	71.7
Population (% yr)	0.7	0.7	0.7	0.7	0.7
Migration rate (per 1000)	0.1	0.8	1.3	1.6	1.9
Employment incl. Self-employed(000s)					
Agriculture	33	33	33	33	33
Extraction	2	2	2	2	2
Manufacturing	104	102	101	101	100
Food Drink & Tobacco	18	18	17	17	17
Textiles	13	12	11	10	9
Wood Product Industries	3	3	3	3	3
Pulp Paper & Printing	6	6	6	6	6
Coke Oil Refin. & Nucl. Fuel	0	0	0	0	0
Chemical Industries	3	3	3	3	3
Rubber & Plastic Industries	6	6	6	6	6
Other Non-Metal Min. Products	6	6	6	6	6
Metals	6	6	6	6	6
Machinery & Equipment	6	6	6	6	6
Electric & Optical Equipment	12	13	13	13	14
Transport Equipment	12	13	13	13	13
Other Manufacturing	4	4	4	4	4

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Electricity Water & Gas	3	3	3	3	3
Construction	58	58	58	58	58
Distribution	110	111	112	113	113
Distrbtn,Hotels & Restaurants	164	165	167	169	171
Transport & Communication	32	32	32	32	32
Finance & business services	76	78	81	84	86
Business services	56	58	60	63	66
Public Admin. & Defence	60	60	60	60	60
Educ. Health & Social Work	178	179	179	181	183
Other Personal Services	33	33	34	34	34
Total Employment	658	660	665	671	676

HIGH GROWTH SCENARIO

	2002	2003	2004	2005	2006
"Headline" indicators					
GDP (% yr)	1.9	4.4	4.9	4.2	3.4
Employment (000s)	755	765	778	793	817
Unemployment rate (%)	4.6	3.9	3.8	3.7	2.5
Employment Rate (%)	69.5	69.7	70.0	70.6	72.1
Labour market and demographics					
Employment (000s)	755	765	778	793	817
Unemployment (000s)	36	31	31	30	21
Labour force (000s)	791	796	809	823	838
Population (000s)	1728	1740	1753	1765	1776
Migration (000s)	-1	1	2	1	2
Employment (% pa)	0.3	1.4	1.7	1.9	3.1
Unemployment rate (%)	4.6	3.9	3.8	3.7	2.5
Labour force (% yr)	-0.6	0.6	1.6	1.7	1.8
Participation rate (%)	72.8	72.5	72.8	73.3	73.9
Population (% yr)	0.6	0.7	0.7	0.7	0.6
Migration rate (per 1000)	-0.8	0.7	2.1	1	1.4
Employment incl self-employed (000's)					
Agriculture	33	33	34	33	33
Extraction	2	2	2	2	2
Manufacturing	105	104	104	104	104
Food Drink & Tobacco	19	19	19	19	19
Textiles	14	13	12	11	10
Wood Product Industries	3	3	3	3	3
Pulp Paper & Printing	6	6	6	6	6

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Coke Oil Refin. & Nucl. Fuel	0	0	0	0	0
Chemical Industries	3	3	3	3	3
Rubber & Plastic Industries	6	6	6	6	6
Other Non-Metal Min. Pdts	6	6	6	6	6
Metals	6	6	6	6	6
Machinery & Equipment	6	6	6	6	6
Electric & Optical Equipment	12	12	12	12	13
Transport Equipment	12	13	13	13	13
Other Manufacturing	4	4	4	4	4
Electricity Water & Gas Svs.	3	3	3	3	3
Construction	59	60	61	64	67
Distribution	108	112	115	117	128
Distrn,Hotels & Restaurants	162	167	173	177	191
Transport & Communication	32	33	34	35	36
Financial & Business Services	77	80	84	89	93
Business services	57	59	63	67	71
Public Admin. & Defence	60	60	60	60	60
Educ. Health & Social Work	178	179	179	181	183
Other Personal Services	33	33	34	34	34
Total Employment	659	661	672	684	705

LOW GROWTH SCENARIO

	2002	2003	2004	2005	2006
"Headline" indicators					
GDP (% pa)	1.0	1.5	0.3	0.5	1.7
Employment (000s)	750	747	746	740	729
Unemployment rate (%)	5.1	6	6.5	7.3	8.4
Employment Rate (%)	69.0	68.1	67.4	66.2	64.8
Labour market and demographics					
Employment (000s)	750	747	746	740	729
Unemployment (000s)	41	48	52	58	67
Labour force (000s)	791	794	798	798	795
Population (000s)	1729	1739	1749	1759	1768
Migration (000s)	0	-1	-1	0	-1
Employment (% yr)	-0.4	-0.4	-0.2	-0.8	-1.5
Unemployment rate (%)	5.1	6	6.5	7.3	8.4
Labour force (% yr)	-0.4	0.5	0.4	0	-0.3
Participation rate (%)	72.7	72.4	72.1	71.4	70.7
Population (% yr)	0.7	0.6	0.5	0.6	0.5
Migration rate (per 1000)	-0.3	-0.9	-1.2	-0.1	-1

Scenario Forecasting the NI Economy

Dr. Graham Gudgin, Regional Forecast Consultants,
Alan Wilson, Oxford Economic Forecasts July 2003

Employment incl. Self-Employed (000's)

Agriculture	33	33	33	31	30
Extraction	2	2	2	2	2
Manufacturing	102	99	97	95	90
Food Drink & Tobacco	19	19	18	18	17
Textiles	14	13	12	11	10
Wood Product Industries	3	3	3	3	3
Pulp Paper & Printing	6	6	6	6	6
Coke Oil Refin. & Nucl. Fuel	0	0	0	0	0
Chemical Industries	3	3	3	3	3
Rubber & Plastic Industries	6	6	6	6	6
Other Non-Metal Min. Products	6	6	6	6	6
Metals	6	6	6	6	6
Machinery & Equipment	6	6	6	6	6
Electric & Optical Equipment	11	10	10	10	9
Transport Equipment	11	10	10	10	9
Other Manufacturing	4	4	4	4	4
Electricity Water & Gas Svs.	3	3	3	3	3
Construction	59	59	59	58	57
Distribution	109	110	107	106	103
Distrn,Hotels & Restaurants	163	161	158	156	150
Transport & Communication	32	32	33	32	32
Financial & Business Services	76	77	79	80	80
Business services	55	57	59	60	60
Public Admin. & Defence	60	60	60	60	60
Educ. Health & Social Work	177	178	180	181	184
Other Personal Services	33	30	30	30	30
Total Employment	655	652	651	646	637

The Work of the NI Skills Task Force – An Update

Gayle Kennedy, The Skills Unit, REB, DEL

Issue 12 of the Labour Market Bulletin (October 1998) included an article "A Skills Unit for the Agency" which reported on the imminent establishment of a Northern Ireland Skills Task Force (NISTF) to take forward a programme aimed at addressing NI's current and future skill needs (see the end of this article for the remit and current composition of the Task Force). The NI Skills Task Force was formally established in February 1999 (see Labour Market Bulletin Nos. 13 and 14 for an overview of the early work of the Task Force). This is the third in a series of Bulletin articles providing an update on its work.

BACKGROUND

Taking 1990 as the base year, the NI economy has been the fastest improving regional economy in the UK (see Chapter 7 for further detail). Some signs of a slowing labour market demand can be seen in the various studies commissioned by the Skills Task Force as discussed below. Although the results from the NI Skills Monitoring Survey 2002 would indicate that recruitment difficulties and skills shortages have moderated since 2000, there are still major challenges to be faced in the pursuit of a world class workforce. These challenges include the need to continually address skills deficiencies ("skill gaps") in the existing workforce and the need to equip all young people entering the labour market with the essential skills they will need in the world of work. Increasingly the supply of a highly skilled workforce is becoming the critical factor in the location decisions made by internationally mobile investors. The Skills Task Force research programme and initiatives funded from the Skills Agenda Budget continue to address these challenges.

THE PROGRAMME OF WORK TO DATE

Skills Research

Even before the Task Force was established, it was clear that despite increasing reports of skills shortages, there were no systems in place to gather robust data to guide policy makers in better matching skills supply to demand. This information gap needed to be filled if resources including the funds made available under the Chancellor's Initiative (henceforth the Skills Agenda Budget) were to be effectively targeted on areas of skills deficiency. Since February 1999 high quality data systems for monitoring and forecasting skills supply and demand have been put in place to inform the Task Force. With these systems now established the Task Force is well placed to make recommendations for action based on robust data.

Skills Monitoring

The NI Skills Monitoring Survey was designed to provide a comprehensive snapshot of the current skills needs of NI employers. The 2000 Survey, published by the Skills Task Force in February 2001, focused on private sector employers (excluding agriculture [1]) providing information on a range of skills-related measures including:

The nature and extent of current vacancies;
The nature and extent of current vacancies proving difficult to fill;
Staff retention difficulties;
Recruitment difficulties in

1 The Agriculture sector was addressed separately in a large-scale survey of farmers and their families. See Labour Market Bulletin No 16, Chapter 19 for a fuller account.

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Gayle Kennedy, The Skills Unit, REB, DEL

the next 12 months;
Skills gaps within the existing workforce.

Not only did this Survey provide a baseline against which future trends could be measured, but it also highlighted areas of concern for further investigation (see LMB 15, Chapter 11 for a summary of the results).

The primary purpose of the NI Skills Monitoring Survey 2002 was to update the findings of the Survey conducted in 2000. The same survey methodology was followed as before with the inclusion of a section on training activities, in response to the increasing focus on the importance of workplace learning in meeting employers' skill needs. With increasingly frequent reports of skills shortages by NI public sector employers, the 2002 Survey was also extended to cover public sector employers in central and local government; education and health (see Chapter 10 for details).

Over 4,000 NI employers were interviewed during May to July 2002 with an excellent response rate of 73%. Thus the Survey provides an overview of issues connected with skill shortages, skills gaps and training, from an employer's perspective.

Although the NI economy has performed well over the last decade, not surprisingly the slowdown of the international and local economy which started in 2001 showed up in a 'less tight' labour market in 2002. Where it has been possible to make comparisons with the Survey conducted in 2000 (private sector only) there has been a decrease in the number of employers reporting vacancies, difficult to fill vacancies, skills shortages and skills gaps.

In June we commissioned research to compare and contrast the results of Skills Monitoring Surveys from the five 'home countries' – England, Scotland, Wales, RoI and NI. It is intended to copy 'best practise' from each other and possibly co-ordinate the timing and content of future Surveys to allow more accurate spatial comparisons. The results of this study will be available later this year.

PA/NISTF Executive Skills Watch

While the Skills Monitoring Survey provides a comprehensive snapshot at one particular time (April - May 2000; May - July 2002) there is a need for more continuous data.

Accordingly, since January 2000 the Skills Task Force has supported the enhancement of the Executive Recruitment Watch Survey carried out by PA Consultancy which appears quarterly in the Belfast Telegraph. The Survey analyses by industry and occupation advertisements placed in the Belfast Telegraph for 'executive' vacancies attracting an annual salary of £22k or more as well as collecting qualitative data on recruitment issues in key sectors. With the private sector Survey running for almost 4 years, sufficient data has been collected to examine trends over time – in particular how the labour market may have changed for executive skills in the period between the two Skills Monitoring Reports. In 2000 the Executive Skills Watch Survey was extended to cover the public sector in addition to the private sector (see Chapter 12 in this Bulletin for further details).

Priority Skills Research

While the Skills Monitoring Survey provides an overview of skills needs across the economy and acts as a baseline for assessing long term trends, a general Survey such as this provides insufficient detail to allow for appropriate interventions to address identified skill needs. In September 1999 a Priority Skills Unit was established at the Northern Ireland Economic Research Centre (NIERC) as a centre

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of excellence for skills forecasting and to take forward a programme of detailed research into skill needs in priority sectors. This more detailed research is impossible to carry out for all sectors simultaneously, therefore research has concentrated initially on skill needs in those priority skills areas were shortages could hold back the economy.

The first areas of research covered skill needs in the IT and Electronic Engineering sectors and the results of these were published in August 2000 and October 2001 (see LMB 14 Chapter 8 and LMB 15 Chapter 13 for summary results). Two further reports on Mechanical Engineering and Tourism and Hospitality were published in November 2002. Summary results are presented in LMB 16, Chapters 10 and 11.

One further study reassessing IT has now been completed and summarised in Chapter 13 of this Bulletin. This research built on a previous study (published 2000, summarised LMB 14, Chapter 8) which examined the evidence for IT skills shortages and analysed the current and future balance between IT skill demand and supply in the Northern Ireland labour market. Among the key findings of this research were:

- Despite the recent well-documented difficulties by firms operating in the Computer Services sector, in NI the sector has continued to expand on a relatively steep growth path.

- There is clear evidence that a high proportion of the NI computer service companies were experiencing difficulties in recruiting **experienced** IT professional staff.

- Since 1999, there has been a reduction in the proportion of firms describing the recruitment process for workers below project leader level as problematic.

- The relatively weak state of the Computer Services labour market is evidenced by a reduction in vacancy rates for each occupational category as well as an overall sector turnover rate of two percent.

- There were no indications that shortages of new graduates, technician level 4/HND qualifiers would emerge over the next five years. Shortfalls may occur for persons with NVQ level 3 qualifications.

Work is ongoing on skill needs in the NI construction sector, to be published in early 2004.

Labour Market Research

In addition to the primarily skills focused research, the Department also supports an ongoing programme of research into a range of labour market issues which also informs the work of the Skills Task Force. In June 2003 the Task Force published a Report "Potential Skills Shortages in the NI IT and Engineering Sectors – and Inequalities in Educational Uptake" which examined how career choices in potential skill shortage areas were influenced by gender and religion. Ongoing labour market research included an in-depth investigation of the Belfast Labour Market for IT skills.

From September 1999, Government introduced an FE Incentive Fund which rewards colleges immediately for achieving increased adult participation on further education courses which are of vital significance to the NI economy. The purpose of the Fund is to encourage colleges to develop innovative ways to recruit adult students (those aged over 19 years of age) to vocational courses, either full-time or part-time, at levels 2 and 3 in the skills areas identified by the Department (at that time

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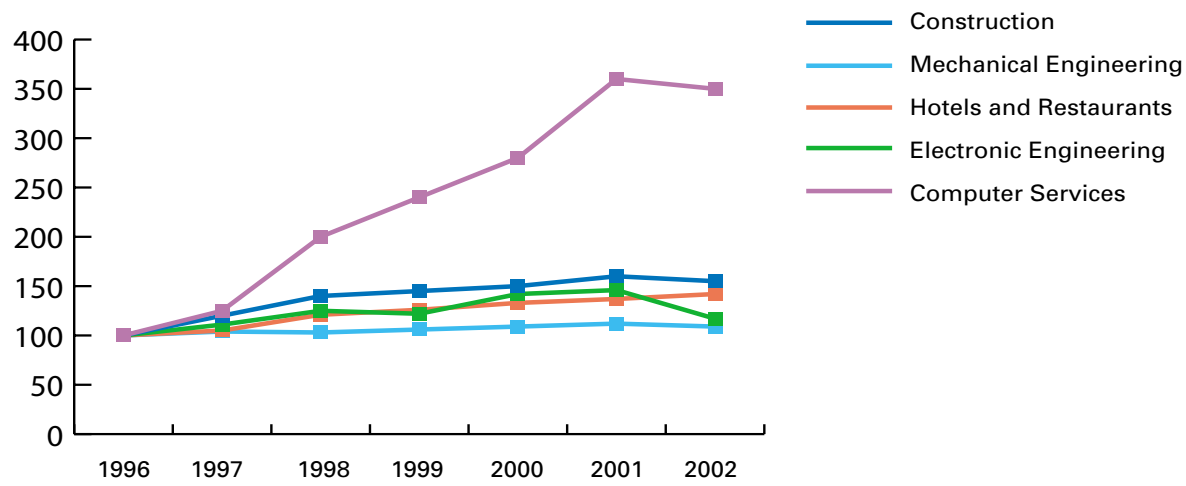
Figure 1: Employment Change in Priority Skills Sectors 1996 - 2002 (indexed 1996 = 100)



T&EA) as important for the regional economy:

- Computing
- Construction
- Electronics
- Manufacturing engineering
- Software engineering
- Tourism and hospitality.

Figure 1 shows the employment growth (employee jobs [2]), in **relative** terms, for the Industrial sectors related to each of these priority skills areas. In this analysis, it is not possible to disaggregate between computing and software engineering, therefore they are both included within computer services in the graph.

By taking 1996 as a base year, computer services has shown the strongest **growth** trend over the past 5 years. The other Industries have also shown an increase in employee jobs during this period, but at a reduced rate compared to Computer Services.

Only in the period 2001 – 2002 has the growth not easily exceeded the general growth in employee jobs. This is in part due to a decline in electronic engineering and computer services.

Figure 2 shows the same data presented as **absolute** change – growth in employee jobs in the five skills sectors since 1996. It is apparent that the size of the electronic engineering and computer services sectors is much smaller than the three other sectors. During the period 1996 – 2002, employee jobs within computer services increased by 4,000 whereas the increase in construction was more than 13,000 employee jobs.

CONCLUSION

The range of labour market research commissioned by the NI Skills Task Force continues to have an impact on the Department's mainstream provision and policies. With the programme of research now in place to deliver high quality information on current and future skill needs the Task Force is well placed to advise government on the strategic allocation of education and training resourses to enable us to make the most of growth opportunities.

In July 2003, the Department for Education and Skills in GB published a skills Strategy-21st Century Skills, Realising our Potential for England. In summary the main aims of this strategy are:

- To Strengthen the economy by raising skills levels and increasing production.
- To improve the effectiveness of the public sector.
- To help individuals to be employable.

The Task Force has advised the Department on the development of a strategic document which will consider how best to address similarly relevant issues in the NI Labour Market.

[2] Estimates of the number of employee jobs are obtained from the Quarterly Employment Survey (QES). The QES covers all public sector bodies, all private sector firms with 25 or more employees and a sample of the remainder. The self-employed are excluded from this data.

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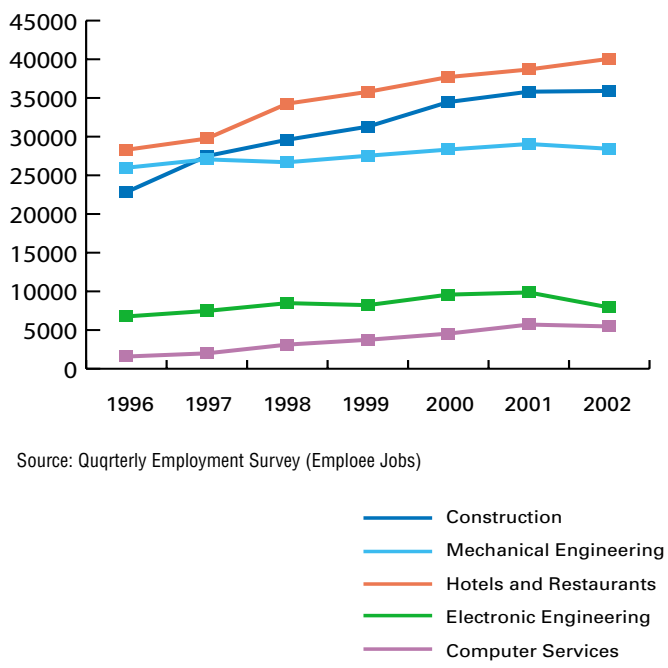
Figure 2: Employment Changes in Priority Skills Sectors 1996 - 2002



Source: Quqrterly Employment Survey (Emploee Jobs)

THE NORTHERN IRELAND SKILLS TASK FORCE – TERMS OF REFERENCE

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

Skills Task Force Membership	
Bill McGinnis	Chair
Michael Anyadike-Danes	NI Economic Research Centre
Bill Brown	Chair, Engineering Training Council, President, Engineering Employers Federation (NI)
Tony Doran	Chief Executive, Construction Employers Federation, Board Member, CITB
Tom Gillen	Acting NI Officer, NI Committee of the Irish Congress of Trade Unions
Tony Hopkins CBE (resigned June 2003)	Chair, Laganside Corporation
Ann Shaw CBE	Past Chair, Institute of Directors (NI), Director, Shaws Farms,
Vivienne Walker	Board Member, Centre for Competiveness Head of Human Resources, South & East Belfast H&SS Trust
Peter Williamson	Regional Secretary, Amalgamated Engineering & Electrical Union
Gordon Milligan	Human Resources Manager, Nortel Networks, CBI
Tom Scott	Director, Skills & Industry Division, DEL
Jim Hanna	Head of Sectoral Development, DEL

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

Where are we now? – Results of the NI Skills Monitoring Survey 2002.

Gayle Kennedy, The Skills Unit, REB, DEL

The NI Skills Monitoring Survey was designed to provide a comprehensive snapshot of the current skill needs of NI employers every two years. The first Survey which took place in 2000 focused on the non-agricultural private sector. The Survey was repeated in 2002 but extended to include the public sector as well as a section on training. A number of core questions remained the same in order to allow for comparison over time. The Survey provides an overview of current vacancies and skill needs across the economy and particularly focuses on those areas where recruitment difficulties are related to external skill shortages and which might therefore be amenable to a 'skills' solution. Other issues, such as retention difficulties and skills gaps[1] are also explored

BACKGROUND

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

The work of the NI Skills Task Force is focused on identifying the current and future skill needs of NI employers and through this to ensure the education and training resources are best targeted to meet these needs. As with any major decisions, the targeted allocation of education and training resources must be based on high quality information. Therefore a programme of research was developed to provide high quality data to assist the Task Force in its task (see Chapter 9 for a summary of the work of the Task Force). The Skills Monitoring Survey was commissioned by the NI Skills Task Force as part of its research programme to assess the skill needs of the NI economy.

THE NORTHERN IRELAND SKILLS MONITORING SURVEY 2002

During the 1990's NI was the fastest improving regional economy in the UK. In the context of a tightening labour market, almost daily, commentary appeared in the media referring to recruitment difficulties and skill shortages in the NI economy. As unemployment fell and employment reached record levels, the frequency of these reports also increased. The evidence for skill shortages came from many sources including surveys conducted by a variety of organisations or often from anecdotes. However, the scope, methodology, definitions used and quality of surveys were as diverse as the range of organisations who commissioned them and while anecdotes are evidence, they are often not quantifiable and are difficult to generalise from. What was missing was an overview of the current skill needs of the NI economy which was comprehensive and robust.

The NI Skill Monitoring Survey 2000 was designed to meet this need with respect to the current skill needs of NI employers in the non-agricultural private sector [2]. In particular the key objectives of the Survey were to:

- Provide robust estimates of the current level of vacancies and difficult to fill vacancies as an indication of demand for skills from NI private sector employers.
- To provide baseline labour market measures against which future trends can be compared.

[1] Skills **deficiencies** are of two kinds. Firstly skill **shortages** – those difficult to fill vacancies that are attributed by employers to one of the following causes; lack of practical skills, lack of technical skills, lack of qualifications, lack of work experience. Secondly, Skills **gaps** were there is a gap between an employee's current skill level and what is needed to meet work objectives.

[2] This is consistent with the approach taken for example in RoI. In the NI context the Survey was thus restricted for reasons of economy and because at that time the public sector had largely not suffered from recruitment difficulties to the same extent as the private sector. The Agricultural sector was addressed separately in a large-scale survey of farmers and their families – see Labour Market Bulletin No 16, Chapter 19 for a summary.

Where are we now? – Results of the NI Skills Monitoring Survey 2002.

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- To highlight areas where recruitment difficulties are related to external skill shortages and which therefore might be amenable to a 'skills' solution.

- To highlight areas of concern that might merit more detailed investigation by the Priority Skills Unit.

Whilst the primary aim of the 2002 Study was to update the findings from the 2000 Survey, it also offered the opportunity to improve the Survey and to reflect developing areas of policy interest. In response to more frequent reports of skills shortages amongst NI public sector employers, the 2002 Survey was extended to cover public sector employers in central and local government; education; and health. A section of questions investigating the incidence of training and training needs was also added in response to the increasing focus on the importance of workplace learning in meeting employers' skill needs.

METHODOLOGY

The Survey was designed, not only to provide robust estimates for all NI employers, but also, where possible, to provide estimates for individual sectors. Responses were analysed by Standard **Industrial** (SIC92) and **Occupational**[3] (SOC2000) Classifications to allow for comparison of the results with other sources of data.

Most of the questionnaire was developed previously for the 2000 Survey, which was structured to allow for comparison with similar surveys carried out in other regions as well as earlier surveys carried out in NI. In order to meet the specific research objectives of the Task Force, the questionnaire was extended to include a section on training activities. The sample was drawn from all NI businesses with one or more employee listed in the British Telecom Business Database and was disproportionately stratified to ensure that a sufficient number of large businesses were contacted. The results were re-weighted to reflect the composition of the population of businesses as a whole. Telephone interviews were conducted by the Central Survey Unit of the Northern Ireland Statistics and Research Agency (NISRA) during May – July 2002 using computer-assisted personal interviewing (CAPI). Valid responses were received from 4,504 employers representing a response rate of 73%. This is an excellent response rate which not only underlines the quality of the information received but also reflects the high level of interest shown by employers. Our thanks again to the employers who participated in the Survey and the various employer representative organisations who encouraged their membership to participate.

RESPONSES TO SURVEY

Table 1 compares the distribution by industrial sector of survey responses received, to the businesses listed in the BT Business Database. The first point to note is that with 4,504 responses, the Skills Monitoring Survey 2002 is the largest survey of employer's skill needs ever undertaken in NI (the Survey conducted in 2000 achieved 3,707 productive interviews). Responses were received from just over 10% of all businesses listed and in most cases at least 10% of businesses were interviewed in each industrial sector giving sufficient numbers from which estimates could be made with reasonable precision. The exceptions were in Mining & Quarrying and Utilities, where there were small numbers, as well as Financial Services where the number interviewed was less than 100. Although responses in these sectors contribute to the overall findings, the number of respondents is small and caution is urged in interpreting the findings for these sectors in isolation.

[3] The NI Skills Monitoring Survey 2000 used the Standard Occupational Classification 1990 (SOC90). For details of the new classification system 'SOC 2000', see LMB No 14, Chapter 9.

Where are we now? – Results of the NI Skills Monitoring Survey 2002.

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

SECTOR		Responses	Population in BT Database	Proportion Interviewed (weighted) %	Proportion in Population %
PRIVATE	Mining & Quarrying	53	83	0	0
	Manufacturing	619	5,265	12	12
	Utilities	18	34	0	0
	Construction	248	2,542	6	6
	Wholesale & Retail	1,093	11,808	27	27
	Hotels & Restaurants	353	3,514	8	8
	Transport & Communications	255	2,282	5	5
	Financial Services	81	1,065	3	2
	Business Services	422	5,185	12	12
	Other Services	404	5,644	13	13
	Total	3,546	37,422		
PUBLIC	Public Administration	127	461	1	1
	Education	378	2,227	5	5
	Health & Social Care	453	3,210	7	7
	Total	958	5,898		
	Total	4,504	43,320	4,504	43,320

Table 1 also shows the distribution of employers in the population by industrial sector and the distribution of responses received (after the responses are weighted). It can be seen that the responses received are representative of the businesses contained in the BT Business Database.

KEY FINDINGS

This section provides a summary of some of the key findings from the Survey and where applicable, compares these findings to the earlier Study conducted in 2000. Because of the limitations of space just some of the key headline findings are presented. More detailed breakdowns in responses are contained in the full Report (see contact details provided at the end of this article to obtain a full copy).

Table 2 presents some of the key findings from the Survey analyses by Industrial sector. As can be seen, employee turnover for 2001/2002 was estimated at 17% for all private sector employers with the Hotels and Restaurants sector having the highest level (36%). Within the public sector employee turnover for the same period was estimated at 14% with Health and Social Care having the highest level (14%).

Some 14% of private sector employers reported having at least one current vacancy. For those sectors were reliable estimates can be made, again the highest level of vacancies was reported in the Hotels and Restaurants

Where are we now? – Results of the NI Skills Monitoring Survey 2002.

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Table 2: Key Findings by Industrial Sector

SECTOR		Employee Turnover ** %	Current Vacancies %	Difficult to Fill Vacancies %	External Skill Shortages (% of Difficult to fill Vacancies)	Retention Difficulties %	Skills Gaps %
PRIVATE	All Private Sector Employers	17	14	9	38	9	13
	Mining & Quarrying*	13	16	12	45	6	20
	Manufacturing	13	16	11	54	11	12
	Utilities*	13	6	3	100	26	14
	Construction	14	13	10	47	7	12
	Wholesale & Retail	17	14	9	29	10	13
	Hotels & Restaurants	36	19	13	30	16	12
	Transport & Communications	15	13	7	43	8	10
	Financial Services*	9	14	11	17	7	20
	Business Services	16	13	8	59	7	16
	Other Services	15	13	8	23	6	13
	Base (unweighted) = 100%	3,499	3,546	3,546	3,546	3,546	3,546
PUBLIC	All Public Sector Employers	14	24	12	19	12	13
	Public Administration	9	36	16	30	7	10
	Education	13	27	12	32	13	14
	Health & Social Care	14	21	12	15	13	13
	Base (unweighted) = 100%	949	958	958	958	958	958

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

sector (19%), with the level in Manufacturing (16%) also above average. A higher proportion of employers in the public sector (24%) reported current vacancies - the highest level of which was reported in Public Administration (36%). While the level of current vacancies is of interest, the Task Force is particularly interested in vacancies that are proving difficult to fill and those that are difficult to fill due to 'external skills shortages'. Recruitment difficulties may be due to 'internal' company factors such as low pay or unattractive working conditions and therefore the solution is unlikely to lie in the supply of skills available in the external labour market. Overall 9% of private sector employers and 12% of public sector employers reported having at least one difficult to fill vacancy. Again the Hotels and Restaurants sector (within the public sector) reported the highest level of difficult to fill vacancies, 13% and 16% respectively. Overall the main reasons given for difficulties in filling vacancies included 'not enough people interested in doing this type of work', 'lack of work experience', 'poor attitudes, motivation and personality', 'wages offered are lower than those offered by other firms' and 'too much competition from other employers'.

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The reported effects of these difficulties included 'more strain on management of existing staff in covering shortage', 'restrictions to business development activities', 'loss of business to competitors', 'difficulties with customer service' and 'increased recruitment costs'.

A different picture emerges when we ask employers to state the reasons for vacancies being difficult to fill. In the private sector, 38% of difficult to fill vacancies were considered by employers to be due to external skill shortages (that is where the reasons given for difficulties included either a lack of practical skills; technical skills; qualifications required; or work experience). By implication, a larger proportion of difficult to fill vacancies were **not** considered by employers to be due to a shortage of skills. Whereas Hotels and Restaurants had the highest levels of vacancies and difficult to fill vacancies, only 30% of difficult to fill vacancies in this sector were considered to be due to external skill shortages. In contrast, 59% of difficult to fill vacancies in Business Services; 54% in Manufacturing; and 47% in Construction were considered to be external skills shortages. In the public sector, 19% of difficult to fill vacancies were due to external skills shortages. Approximately one third of difficult to fill vacancies were in this category in Education (32%) and Public Administration (30%).

Table 3: Training Activity by Industrial Sector

SECTOR		Off-the-Job Training %	On-the-Job Training %
PRIVATE	All Private Sector Employers	37	60
	Mining & Quarrying*	42	64
	Manufacturing	33	60
	Utilities*	62	34
	Construction	47	53
	Wholesale & Retail	31	59
	Hotels & Restaurants	31	71
	Transport & Communications	34	56
	Financial Services*	63	84
	Business Services	44	59
	Other Services	42	55
	Base (unweighted) = 100%	3,517	3,363
PUBLIC	All Public Sector Employers	73	73
	Public Administration	85	85
	Education	78	71
	Health & Social Care	68	72
	Base (unweighted) = 100%	949	946

* Caution: Based on a small number of responses.

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Some 9% of private sector employers and 12% of public sector employers reported difficulties in retaining staff. The highest level of retention difficulties in the private sector was reported in Hotels and Restaurants (16%), whereas in the public sector, 13% of employers in both Education and Health & Social Care reported this difficulty. Where an employer identified a gap between the skills of their current workforce and those needed to meet its business objectives, this is termed a skills gap. An equal proportion of both private and public sector employers (13%) reported skills gaps in their workforce. Employers in Business Services (16%) and Education (14%) reported the highest levels of skills gaps.

Table 3 presents the main findings from the new section on training. Distinction was made between off-the-job and on-the-job training[4]. A high proportion of employers across all industrial sectors organised both types of training for their staff. It is notable that in both sectors, more employers provided on-the-job training compared to off-the-job training. Within the private sector the highest level of training was provided by employers in Construction (47%, off-the-job) and Hotels and Restaurants (71%, on-the job). In the public sector the highest level of training was provided in Public Administration (85% for both off-the-job and on-the-job training).

Table 4 compares the findings from the 2002 Skills Monitoring Survey and the Survey conducted in 2000. In making comparisons between the two studies, it is appropriate to compare only the private sector findings[5]. The most notable changes between the two Surveys are the reduction in:

- the percentage of employers reporting at least one current vacancy (21% in 2000 to 14% in 2002);
- the percentage of employers who said they had at least one vacancy that was proving difficult to fill (15% in 2000 to 9% in 2002) and
- the percentage of difficult to fill vacancies that were due to external skills shortages (43% in 2000 to 38% in 2002).

The overall findings provide additional evidence that although the NI economy has performed well in the last decade, the recent slowdown since 2001 has had an impact on employers.

Table 4: Key Findings from NI Skills Monitoring Surveys

Survey	Labour Turnover	Current Vacancies %	DTF Vacancies %	External Skills Shortages %	Retention Difficulties %	Skills Gaps % NI Skills
NI Skills Monitoring Survey 2002	16	16	10	32 (of DTF)	10	13
Private Sector	17	14	9	38	9	13
Public Sector	14	24	12	19	12	13
NI Skills Monitoring Survey 2000 (Private only)	18	21	15	43 (of DTF)	7	15

4 Off-the-job training was defined as 'training that was delivered away from the immediate work position, whether at the business premises or elsewhere'. It included a variety of courses, full and part time correspondence or distance learning. On-the-job training was defined as 'training given at the desk or place where the employee usually work'.

5 The NI Skills Monitoring Survey 2000 collected data solely from the private sector.

Where are we now? – Results of the NI Skills Monitoring Survey 2002.

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Table 5: Key Findings by Occupational Group

Occupational Group	Current Vacancies %	Difficult To Fill Vacancies %	External Skills Shortages (% of Difficult to Fill Vacancies)	Retention Difficulties %
Managers & Senior Officials	3	2	56	3
Professionals	6	4	45	6
Assoc. Professionals	14	19	19	7
Administrative & Secretarial	10	7	33	11
Skilled Trades	12	17	46	18
Personal Service	10	9	18	10
Sales	13	9	23	13
Operatives	12	14	43	8
Elementary Occupations	20	19	28	23
Base (unweighted) = 100%	**4,368**	**2,566**	**668**	**767**

Table 5 provides a breakdown by major occupational group of the key findings of the Survey. For each of the measures there was considerable variation between the occupational categories. Elementary Occupations accounted for 20% of all vacancies; Associate Professional and Technical Occupations (14%); Sales and Customer Service Occupations (13%). The highest level of difficult to fill vacancies was also reported for Elementary Occupations and Associate Professionals (both 19%). In contrast, Managers and Senior Officials (56%) represent a higher proportion of difficult to fill vacancies which were considered to be due to external skills shortages. 46% of Skilled Trades Occupations, 45% of Professional Occupations; and 43% of Process, Plant and Machine Operatives were considered to be external skills shortages.

The highest levels of retention difficulties were reported for Elementary Occupations (23%) and Skilled Trades Occupations (18%).

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SKILLS SHORTAGES

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

Shown in rank order, the 25 minor SOC occupational groups in which difficult to fill vacancies due to external skills shortages were most frequently reported were:

- Cleaner, domestics
- Carpenters, joiners
- Sales and retail assistants
- Chefs, cooks
- Metal working production and maintenance fitters
- General office assistants/clerks
- Heavy good vehicle drivers
- Sales representatives
- Nurses
- Welding trades
- Waiters, waitresses
- Sewing machinists
- Bus and coach drivers
- Labourers in building and woodworking trades
- Pharmacists/ Pharmacologists
- Taxi, cab drivers and chauffeurs
- Vehicle body builders and repairers
- Bar staff
- Financial and accounting technicians
- Care assistants and home carers
- Hairdressers, barbers
- Motor mechanics, auto engineers
- Crane drivers
- Paper and wood machine operatives
- Printing machine minders and assistants.

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

A large proportion of occupations listed are at the skilled trades (intermediate) level. The remarkable expansion in Construction in recent years may account for a number of these vacancies which are considered to be due to external skills shortages – carpenters, joiners, labourers in building trades as well as welders. However, many of the occupations require relatively low skills within private service sectors such as Hotels and Restaurants and Wholesale and Retail. The fastest employment growth over the last decade has been for personal service occupations (e.g. security, hotels and catering, childcare as well as health and beauty services) which may not require a higher level of skills but a good standard of communication skills, team working skills as well as personal attributes such as attitude, motivation, etc. It should also be noted that even where a sector has been contracting there may still be a high level of replacement demand to cover staff turnover (hence the appearance of sewing machinists in the list). See Chapter 11 which presents forecasts of replacement demand at a broad occupational level.

SUMMARY

In summary the Survey identifies three groups of difficult to fill vacancies:

Where are we now? – Results of the NI Skills Monitoring Survey 2002.

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- Those vacancies requiring minimal qualifications and skills, but remain difficult to fill due to unattractive characteristics of the job e.g. long or unsocial hours or the wages offered are lower than those offered by other firms.

- Those vacancies, which are difficult to fill due to a lack of basic skills in the potential workforce. For example, employers have displayed their commitment to provision of both on-the-job and off-the-job training, however they are experiencing recruitment difficulties in selection of individuals with the basic 'work-readiness' skills upon which they can build.

- Those vacancies (usually requiring intermediate to high skill levels) in which there are not sufficient numbers of people with the relevant qualifications.

Once again the Survey provides a robust analysis of the current skill needs of NI employers. The Report presents an overview of issues connected with skills shortages, skills gaps and training from an employer's perspective. Where possible (i.e. private sector only) comparisons have been made with the Skills Monitoring Survey 2000. The Survey also sets a broad labour market context which complements the more detailed research carried out by the Priority Skills Unit.

The Survey describes a NI labour market that has 'slackened' in the past two years with a lower proportion of private sector employers reporting vacancies and recruitment difficulties. Although those employers who reported recruitment difficulties are in the minority, they are experiencing problems which they believe to have a detrimental effect on their business. Employers across sectors are consistent in reporting a lack of what might be termed 'work readiness skills'. Although the demand for higher level skills will continue to increase, rising skill needs will only be met if the majority of the workforce have a range of basic skills on which to build.

The Skills Monitoring Survey also enables us to focus on priority areas for an in-depth look at those industries which are experiencing the greatest skill shortage difficulties – conduct a skills forecasting exercise which in turn feeds into vocational, FE and HE provision.

We are currently conducting research which will compare and contrast the various Skills Monitoring Surveys conducted in the 5 'home' countries (NI, England, Scotland, Wales and RoI). As well as providing useful 'cross-country' comparisons we will also be able to copy 'best-practice' from each other and potentially harmonise content and timing to enable more accurate spatial comparisons. An article on this topic will appear in LMB No. 18.

Copies of the full Report are available from:
Research and Evaluation Branch
Department for Employment & Learning.
39-49 Adelaide Street
Belfast, BT2 8FD
Tel: 028 9025 7686/7683

Or electronically from:
www.delni.gov.uk

Where are we going? - Regional Occupational Forecasts 2002-2012

Terry Morahan, Research and Evaluation Branch, DEL

The Institute for Employment Research (IER) at the University of Warwick is one of the leading labour market research organisations in the UK. One of its specialisms is occupational forecasting. IER was commissioned by the Sector Skills Development Agency (SSDA) to update their earlier forecasts made for the Department for Education and Skills (see LMB No15 Ch12). The author is grateful to the SSDA and Dr Rob Wilson of IER for permission to quote the results – with a particular focus on NI.

For further details see SSDA .org.uk.

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

The results include:-

(i) long term changes in GDP and employment.

(ii) Labour supply and demand.

(iii) Employment change by broad industrial sector (detailed analysis, aggregated up to six sectors for presentational purposes).

(iv) The changing composition of employment – by gender and employment status (employee, self-employed) and full-time and part-time.

(v) Trends in occupational employment – at the level of nine major Standard Occupational Classification (SOC) groups and 25 SOC sub-major groups (see LMB No 14 Chapter 9 for a more detailed explanation of SOC).

(vi) Estimates of replacement demand.

The author emphases that

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

As **Table 1** shows the NI economy performed well in the decade 1992-2002 when we exceeded the national trend in GDP and especially employment terms. However, in this decade IER project growth in NI a little below national average rates.

Growth in long term GDP is around 2½% - as it has been for the last century. The UK Government is trying to increase this growth rate by examining how productivity per worker could be increased – but past efforts in this regard have met with little success. IER forecast in fact a slight decline in the rate of GDP growth!

Where are we going? - Regional Occupational Forecasts 2002-2012

Terry Morahan, Research and Evaluation Branch, DEL

Table 1: UK GDP and Employment Growth % pa: by Region 1992-2002-2012

Region	GDP		Employment	
	1992-2002	2002-2012	1992-2002	2002-2012
London	3.5	2.8	1.6	0.6
South East	3.8	3.0	1.5	0.7
East	3.6	3.0	1.2	0.7
South West	2.8	2.8	1.3	0.5
West Midlands	2.6	2.5	0.7	0.4
East Midlands	2.4	2.4	0.7	0.3
Yorks & Humber	2.2	2.3	0.5	0.4
North West	1.9	2.2	0.6	0.3
North East	1.1	1.9	-0.2	0.1
Wales	2.1	2.1	0.5	0.2
Scotland	2.0	2.1	0.5	0.1
Northern Ireland	3.0	2.4	1.8	0.3
United Kingdom	2.8	2.6	1.0	0.4

Table 2: GDP and Employment Changes by Sector* 1992-2002-2012 %pa

	Primary and Utilities		Manufacturing		Construction		Distribution and Transport		Business and Other Srevices		Non-Marketed Services	
GDP												
	1992-02	2002-12	1992-02	2002-12	1992-02	2002-12	1992-02	2002-12	1992-02	2002-12	1992-02	2002-12
NI	-0.8	1.4	1.7	1.6	-0.2	0.3	5.1	2.4	6.1	3.8	1.6	2.3
UK	-0.1	0.3	0.6	1.7	2.3	1.8	4.4	3.1	5.4	3.2	1.6	2.5
EMPLOYMENT												
NI	-2.4	-2.1	-0.3	-1.4	1.6	-1.4	3.5	0.7	4.3	1.6	1.2	0.6
UK	-3.4	-1.8	-1.4	-1.8	-0.1	-0.3	1.2	0.4	2.9	1.6	1.1	0.6

SECTOR GROWTH

As **Table 2** shows, in the past decade manufacturing employment in NI fell less than the UK average with service sector growth considerably better. In the incoming decade manufacturing employment is projected to fall at national rates with service sector growth rates similar to the national average.

Where are we going? - Regional Occupational Forecasts 2002-2012

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Table 3: Change in Population, Working Age Population, Labour Force, Activity Rate, Unemployment and Employment, 2002-2012

Region	Population (000s)	Working Age Population (000s)	Labour Force (000s)	Economic Activity Rate (%point)	Unemployment (000s)	Unemployment Rate (%point)	Employment (000s)
NI	77	54	30	-1.4	8	0.6	23
UK	2198	1831	1514	-0.3	213	0.4	1322

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

EMPLOYMENT STATUS BY GENDER

Table 4 projects that in NI there will be a substantial decline in full-time male (FT) employment offset by a large increase in part-time employment (mostly female) (NI and London having the strongest regional increases). NI is projected to have a little change in self-employment (SE) unlike the rest of the UK where there is a decline.

INDUSTRIAL CHANGES

Table 5 gives projected employment changes by broad industrial sector 2002-2012 for the UK and NI.

At a UK level, sectoral changes in employment over the period to 2012 include; projected substantial job losses in manufacturing (-638,000) and the Primary Sector and Utilities (-109,000); and major job gains in Business and Miscellaneous Services (+1,282,000) with smaller although still substantial gains in Distribution, Transport etc (+393,000) and Non-Marketed services (+453,000). Employment levels in the Construction sector show a small decline.

The projections suggest that NI will share in employment gains in Business and Miscellaneous Services (+22,000) and Non-Marketed services (+14,000) with a percentage growth rate similar to the UK average; but with employment in Distribution, Transport etc (+14,000) growing faster than the UK rate. Jobs are projected to be lost in Manufacturing (-14,000) albeit at a slower rate than the UK average. However proportionately higher losses are projected in -19%. Primary and Utilities and (-21% v –17%) and Construction) (-13% v - 3%).

Table 4: Change in Employment Status by Gender; NI:UK 2002-2012 Change in Thousands and % pa

	Males			Females			Total		
	FT	PT	SE	FT	PT	SE	FT	PT	SE
NI	-32	16	-9	4	35	10	-28	50	1
UK	-52	507	-178	332	708	4	280	1216	-174
Percentage Change pa									
NI	-1.3	2.4	-1.2	0.2	1.9	5.2	-0.7	2.1	0.1
UK	0.0	2.4	-0.7	0.5	1.1	0.0	0.2	1.4	-0.5

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Table 5: Employment Change by Broad Industrial Sector, UK:NI 2002-2012

		Primary & Utilities	Manufacturing	Construction	Distribution, Transport etc	Business & Misc Services	Non Marketed Services	All Industries
UK	Change in thousands	-109	-638	-59	393	1282	453	1322
	%change	-17	-17	-3	5	17	7	
	%change per annum	-1.8	-1.8	-0.3	0.4	1.6	0.6	
NI	Change in thousands	-7	-14	-7	14	22	14	23
	%change	-19	-13	-13	7	18	6	
	%change per annum	-2.1	-1.4	-1.4	0.7	1.6	0.6	

Table 6: Change in Total Employment by Occupation by Region, UK:NI 2002-2012

	UK			NI		
	Change in Thousands	Percent Change	Percent Change per annum	Change in Thousands	Percent Change	Percent Change per annum
Managers & Senior Officials	584	13.4	1.3	7	8.1	0.8
Professional	703	21.3	1.9	14	16.7	1.6
Associate Professional & Technical	774	18.8	1.7	16	15.8	1.5
Admin, Clerical, Secretarial	-423	-11.0	-1.2	-4	-4.6	-0.5
Skilled Trades	-541	-16.2	-1.8	-23	-22.2	-2.5
Personal Service	748	34.8	3.0	28	41.0	3.5
Sales and Customer Service	398	17.0	1.6	11	18.3	1.7
Transport & Machine Operatives	-249	-10.1	-1.1	-10	-16.6	-1.8
Elementary	-673	-19.7	-2.2	-17	-17.6	-1.9
All Occupations	1322	4.5	0.4	23	3.1	0.3

OCCUPATIONAL CHANGES

Table 6 gives projected changes by broad occupational grouping.

At a UK level the largest increases in occupational employment to 2012 are projected for Managers (+584,000), Professional (+703,000), Associate Professional and Technical Occupations (+774,000) and Personal Service Occupations (+748,000). More modest gains are expected for Sales and Customer Service Occupations, (+398,000).

Elementary occupations dominate projected job losses (-673,000) but skilled trades (-541,000) Admin clerical and secretarial (-423,000) and Transport and Machine Operatives (-249,000) show sustained declines.

In NI proportionately similar growth is expected for Professional Occupations, (+14,000), Associate Professional and Technical Occupations (+16,000) and Personal Service Occupations (+28,000). As with the rest of the UK, Skilled Trades (-23,000). Transport and Machine Operatives (-10,000) and Elementary Occupations (-17,000) are also expected to decline.

REPLACEMENT DEMAND

Even our sectors where experiencing a decline in employment, retirements etc mean that new recruits are

Note: the data detail the projected numbers in employment in each of the nine major occupational groups and therefore may be used as a guide to additional demand due to expansion (where this is projected).

The data however do not estimate 'replacement demand' where additional employees are needed to cover retirements, inter-occupational moves etc – see original document for estimates of replacement demand in this article in fig. 5.

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needed to replace those leaving.

In fact in NI all the SOC Major Groups have positive requirements for labour that is in all cases replacement demand is greater than requirements – even where total employment is declining, see **figure 5**

SUMMARY AND CONCLUSIONS

Projections strictly speaking are not forecasts but rather the extrapolation of past trends. Many "health warnings" need to be sounded. For example, no-one looking to 2002 from a 1990 vantage would have been able to envision the impact of the Internet. No-one in NI would have foreseen 9/11, SARS, Iraq - what surprise is next??

One common approach is to use a 'scenario' approach with high, medium and low forecasts to cover the possibilities with a greater degree of confidence as an article in this Bulletin illustrates (Chapter 8)

Nevertheless, the exercise is useful with a fair track record of success. No-one with any understanding of the economy would disagree, for example, that the textiles and clothing sector will lose jobs or indeed that manufacturing **employment** will decline (output will grow but productivity improvements will be greater resulting in small job losses). Or that there will be an increase in jobs requiring higher skills.

The main conclusion is that most of the increases in employment will be in higher level jobs requiring more qualifications. However there will still be job increases in some sectors which require fewer qualifications such as in personal services (eg nursing assistants, many leisure jobs) and in sales and customer services (eg shop assistants, call centre operatives). Of its nature the IER exercise cannot go into great detail in specific sectors in specific regions.

The approach we use in NI is to choose specific sectors we then go into these sectors in which are of particular importance to the economy and which because of their high skill content need long lead in training times greater depth and in a shorter (five years) timescale – see Chapter 13 in the Bulletin for more details.

It must also be pointed out that there are other economic forecasts by region in the UK – for example by Oxford Economic Forecasting (OEF) and by Experian Strategies Limited (ESL) the London-based private sector consultancy. For further details see: SSDA.org.uk - the above is only a brief summary.

Figure 1: Projected Changes for Northern Ireland for 2002 - 2012 in Unemployment, Employment, Labour Force, Working Age Population and Population

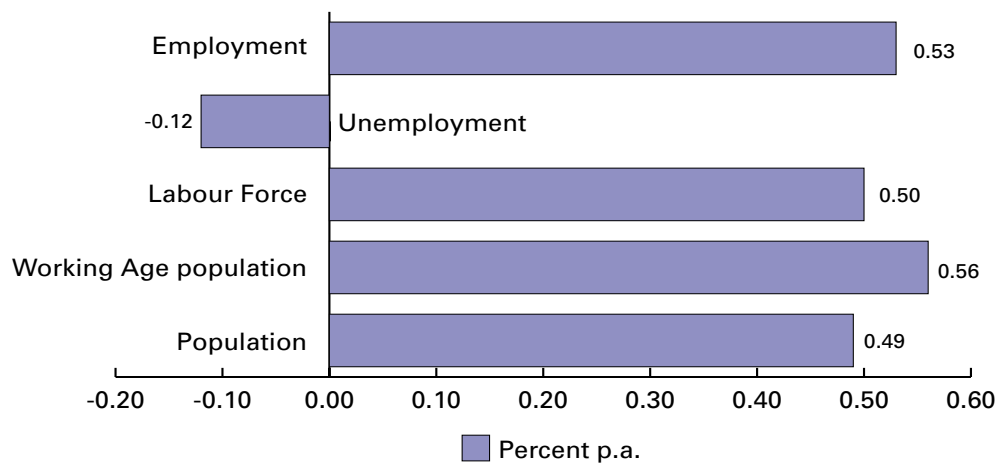

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Figure 2: Changes in Employment Status percent p.a

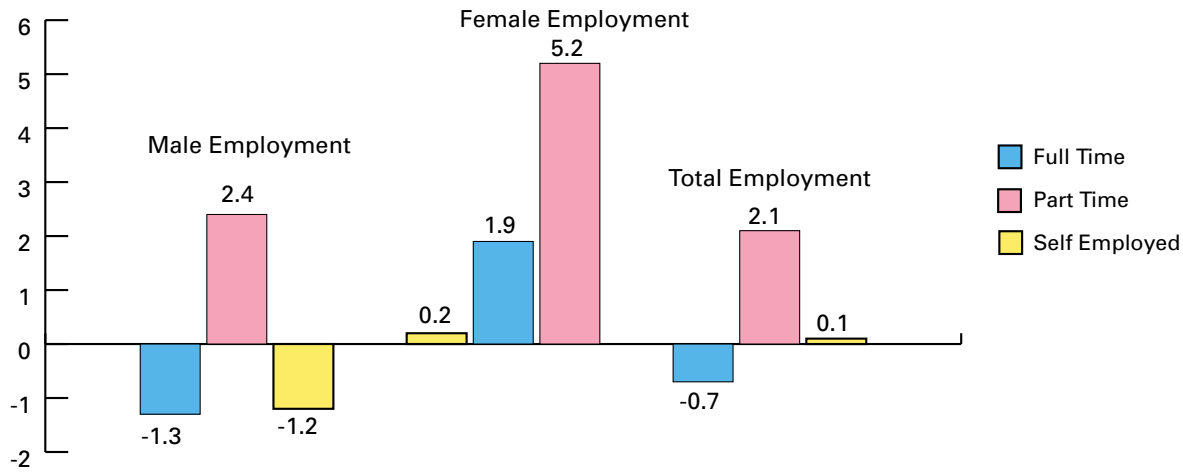
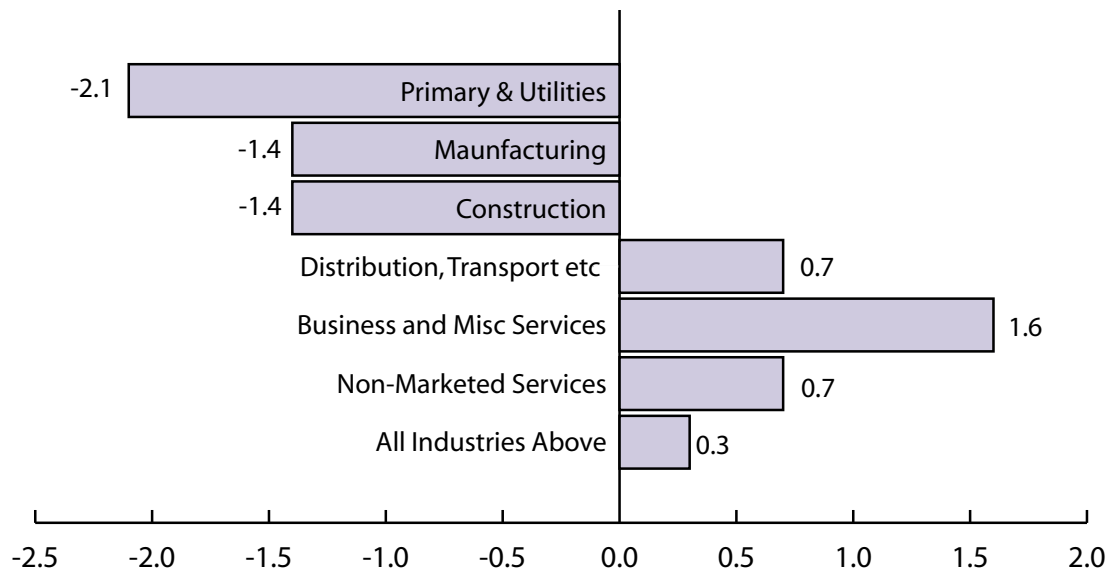


Figure 3: Employment Growth by Broad Industrial Sector percent p.a.



Where are we going? - Regional Occupational Forecasts 2002-2012

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Figure 4: Occupational Change percent p.a.

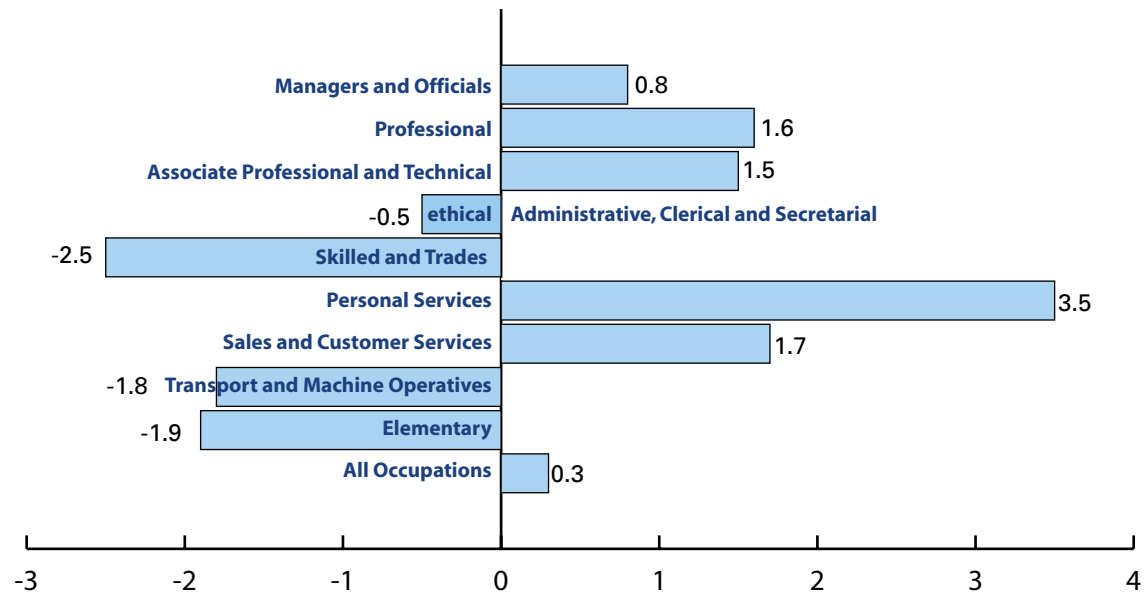
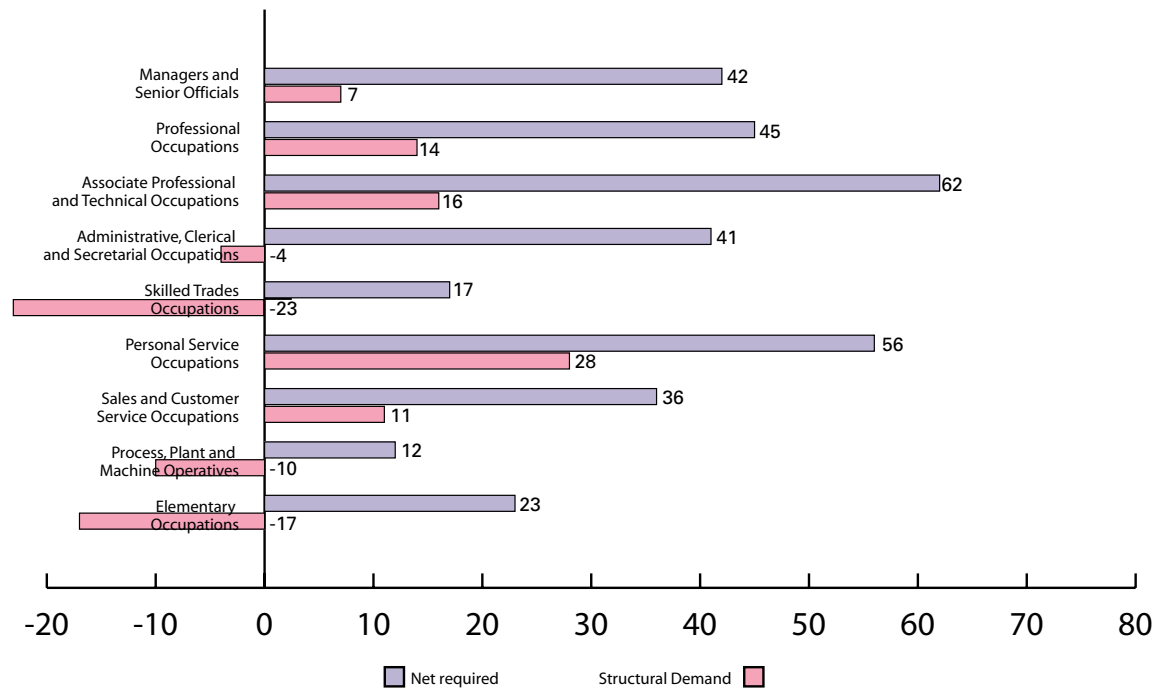


Figure 5 : Replacement Demands for Northern Ireland: All Industries



The PA/NI Skills Task Force Executive Skills Recruitment Watch

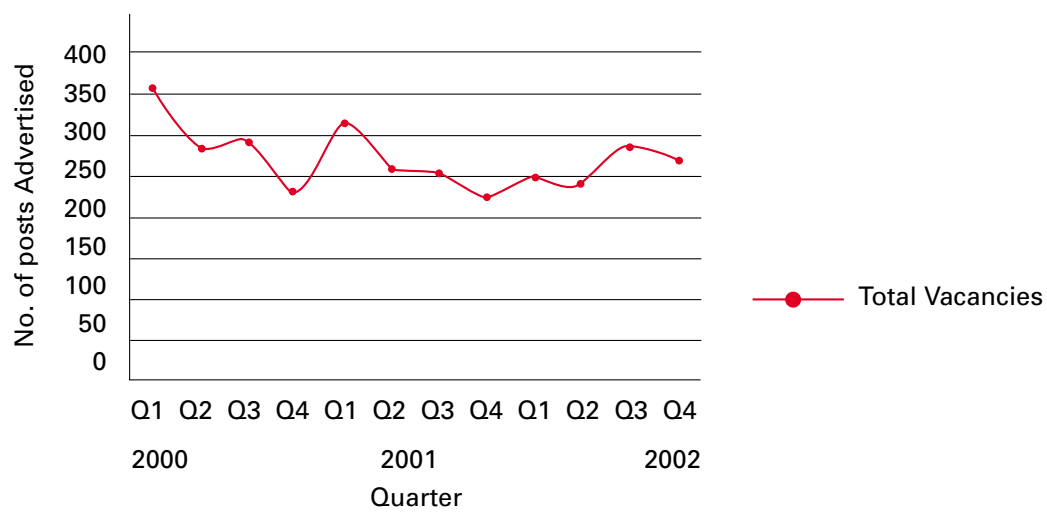
Michael McDonnell and Rachel Webb, PA Consulting Group

The Executive Skills Watch Survey, jointly undertaken by PA Consulting Group and the NI Skills Task Force, has been gathering data on the number and profile of higher level [1] private sector vacancies advertised in the Belfast Telegraph's Jobfinder for the last three years. In 2002, the Survey's remit was extended to include the public sector, in recognition of the importance of the sector as an employer in NI. This development will allow us to build over time, a better understanding of public sector executive skills, as well as allowing comparisons between public and private sector employers.

The aim of the Survey is twofold – to use the number of vacancies advertised to gauge the state of the domestic economy, and to use the type of jobs sought to track changes in the executive skills required by employers over time. Since 2000, the Survey has analysed all qualifying jobs by industry (using Government's Standard Industrial Classification) to identify the number of vacancies advertised by, for example, the Financial Services and Manufacturing sectors. Job function (using Government's Standard Occupational Classification) provides an insight into changes in the type of skills in demand. Particular trends or anomalies highlighted by this quantitative analysis are investigated and verified through a process of additional qualitative research conducted directly with a cross-section of employers.

Although the overall trend in demand for executive skills has been downward since the Survey began, the rate of decline slowed considerably in 2002. Between 2000 and 2001 the number of private sector vacancies advertised fell by almost 10% (from 1,152 to 1,043) whereas between 2001 and 2002 the total number fell to 1,038, a drop of just half a percent. Indeed, as **Figure 1** shows, the trend during 2002 was an upward one – with a greater number of positions advertised in the fourth quarter than in the first – indicating that the domestic economy appears to be recovering, albeit slowly, from the slow down in the global economy exacerbated by the events of September 11.

Figure 1: Total Private Sector Vacancies each Quarter, 2000 - 2002



1 Prior to 2002 the salary threshold for inclusion in the Survey was £20,000 per annum. This was increased to £22,000 to allow for wage inflation. The new threshold applies to private and public sector positions.

The PA/NI Skills Task Force Executive Skills Recruitment Watch

Michael McDonnell and Rachel Webb, PA Consulting Group

INDUSTRIAL SECTOR ANALYSIS

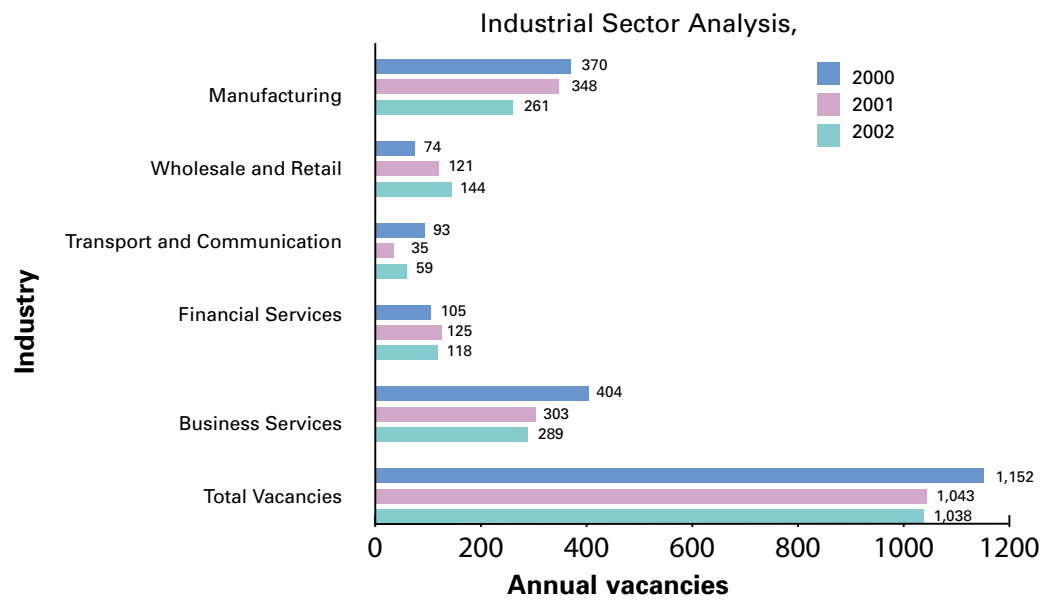
The last three years have seen a number of interesting developments in the level of demand for executive skills across different industries in NI. These changes in recruitment activity provide a useful indication of sectoral strength.

Figure 2 demonstrates that as with the first two years of the Survey, growth in recruitment in the Wholesale and Retail industries continued to dominate – the number of vacancies rose from 74 to 121 between 2000 and 2001, and increased again to 144 in 2002 – almost doubling over three years. After the dramatic decline in recruitment levels experienced by the Transport and Communication sectors between 2000 and 2001, when the number of vacancies fell by 62%, the sector showed strong signs of recovery in 2002, with the number of jobs advertised increasing from 35 to 59. This is a positive indication that the industry may have put the adverse impact of high fuel costs and complications with the launch of third generation telecoms technology behind it.

Performance in the Financial Services sector increased by almost 20% between 2000 and 2001. However, this trend reversed in 2002, when the number of positions advertised fell by almost 6%. The downturn in the local performance of this sector was of course mirrored internationally - the full impact of September 11th has taken some time to filter through to the local skills market in NI. Hopefully 2003/04 will bring signs of the sector's recovery.

The two most notable contributors to the overall decline in the private sector executive skills market since 2000 were Business Services and Manufacturing. Vacancies in Business Services (which includes the Management Consultancy, Accounting, Legal and Computing professions) fell by a quarter between 2000 and 2001 as the sector struggled to adjust to the impact of the considerable merger activity seen during the year. And although the downward trend continued through 2002 due to a number of international high-profile accounting scandals, the rate of decline slowed to a mere 5%. In looking forward, it is likely that recovery will be slow, as the industry continues to feel the impact of the

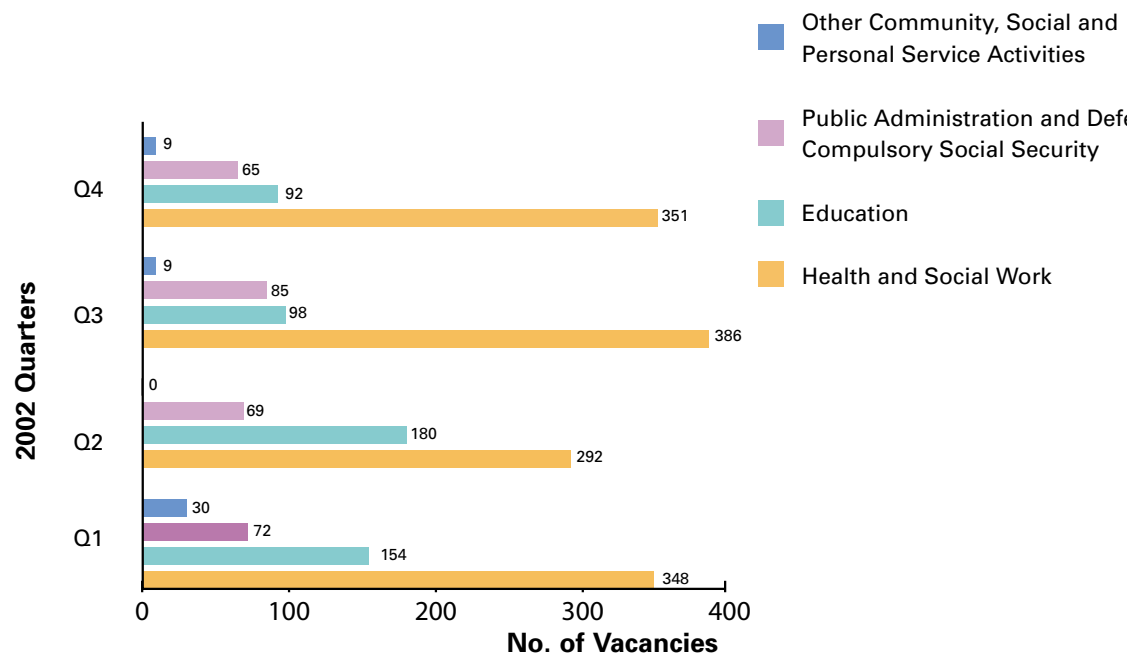
Figure 2: **Private Sector Industrial Analysis,** 2000 - 2002



The PA/NI Skills Task Force Executive Skills Recruitment Watch

Michael McDonnell and Rachel Webb, PA Consulting Group

Figure 3: Public Sector Industrial Analysis each Quarter, 2002



reduction in corporate expenditure. Manufacturing had by far the worst year in terms of recruitment in 2002. The problems experienced in 2001 - high real interest rates, an unfavourable exchange rate and downturn in the global manufacturing industry - actually got worse in 2002. The drop of nearly 6% in the number of positions advertised in 2001 was small in comparison to the 25% decrease in 2002. Large-scale job losses during the year highlighted the fact that NI manufacturers continue to operate in a challenging environment.

The expansion of the Survey to include the public sector from 2002 onwards has allowed us to provide a more complete picture of the local executive skills market.

Overall, public sector employers advertised 2,240 executive positions during 2002. **Figure 3** shows that by far the greatest level of demand came from the Health and Social Work sector, which advertised some 1,377 vacancies during 2002. The next most notable sectors are Education, which sought to fill some 524 positions, and Public Administration and Defence, which advertised 291 executive vacancies in 2002. The remaining 48 posts were accounted for by Other Community, Social and Personal Service Activities.

FUNCTIONAL AREA ANALYSIS

Analysis by functional area provides a valuable insight into the type of executive skills demanded by the private and public sectors. As would be expected, trends in demand for particular skills groups tend to mirror developments in their associated industry sectors. The number of vacancies for

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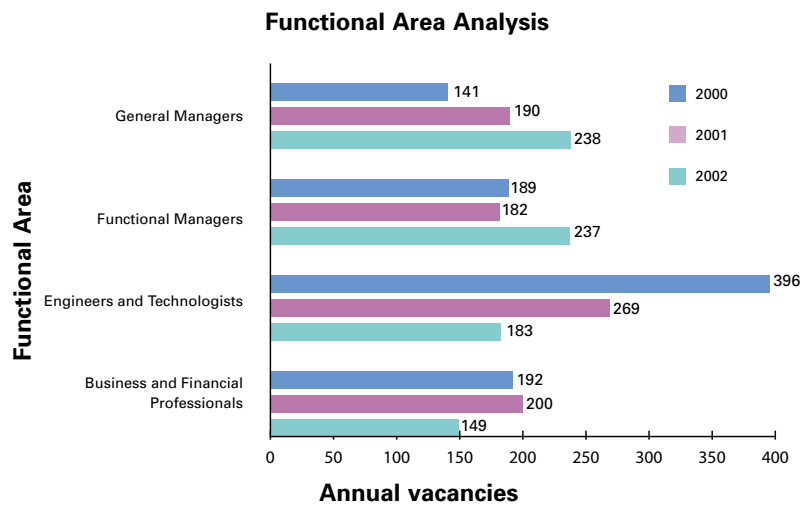
Figure 4 : Private Sector Functional Analysis, 2000 - 2002



General Managers (including Corporate Managers and Senior Officials) increased significantly, by almost 70% - see **Figure 4**. Demand for Functional Managers (HR Managers, Sales Managers and Finance Managers) also rose, by 25% overall between 2000 and 2002, despite a slight fall in 2001. Meanwhile, demand for Business and Financial Professionals (including management consultants, financial controllers, insurance underwriters and investment advisors) fell by more than 20% over the period. However, the most striking change in the last three years has been the decline in demand for Engineers and Technologists – the number of positions advertised fell by over half between 2000 and 2002. This professional group includes engineers (mechanical, civil, electrical, etc.) and information and communication technologists (software engineers, analysts and programmers) - skills which were highly sought at the beginning of the Survey. The rate of decline actually increased over the period, indicating that recovery is still some time away for high-technology employers.

The marked contrast in fortunes between specialised skills groups such as Business and Financial Professionals and Engineers and Technologists, and the more general skills groups of General and Functional Managers appears to support the argument that specialised skills are more at risk from periodic economic downturns, whilst general "management" skills are more versatile, offering employers a greater range of options and employees greater stability in a fluctuating labour market.

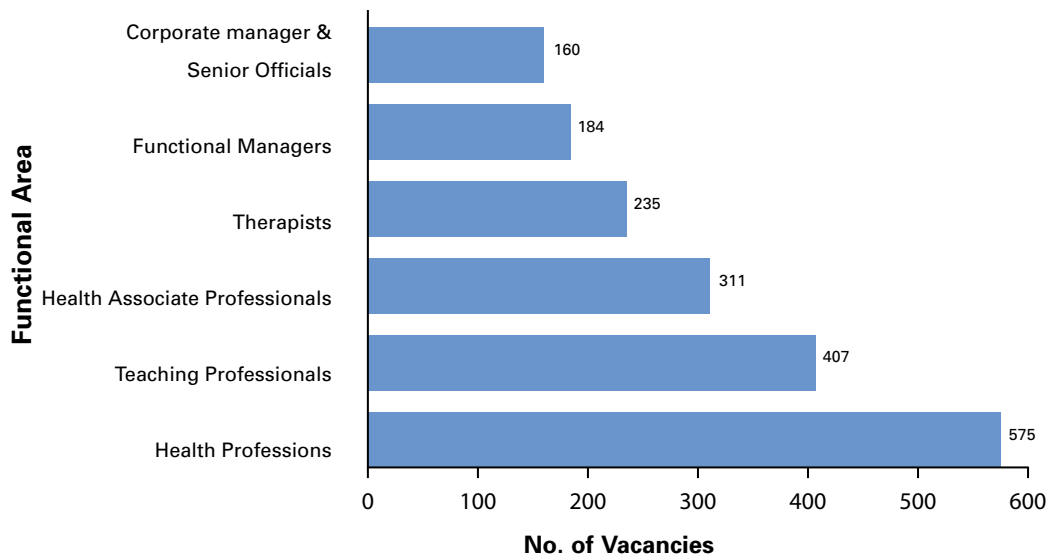
Analysis of public sector recruitment by functional area provides a clearer read-across to industry sector, as most public sector jobs are almost inextricably linked to a particular industry, for example a Physician will almost certainly work in the Health and Social Work sector. **Figure 5** confirms the position of Health and Social Work as the dominant employer, with Health Professionals, Health Associate Professionals and Therapists accounting for some 1,121 positions advertised in 2002. Teaching Professionals accounted for a further 407 jobs.

Interestingly, the public sector skills market also demands some typically private sector skills - General and Functional Managers between them accounted for 344 positions. This highlights the fact that the public sector has to compete with the private sector for certain skills.

The PA/NI Skills Task Force Executive Skills Recruitment Watch

Michael McDonnell and Rachel Webb, PA Consulting Group

Figure 5: Public Sector Functional Area Analysis 2002



THE FUTURE

The first signs from 2003 are that the private sector executive recruitment market is making a confident start, with the number of positions advertised increasing by 22% from the last quarter of 2002 to the first quarter of this year. Although private sector recruitment is typically at its strongest at the start of the year, the figures for 2003 are amongst the highest we have seen since the Executive Skills Watch Survey began in 2000. The strongest start was made by the Construction, Manufacturing and Financial Services industries – a welcome change from recent trends. The public sector made an even stronger start to the year, with the number of positions advertised rising by 30% from the last quarter of 2002 to the first quarter of 2003. This increase reverses the slow-down in public sector recruitment experienced towards the end of 2002, and is mostly due to the dramatic expansion in demand from the Education Sector, where the number of posts advertised was up by 123% on the previous quarter.

There are encouraging signs that the local executive skills market will strengthen, both for the private sector as the economy gains speed, and in the public sector due to the Government's commitment to expanding the Health and Education sectors.

IT Skills in NI: A Re-Examination of Conditions Three Years On

Seamus McGuinness & Jessica Doyle, Priority Skills Unit, NIERC

During the latter months of 2002, the Priority Skills Unit (PSU) in NIERC conducted a study aimed at determining the current state of the labour market for IT workers in NI. The work also sought to provide an assessment of the likely adequacy of supply forthcoming from the regions education and training providers over a forecast period from year end 2002 to year end 2007. The study built on earlier research conducted by the PSU at NIERC in 1999 and published in 2000. That earlier study attracted much attention and a considerable amount of criticism, from both industry bodies and local commentators; on the grounds that it's projected growth scenarios were much too pessimistic and under-estimated future demand. The accuracy of such views were also examined within the report.

INTRODUCTION AND BACKGROUND

There is a general perception that the rate of employment growth within core IT related sectors (Computer Services, Telecommunications) has slowed somewhat in recent years as a result of factors such as the world-wide crisis in the telecoms sector and the end of the dotcom boom. The data for NI reveals that the local Computer Services sector was not unaffected by recent developments influencing the level and nature of global demand for high-tech goods and services.

After grossing up for non-respondents and those firms not included within our sample, we estimate that total employment within the Computer Services sector, as of November 2002, stood at 6,977 (4,124 employed in responding firms). Despite the well documented difficulties experienced within ICT industries, at both the local and international levels, our initial findings suggest that NI Computer Services employment has continued to expand along a relatively steep trajectory implying that much of the high-tech downturn was confined to the telecommunications sector. However, it would appear that there is some difference in the relative performance of locally and externally owned firms. Our analysis suggests that whilst the level of employment in externally owned firms fell by just under a quarter between 2000 and 2002, the size of the locally owned component almost doubled [1] **(Figure 1)**. This apparently strong growth of the indigenously owned component runs contrary to the common view that growth in the Computer Services sector is heavily dependent on successful foreign direct investment (FDI).

We can assess where our estimate of current Computer Services sector employment lies relative to the forecasts generated in our 2000 study so as to gauge the adequacy of the methodological framework previously adopted. In our 2000 study we determined that sector employment was likely to lie within the 5,355 to 7,525 range by the close of 2002 with a figure of 6,238 (medium growth) the most likely outcome. Thus in terms of our model, actual employment lies between the medium and high growth scenarios (**Figure 2**) suggesting that the forecasting model adopted constituted an acceptable methodological framework for predicting employment within a sector in which data constraints preclude the use of sophisticated empirical techniques.

1 Externally owned employment was estimated for 2000 using information on IDB supported firms in SIC 72 (source NIERC), the 2002 figure was derived from our survey data with the 2001 figure interpolated using the 2000 and 2002 estimates. Locally owned employment was taken as the total industry employment less estimated externally owned employment.

IT Skills in NI: A Re-Examination of Conditions Three Years On

Seamus McGuinness & Jessica Doyle, Priority Skills Unit, NIERC

Figure 1: Estimated Breakdown of Computer Services Employment 1992-2002

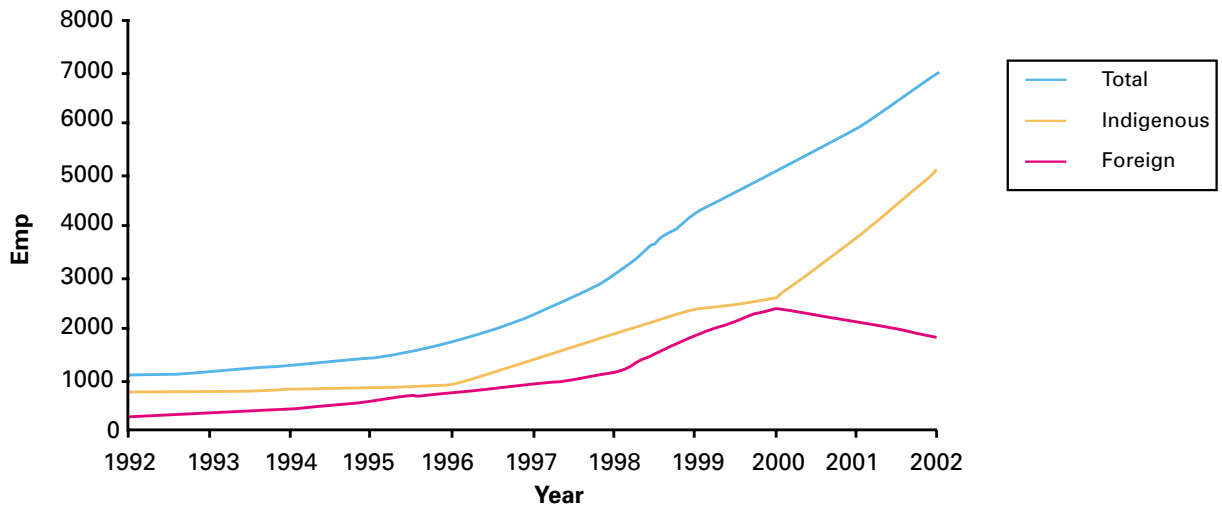
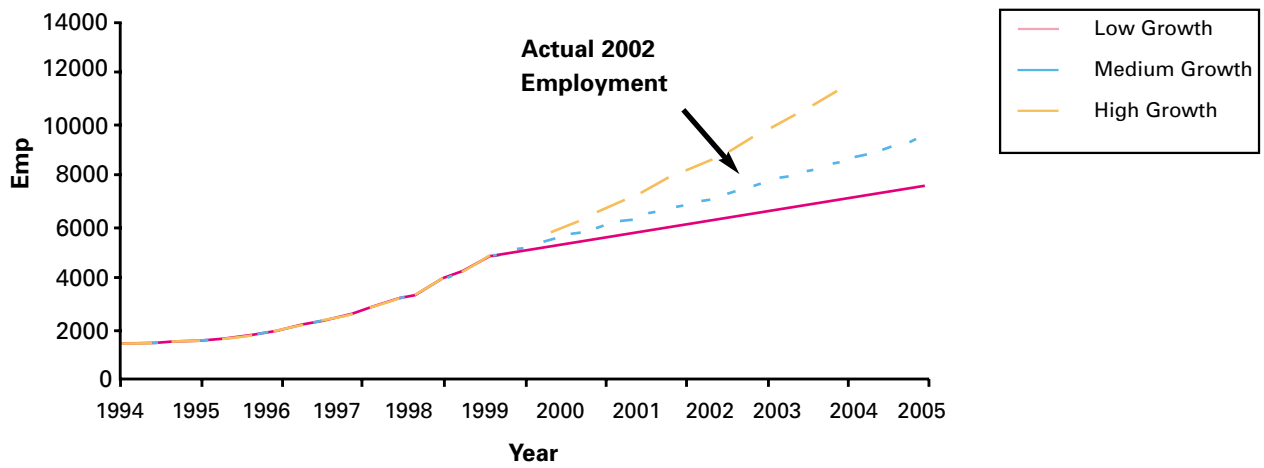


Figure 2: Forecast and Actual Employment from 2000 report



DEMAND-SIDE ISSUES – SUMMARY OF SURVEY FINDINGS

Sampling Framework

A total of 121 firms were contacted during the course of our survey, consisting of all firms employing 10 or more persons (n=70) in addition to a random sample of firms employing 10 or less (n=51). The sample was skewed towards larger firms in order to ensure the largest degree of employment coverage. A total of 77 firms employing 4,124 persons agreed to participate in our study. On the basis of the information collected, we are confident that our survey is highly representative given that it covered approximately 60 per cent of the target population.

EMPLOYMENT PROFILE

Firms were asked to provide information on the experience levels of their existing workforce in order to give a snapshot of the current composition of sector employment. Of the 4,124 workers employed within our respondent firms 3,414 (83%) were directly involved in IT i.e. operational related activities.

IT Skills in NI: A Re-Examination of Conditions Three Years On

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Technical support staff (NVQ 3, HND) account for 17 per cent of total employment, however graduates with some experience constitute the largest single occupational grouping accounting for over 37 per cent of the workforce. New graduates make up less than 10 per cent of the aggregate **(Table 3)**. The pattern is consistent with the earlier NIERC study which found firms to have a strong preference for more experienced staff when recruiting. Locally owned companies exhibited a much lower reliance on technical support level staff and a much higher dependence on graduates with some technical experience than firms in the externally owned sector (See full report).

TABLE 1: Employment Structure of Computer Services

	No. of Firms	No. of Employees	% Employees
Non-Grad Technical Support – NVQ 3	33	533	13
Non-Grad Technical Support – HNC/D	26	173	4
RAP Qualifiers	6	12	0
Graduates with no Previous Experience	45	313	8
Graduates with some Technical Experience	62	1542	37
Graduate Project Leaders	44	587	14
Project/Strategic Managers	47	254	6
Other	61	710	17
TOTAL	77	4124	100

Source: NIERC (2003) Note: Figures are subject to rounding

UNFILLED VACANCIES

Information was collected on the actual number of unfilled vacancies occurring within our sample of firms in the twelve months preceding the survey. Just four companies (5% of respondents) reported six unfilled vacancies equating to a sector wide vacancy rate of only 0.2 per cent[2] **(Table 2)**. This rate is extremely small and well below any found in previous NIERC studies (NIERC 2000, 2001 & 2002). Calculating the vacancy rates for the various occupational categories, only three of the groupings exhibited positive rates, none of which exceeded one per cent (see full report). It is worth noting that unfilled vacancies occurred only within locally owned companies, however, this is largely unsurprising as our analysis suggests that employment growth during 2002 was mostly restricted to firms in this ownership category. Making a direct comparison with the unfilled vacancy data collected during the 2000 study it is again obvious that labour market conditions within Computer Services have slackened considerably **(Table 3)**. In particular there has been a large drop-off in the unfilled vacancy rates occurring at the software developer and graduate project leader levels.

INTER-ORGANISATIONAL LABOUR FLOWS

A further measure of labour market activity and tightness within the Computer Services sector is obtained by tracking the movement of workers within each of the various occupational categories in the twelve months preceding the survey. Firms were asked to give information on the number of workers lost to competing organisations within each grouping and the geographic location of the recipient firm **(Table 4)**. Seventy eight workers moved jobs during the course of the year, graduates with some previous experience constituted over a quarter of the movers with graduates with no experience making up a further twenty per cent.

2 The unfilled vacancy rate is calculated as (unfilled vacancies/employment + unfilled vacancies)*100.

IT Skills in NI: A Re-Examination of Conditions Three Years On

Seamus McGuinness & Jessica Doyle, Priority Skills Unit, NIERC

TABLE 2: No. and Rate of Unfilled Vacancies in last 12 months

	No. of Firms	No. of Unfilled Vacancies	Total No. Employed	Vacancy Rate
Non-Grad Support	0	0	706	0
RAP Qualifiers	0	0	12	0
New Graduates	2	2	313	0.6
Grads some exp	0	0	1542	0
Project Leaders	2	3	587	0.5
Strategic Managers	1	1	254	0.4
Total	**4**	**6**	**3414**	**0.2**

Source: NIERC (2003)

However, occupational turnover rates (total number of movers expressed as a percentage of total employment within each aggregate) represent a more meaningful aggregate as it takes account of differences in the size of the various groupings. Leaving aside the turnover indicator for the RAP grouping (relatively meaningless due to the small size of the category), the highest rates of occupational turnover were recorded for the non-technical support staff (HNC/D) and new graduate categories at six and five per cent respectively. The turnover rate for the sector as a whole was recorded at two per cent for the year, half of that found in a recent study of the mechanical engineering sector (NIERC, 2002) and one sixth of that recently recorded for the electronics industry (NIERC, 2001). Whilst there are obvious problems making cross-sectoral comparisons that relate to slightly different time periods, this comparison provides yet another indication of relatively slack labour market conditions within the Computer Services sector.

Table 3 Vacancy Rates -1999 & 2002

	Firms	Employees
Non-Grad Technical Support	1.3	0
Software Developers[3]	5.7	0.1
Graduate Project Leaders	12.6	0.5
Strategic Managers	2.0	0.4
Total	**5.5**	**0.2**

Source: NIERC (2003)

RELATIVE WAGES

Wage information was collected and average salary levels calculated for the various occupational categories **(Table 5)**. The distribution of earnings ranged from £11,800 for level 3 technical support staff to £31,700 for senior managers. Comparing earnings across the two ownership categories, workers in externally-owned firms enjoy a wage advantage for most of the occupational groupings; however, the earnings gap tends to be relatively small. On the basis that large wage differentials between relatively proximate geographical regions could impact on relative labour supply, earnings information was also collected for the UK and RoI. Information was generally only available for the more senior occupational groupings. Whilst the earnings of professional graduate level staff employed within NI firms was below the UK average by between 10 and 20 per cent, the situation

3 Software Developers are Graduates and graduates with some technical experience.

Seamus McGuinness & Jessica Doyle, Priority Skills Unit, NIERC

TABLE 4: Inter-organisational Labour Flows

	Total Lost	% Within NI	% of Total Emp
Non-Grad (NVQ3)	13	62	2
Non-Grad (HNC/D)	10	60	6
RAP Qualifiers	2	100	17
Grad no exp	15	53	5
Grad with exp	21	81	1
Project managers	11	82	2
Strategic managers	6	83	2
Total	**78**	**71**	**2**

Source: NIERC (2003)

relative to the RoI was much more severe, with NI based project and strategic managers earning almost 50 per cent less than their RoI counterparts. Whilst these comparisons do not take account of cost of living differences, it is reasonable to suppose that such wage differentials could not be sustained if NI sector growth were to strengthen to the extent that significant numbers of more experienced personnel were required.

By using the data from our earlier study, it is possible to measure the growth in occupational wages over the 1999 to 2002 period, allowing us to assess the extent to which NI wage rates have converged with, or diverged from those of other regions. With the exception of non-graduate trainees, the earnings of professional level staff in NI increased over the three year period with growth most evident for project leaders and project managers, this contrasts with the situation in the UK which saw the wages of more senior level staff decline in real terms since 1999 **(Table 6)**. However, whilst the evidence suggests that the wages of more senior level staff in NI have converged somewhat to the UK average, the rate of earnings growth was well below that experienced by their counterparts in the RoI suggesting a widening of the wage gap since 1999. The mixture of negative and positive growth rates within all three regions suggests that the pattern of demand is unevenly spread across the various occupations and is more heavily concentrated within the more experienced occupational groupings.

POTENTIAL DEMAND AND SUPPLY IMBALANCES

In addition to providing an overview of general labour market conditions in the Computer Services industry, the report also assessed the adequacy of current labour supply to the entire economy emanating from educational and training institutions over a five year forecast horizon. The subsequent analysis is purely quantitative in nature, designed solely to identify any potential supply-side imbalances that might exist. Accordingly issues relating to course content and /or quality are not considered nor are the adequacy of skill levels in the current workforce (skill gaps). The adequacy of educational supply was assessed at various levels from year end 2002 to year end 2007 under high, medium and low growth scenarios.

PREDICTED FUTURE EMPLOYMENT TRAJECTORIES

Over the period 2003 to 2007 employment is predicted to expand from 6,977, to 9,344 under the low growth model, 10,516 under the medium growth model and 13,172 under the high growth model. Each scenario provides us with a range against which we can assess the adequacy of labour market supply to the Computer Services sector over the short to medium term; but they are not equally plausible. Given that a continuation of the

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TABLE 5: Salary Levels as a Percentage of the NI Average

	NI Average	NI Indigenous	NI External	UK	RoI
Non-Graduate NVQ 3	11800	-0.9	+2.7	*	*
Non-Graduate HNC/D	12468	+0.5	-1.8	*	*
RAP	14750	*	*	*	*
Graduate Trainee	16249	+0.4	-1.2	+10	*
Graduate with Technical Experience	19888	-2.0	+3.8	+8	+16
Project Leaders	26808	-0.6	+0.7	+22	+49
Project/Strategic Managers	31639	-2.9	+5.9	+20	+49

Source: NIERC (2003)

TABLE 6: % Change in Real Wages, 1999-2002 [4]

	NI	UK	RoI
Non-Graduate Trainee	-12.4	0.7	*
Graduate Trainee	1.5	5.1	*
Graduate with Technical Experience	1.9	1.2	-10.8
Project Leaders	9.2	-5.2	19.5
Project/Strategic Managers	11.9	-5.0	23.9

Source: NIERC (2003)

**For the UK and NI, 1999 wages are inflated to 2002 prices by multiplying by 1.072, and in RoI by 1.16.

growth experienced over the 1999 to 2002 period is unlikely following recent developments within the world market for IT related products, it is probably reasonable to conclude that the high growth trajectory is unlikely to be achieved. Similarly, it seems extremely unlikely that the level of world demand will contract to such an extent that employment growth reverts to the pre-boom pattern experienced during 1992 to 1996, thus ruling out the low growth path as a feasible possibility. It is more likely that demand levels over the forecast period will lie somewhere between the relatively slack conditions of 1992 to 1996 and the boom period of 1999 to 2002; thus, of the three possible growth trajectories generated by our modelling framework, the medium scenario seems the most likely.

PROJECTED IMBALANCES

By subtracting projected demand from projected supply we can calculate the likely adequacy of educational and training provision over the forecast horizon. It is unlikely that there will be shortfalls in the supply of new graduates during the 2003-2007 period; annual surpluses are projected at between 380 and 503 under the high growth model which rise to between 467 and 610 under the low growth scenario **(Figure 4)**. It is also likely that the labour market for technician level 4/HND qualifiers will be adequately catered for over the forecasting horizon, with surpluses of between 100 and 200 projected under

4 The calculations are based on wages expressed in 2002 prices.

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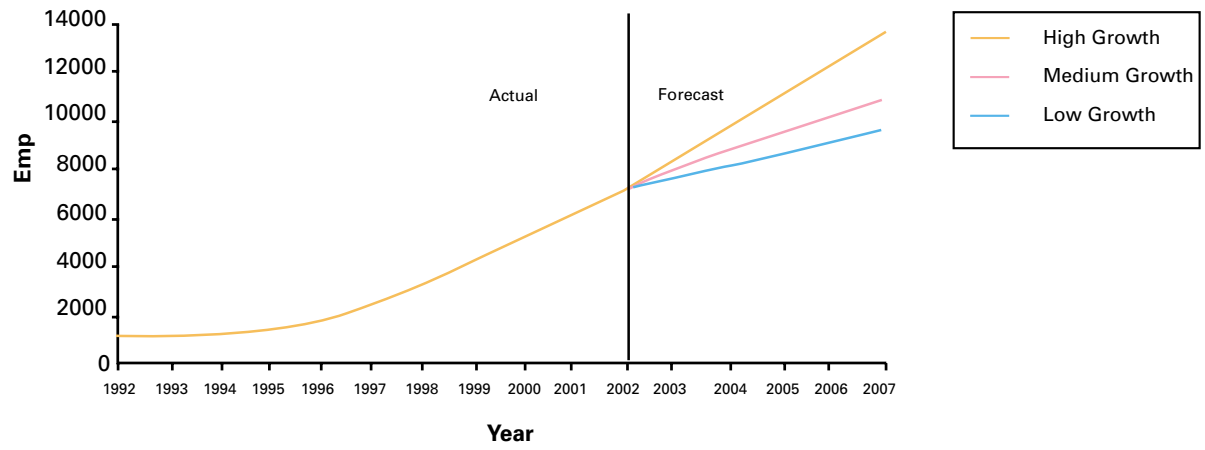
Figure 3: Actual & Forecast Employment 1992-2007



each of the forecasting scenarios **(Figure 5)**. However, problems may well arise in relation to NVQ level 3 qualifiers, with shortfalls of between 70 and 85 projected under the low growth scenario, and between 186 and 230 under the high growth model **(Figure 6)**. However, the projected difficulties in the labour market for NVQ level 3 qualifiers arise mainly due to a combination of the unusually high demand of a specific multinational company and the low completion / labour market entry rates of persons studying for NVQ level 3 qualifications. Given that the expansion in demand is largely firm specific and might prove to be relatively short-term in nature, it would appear unwise to initiate any gearing up of NVQ level 3 educational supply in the absence of further evidence of more widespread and sustained increases in demand. Finally, the labour market for RAP qualifiers is almost certain to remain in surplus over the forecast horizon.

SUMMARY AND CONCLUSIONS

Despite the recent well documented difficulties faced by firms operating in the Computer Services sector, in NI the sector has continued to expand on a relatively steep growth path. It is estimated that employment, as of December 2002, stood at 6,977 (some 36% above the official estimate), and up 2,724 (64%) on our December 1999 estimate (NIERC 2000). Our analysis suggests that the expansion of sector employment was largely a consequence of the continued growth of the locally-owned component, which more than compensated for substantial employment loss within the externally owned sector.

Just six unfilled vacancies were recorded in our sample of firms in the twelve months leading up to the survey equating to a sector-wide vacancy rate of 0.2 per cent[5] . This rate is extremely small and well below that recorded in recent studies of the Electronics and Mechanical Engineering industries (NIERC 2001, 2002). Since our 2000 study of the Computer Services sector (which recorded a vacancy rate of 5.5 per cent), labour market

5 This refers to the total number of posts left unfilled in the course of the year providing an indicator of absolute shortfall which is not to be confused with the level of recruitment activity.

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Figure 4: Graduate Supply minus Graduate Demand, 2002-2007

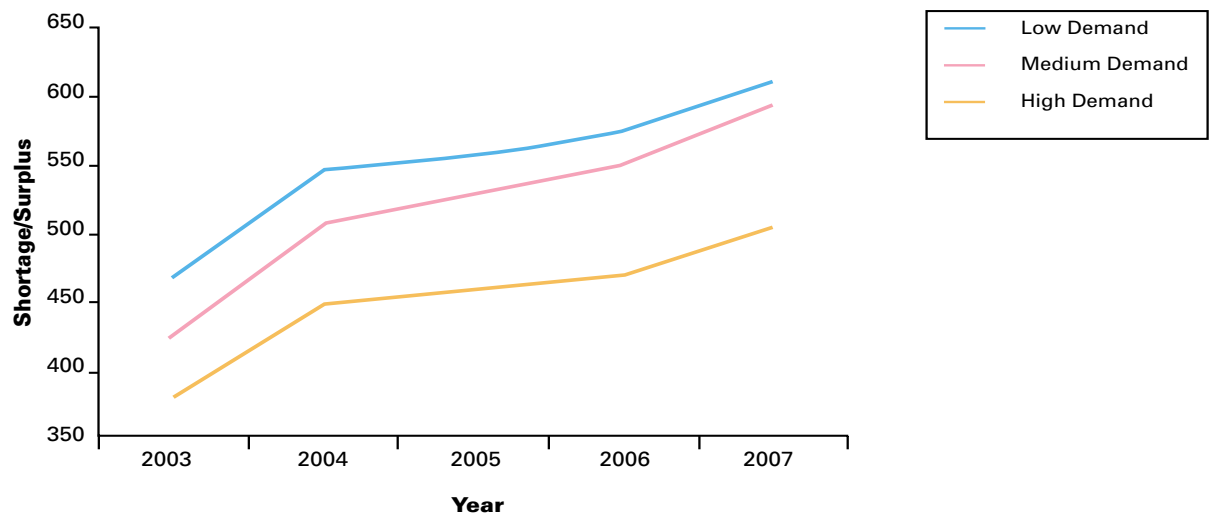
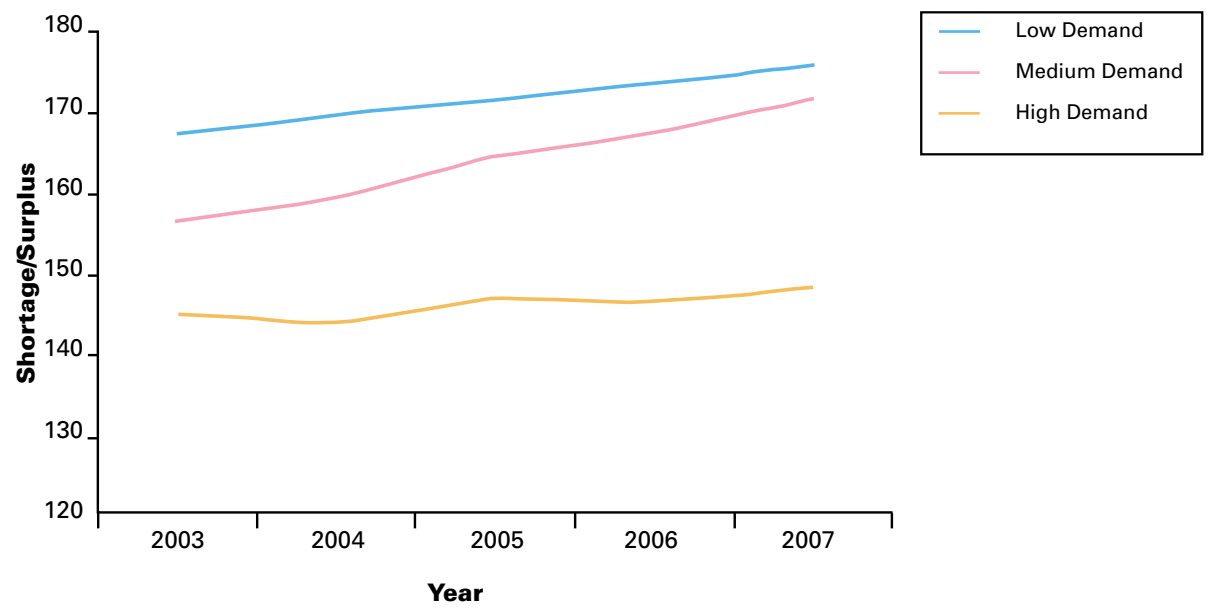


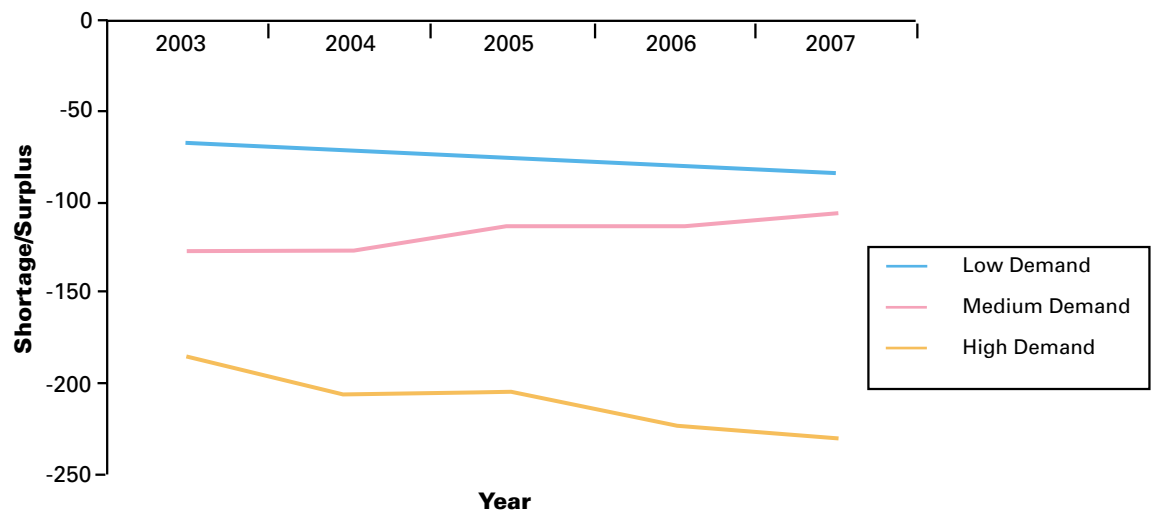
Figure 5: HND Supply minus HND Demand, 2002-2007



conditions appear to have slackened considerably. In particular there has been a large drop off in the number of unfilled vacancies occurring at the software developer and project leader grades. The relatively weak state of the Computer Services labour market was also confirmed by an extremely low sector turnover rate, indicative of a lack of labour market "poaching" and a reluctance of workers to change jobs. Despite some evidence that the earnings of more senior level staff have converged somewhat with those of their counterparts in the UK since 1999, the rate of earnings growth was well below that experienced by professional level staff in the RoI, suggesting a widening of the already substantial wage gap since 1999. Consequently, the earnings of NI based Project and Strategic managers are currently lower than those of their RoI counterparts by almost fifty per cent, this may restrict the growth of local firms should the labour market for

Seamus McGuinness & Jessica Doyle, Priority Skills Unit, NIERC

Figure 6: NVQ3 Supply minus NVQ3 demand, 2002-2007



experienced professional labour tighten once again, as in 1999.

It is unlikely that shortfalls will occur for new graduates, HND or RAP qualifiers over the 2003-2007 forecasting horizon. Shortfalls are projected to occur for persons with NVQ level 3 qualifications; however, this problem is largely due to the specific labour market requirements of a particular firm and may not represent a permanent shift in the structure of demand that might otherwise require a corresponding expansion in supply. Finally, whilst we are confident that supply to the Computer Services sector is more than adequate, it is important to note that whilst the research has made adjustments for demands occurring outside the Computer Services sector, the analysis depends heavily on the assumption that such demands have remained relatively stable since our 2000 study. Consequently, we advise that further research be conducted into the level and nature of demands for IT workers within other sectors and industries in order to ensure that the supply of NVQ3, RAP, HND and new graduates are keeping pace with developments within the wider economy.

Potential Skills Shortages and Inequalities in Educational Uptake

Ian Shuttleworth and Robert Osborne, School of Geography and School of Public Policy

Queen's University of Belfast and University of Ulster

The work of the NI Skills Taskforce (NISTF) suggests that the supply of skilled labour, particularly of graduates, could be a cause for concern with potential shortages in the priority skills areas of the IT, Mechanical Engineering and Electronic Engineering sectors. These are strategic fields for the future growth of the NI economy and it is thus important to ensure that there is a sufficient supply of graduate labour to take advantage of any economic upturn. Besides these concerns with economic *efficiency* there are also *equality* aspects since potential shortages of suitably qualified graduates could be the result of disproportionately few females and Catholics studying appropriate mathematics and 'hard science' subjects in higher education. This in turn reflects subject uptake during schooling. Historically, these differentials have been marked although there are now questions about the extent to which they have more recently been reduced.

Migration is also of key importance as a determinant of the supply of graduate labour in these sectors to the NI economy since graduates can be highly geographically mobile. Migration can be a positive development – a pool of NI born graduates located in Britain, Ireland or overseas might be a supply of experienced and qualified labour that could be induced to return. But on the negative side of the ledger, high levels of student and/or graduate out-migration could restrict the supply of local labour available to NI employers regardless of how many relevantly-qualified students are graduating. Migration also makes skill forecasting difficult in small open economies like NI because the factors that influence the supply of, and the demand for, labour often happen outside the control of local decision makers.

Reflecting these concerns the paper examines the uptake of mathematics and 'hard sciences' at GCSE and A Level with special regard to gender and religion. It then considers patterns of entry to higher education and subject uptake at degree level. It ends by looking at migration patterns before summarising the findings and attempting to draw policy conclusions.

PATTERNS AT GCSE

Tables 1 and **2** show the numbers and percentages gaining GCSE passes – taken usually at age 16 – at A*- C in Mathematics and Science in 1996 and 2001 for grammar and secondary schools and Catholic and non-Catholic schools respectively. The numbers gaining GCSE passes in these subjects at A*- C rose from around 11,100 in 1996 to about 11,800 in 2001. There are major differences in absolute numbers and percentage terms between grammar and secondary schools – the numbers gaining Mathematics and Science passes is around twice as high in grammar schools than in secondary schools although the gap narrowed slightly by 2001. The largest differences are at the 'top end' of the scale with the grammar schools far in front in the uptake of Mathematics and three Sciences. **Table 2** shows that higher numbers and percentages of those attending non-Catholic schools gain GCSE passes at A*- C Mathematics and three Sciences compared with those in Catholic schools. Comparing the data for 1996 with 2001 suggests that there is an increasing

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tendency for pupils in both sectors to pass GCSE Mathematics and two Sciences with at least a Grade C. The tables also contain information on gender. They show, for GCSE at least, that females do not appear to be less successful than males contrary to traditional assumptions made about Mathematics and Science being 'male' subjects. On the contrary, more girls than boys succeed at Mathematics and Science at GCSE as has been observed elsewhere.

PATTERNS AT A LEVEL

The patterns are very different at A Level – normally taken by 18 year olds – as is shown by **Table 3** that presents information on the numbers of pupils returning any grade in Mathematics and at least one science subject at A Level. The numbers taking Mathematics and Science have increased between 1996 and 2001 – up from just fewer than 1,700 in 1996 to just over 1,800 in 2001 – but pupils taking these subjects still remain at around 8% of those enrolled for A Levels. But noteworthy is the large numerical falloff from GCSE. It seems that many of those passing Mathematics and Science at GCSE grades A*-C do not proceed to do these subjects at A Level. Equally noteworthy is the changed gender balance as is shown by the percentages. Whereas at GCSE girls were ahead of boys in their uptake of these subjects, at A Level the pattern is reversed. Mathematics and Science A Levels remain a male preserve. Also important is the continued dominance of the grammar sector. The secondary sector produces less than 150 A Level students in Mathematics and Science per year compared with over 1,500 from the grammar sector although some pupils who were at secondary school for GCSE may have transferred to colleges of further education or to other institutions for their A Levels. Likewise the non-Catholic sector leads the Catholic sector in A Level Mathematics and Science output.

ENTERING HIGHER EDUCATION

The main source of data on entry to higher education comes from UCAS. UCAS data provide a guide to those accepted into a higher education institution. Once an individual is registered at an institution they form part of the return to HESA. **Table 4** shows the pattern of acceptances by discipline for 2001. From the table it can be seen that those entering mathematical sciences and informatics represent 9.5% of acceptances and Engineering and Technology a further 6.6%. The gendered patterns of A level subjects are reinforced in Engineering and Technology with 1.9% of women in these subjects compared with 12.3% of men. However, in mathematical sciences and informatics, the picture is less firmly male dominated. Some 5.1% of women are located in mathematical sciences and informatics (compared with 14.8% of men) and where women make up almost a third of students studying these disciplines (29.4%). Crucial for our analysis is where these individuals are recorded as studying. Students who are accepted to do these subjects are slightly more likely to study *in* NI than the general picture across all subjects. Thus, while 67.9% of the cohort of entrants in 2001 is recorded as commencing study in NI, the figure for mathematical sciences and informatics is 73.4% and for Engineering and Technology, 72.2%. There is little evidence here that there is an under-supply of places in NI in these disciplines, forcing entrants to go elsewhere.

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STUDENTS GAINING A QUALIFICATION – GENDER AND RELIGION

Females form the majority of all graduates and their share increased from 1995 to 2001. This is much in line with patterns of participation and attainment at earlier stages of the education system where females tend to do better than males and to stay longer in education. However, the picture is very different for Mathematics and Engineering. Whilst there has been an increase in the female share taking these subjects through time, women remain very much in the minority and the student body in Mathematics and Engineering clearly remains different from all students as a whole.

Data on religion are shown for 2001 in **Table 5**. Before this date information is incomplete so it is not used. The data include NI students who studied at NI institutions. Those NI students who studied in Britain are not monitored by religion and so it is impossible to say anything about the religious composition of NI students in higher education in general. Two sets of percentages are calculated, with and without the missing (the 'missing' are those who did not state a religion) as a category. Excluding the missing, Catholics are a clear majority of all students graduating from NI institutions. On the same basis, they form just under 50% of Mathematics and Engineering graduates. The precise make-up of the population depends on the composition of the missing category and a *priori* there is no way to say whether they are mainly Catholics or Protestants. However, assuming that the missing are reasonably evenly distributed between the two communities, the data on a Catholic majority graduating from NI institutions seems reliable. Indeed, it seems in accord with information from other sources – the greater tendency of Catholics than Protestants to enter higher education institutions in NI and, therefore, the flow of those going to Britain is largely Protestant. It seems reasonable to conclude, then, that there are fewer Catholics in Mathematics and Engineering than would be expected if they had the same share as in the student body as a whole. The difference between other students and those taking Mathematics and Engineering amounts to some five percentage points.

MIGRATION

A feature of higher education participation in NI is that the demand for higher education places in NI exceeds the supply of places which in terms of full-time places is controlled by DEL. As a result, many NI students leave to study mostly in the rest of the UK. Some of these students leave because they wish to leave to study elsewhere ('determined leavers') but others leave because of the shortfall of places relative to the demand, ('reluctant leavers'). There tend to be significant differences between these types of leavers. Determined leavers are more likely to be middle class, to be Protestant, to be better qualified and to go to older universities. Reluctant leavers are more likely to be drawn from both communities, to be somewhat less qualified relative to the grades sought in NI and to attend post 1992 universities. The paper therefore considers where people go to study and it also traces where people have gone for a job or further study after obtaining their qualification.

Table 5 shows the shares of students who studied in British institutions in comparison with those just in Mathematics and

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Engineering. Around a third of NI domiciled students graduate from non-NI institutions and the pattern for graduates in the subjects on which we focus is very similar. There also do not appear to be major differences through time – the proportion going to Britain remains approximately constant.

Students tend to remain in the region where they graduated and this is true for Mathematics and Engineering graduates although there are some differences between them and all students taken together. The majority of the graduates stay in NI. However, there is evidence of greater migratory movement – a higher proportion goes to Britain but there is also a relatively high share who have gone to the RoI (in some years about one-in-eight). The movement to the Republic is likely to be a reflection of the labour demands of the Celtic Tiger in the 1990s particularly in the then rapidly growing high-tech sector.

Numerically, around 1,400 NI domiciled students of Mathematics and Engineering graduated over the 1995-2001 period from British institutions, and nearly 800 studied in NI but then moved outside at first destination. But this was balanced by a return of around 300 who came back from British institutions at first destination (although nearly 1,100 of those who graduated from British institutions remained in Britain) and around 250 graduates from the Republic who had studied in NI or in Britain but who were in NI at first destination. In sum, this means that there was a net loss of between 1,400 to 1,500 Mathematics and Engineering graduates from NI between 1995 and 2001 – around 250 per year.

DISCUSSION

This overview of the NI education system as it influences the supply of numerate and technical workers qualified for skilled work in the IT and Electronic Engineering sectors identifies a number of key factors that could act to restrict this supply. In shaping the uptake of subjects at A Level and in higher education that are suitable for these jobs, the most important influence seems to be gender and school type. Females have much lower take-up of Mathematics, Science and Engineering subjects than other subjects and pupils from secondary schools are much less likely than those in grammar schools to progress in Mathematics and Science. Religion, on the other hand, although having its 'expected sign' in that Catholics have lower rates of take-up of Mathematics and Engineering subjects than Protestants in school and higher education, is less important.

Although these are general patterns that apply to a greater or lesser degree at the various stages of the education system, they do not evolve or occur in the same way. In terms of gender, females appear to be equal or ahead of males at GCSE but gender differences, where females have much lower uptake of Mathematics and Science, seem to happen at the end of post-compulsory education at A Level and are continued into higher education. The differences between grammar schools and secondary schools in contrast occur at both GCSE and at A Level and might reflect different traditions and approaches to the curriculum as variables operating at the level of the school. However, the differential could also be a function of social class – a variable that was not included in the analysis because there were no data but for which school type is

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part proxy. Within the present selective system there are major differences in Mathematics and Science uptake – reducing these and also variations by gender could boost the numbers of graduates qualified in Mathematics and Engineering as well as increasing the numbers with numerate and scientific A Levels who might be qualified for technical occupations and other professional jobs within the IT and Electronic Engineering Sectors.

Nevertheless, increasing the labour supply is only part of the story. Although couched in terms of labour and skill shortages, the data on the inter-regional migration associated with entering and leaving higher education suggests that the situation is far more complicated. The movement of NI domiciled students who have graduated from NI institutions to first destinations outside NI raises many queries about how the shortage of new graduates in Electronic Engineering occurs. The existence of labour market imperfections might be one explanation – new graduates could be unaware that there are vacancies or employers might be ineffective in recruiting them. Institutional guidance from DEL to overcome these barriers might be helpful. However, the geographical mismatch of supply and demand might not be based on misperceptions. Far deeper rooted (and insoluble) structural problems could be the cause – employers might be unable or unwilling to offer wages high enough to attract workers, or the career opportunities available in the NI industry may not give sufficient incentive to remain.

Table 1: Absolute Numbers and Percentages of Year 12 Cohort with GCSE Passes at Grades A*- C by Secondary and Grammar Schools and Gender

	1996				2001			
Subject mix	**Grammar**		**Secondary**		**Grammar**		**Secondary**	
	Number	%	Number		Number	%	Number	%
Maths and 1 science (male)	235	5.19	420		157	3.35	451	5.15
Maths and 1 science (female)	319	6.46	653		182	3.78	659	8.16
Maths and double science (male)	2319	51.20	1151		2681	57.15	1286	30.61
Maths and double science (female)	2986	60.48	1247		3022	62.76	1691	20.93
Maths and 3 sciences (male)	946	20.89	33		879	18.74	27	0.31
Maths and 3 sciences (female)	757	15.33	31		746	15.49	44	0.54
Total	**7562**		**3535**		**7667**		**4158**	

Source: DE

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Recognising that analyses and solutions limited to regions such as NI sometimes have restrictions, possible approaches to cope with matching labour supply and demand in these circumstances might be to attract older returners from outside NI or to manage labour demand on the basis that mobile skilled workers will move to where the jobs if they see that they are worth taking. Gaining skilled labour by immigration, for example, has been assessed as being beneficial to the economy of the Republic by diminishing skills shortages reducing upwards pressure on wages, complementing increases in investment, reducing inequalities in income, and in assisting the transition to a high-value added high-skill economy. In this immigration flow, the importance of returners should not be underestimated. There is a possibility that NI could emulate this pathway if the correct set of circumstances could be created.

Table 2: Absolute Number and Percentages of Year 12 Cohort with GCSE Passes at Grades A*- C by School Management Type and Gender

	1996				2001			
Subject mix – male	**RC managed**		**Other**		**RC managed**		**Other**	
	Number	%	Number	%	Number	%	Number	%
Maths and 1 science	317	4.87	337	4.81	333	5.25	275	3.87
Maths and two sciences	1626	24.96	1842	26.28	1842	29.06	2143	30.13
Maths and 3 sciences	190	2.92	789	11.26	149	2.35	757	10.64
Total	2133		2968		2324		3175	
Subject mix – female								
Maths and 1 science	533	8.50	435	6.36	442	7.26	399	5.86
Maths and two sciences	1942	30.98	2290	33.50	2183	35.87	2530	37.16
Maths and 3 sciences	176	2.81	612	8.95	140	2.30	650	9.55
Total	2651		3337		2765		3579	

Source: DE

Table 3: Numbers and Percentages (of A Level entries) Attaining A Level Qualifications in Mathematics and Science Subjects by Year and School Type

	1996				1997				2001			
	Male		**Female**		**Male**		**Female**		**Male**		**Female**	
School type	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Secondary	81	15.64	39	4.35	48	10.98	56	6.00	80	16.43	64	6.04
Grammar	918	27.73	651	16.20	976	27.15	643	15.66	996	28.65	665	16.15
Catholic	355	19.26	245	10.26	383	20.67	300	12.09	441	22.94	290	11.39
Non-Catholic	644	32.44	445	17.60	641	29.42	399	15.59	635	31.10	439	16.67

Source: DE

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Table 4: NI Domiciled Entrants to Higher Education – 2001

		Frequency	%
A	Medicine and Dentistry	377	3.2
B	Subjects allied to medicine	986	8.4
C	Biological sciences	698	6.0
D	Agriculture and related subjects	163	1.4
F	Physical sciences	407	3.5
G	Mathematical sciences and informatics	1114	9.5
H/J	Engineering and Technology	776	6.6
K	Architecture, Building and Planning	450	3.9
L/M	Social Studies	1273	10.9
N	Business and Administrative Studies	1465	12.5
P	Mass communications and documentation	263	2.3
Q/R/T	Languages and related disciplines	501	4.3
V	Humanities	347	3.0
W	Creative arts	691	5.9
X	Education	442	3.8
Y	Combined arts	303	2.6
Y	Combined Sciences	276	2.4
Y	Combined social studies	189	1.6
Y	Science combined with social studies or arts	558	4.8
Y	Social studies combined with arts	329	2.8
Z	Other general and combined studies	71	.6
	Total	11679	100.0

Source: UCAS

Table 5 Religious Composition of NI Domiciled Students Studying in NI (2001)

	Other subjects		Mathematical/ Engineering Subjects	
Protestant	36.7	42.5	38.8	46.7
RC	47.3	54.9	41.3	49.8
Other	2.2	2.6	2.9	3.5
Missing	13.8		17.0	

Source: HESA

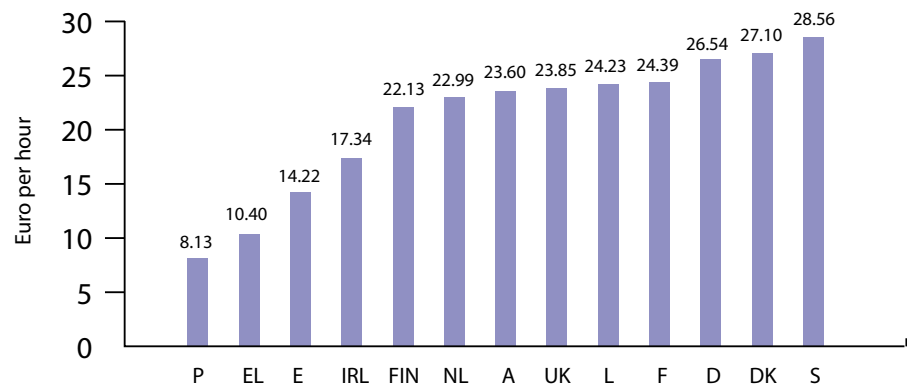
European Labour Costs Survey 2000

Clare Lyle and Anne-Marie Scullion
Statistics Research Branch, Department of Enterprise, Trade and Investment.

This article provides details of the NI results from the UK element of the most recent European Labour Costs Survey (2000) carried out every 4 years and released by ONS in March 2003. Labour costs refer to the expenditure by employers in order to employ workers and this report includes information on the structure of labour costs and NI position relative to other UK regions. This article summarises the results for (NI) and includes some EU and GB regional information for comparison purposes.

The purpose of the survey is to provide information about total labour costs and its components. In particular the non-wage elements of labour costs are not readily available from other sources. Labour costs are particularly important both as a macro-economic variable, and to employers in their assessment of overall costs.

Figure 1: Hourly Labour Costs in Industry and Services Across EU Member States



Source: Labour Costs Survey 2000, Eurostat

Figure 1 illustrates that the UK is ranked 8th in terms of hourly labour costs across the EU.

STRUCTURE OF LABOUR COSTS

Figure 2 presents total labour costs broken down into the three components, wages and salaries, employers' social contributions and other labour costs. While the structure of labour costs varies across the Member States wages and salaries account for the largest share of total costs in all countries. The other labour costs component generally accounts for a small percentage of total costs. While employers' social contributions – statutory social security contributions represent a significant element. Differences in employers' social contributions between Member States reflect the different rates of employers' contributions that apply.

Examining the structure of UK labour costs indicates that approximately 82.5% of the overall labour costs are made up of wages and salaries, while the remaining 17.5% are non-wage costs. As might be expected, in NI, the situation is very similar with 82.4% of total labour costs being made up of wages and salaries while the remaining 17.6% is accounted for by non-wage costs **(figure 3)**.

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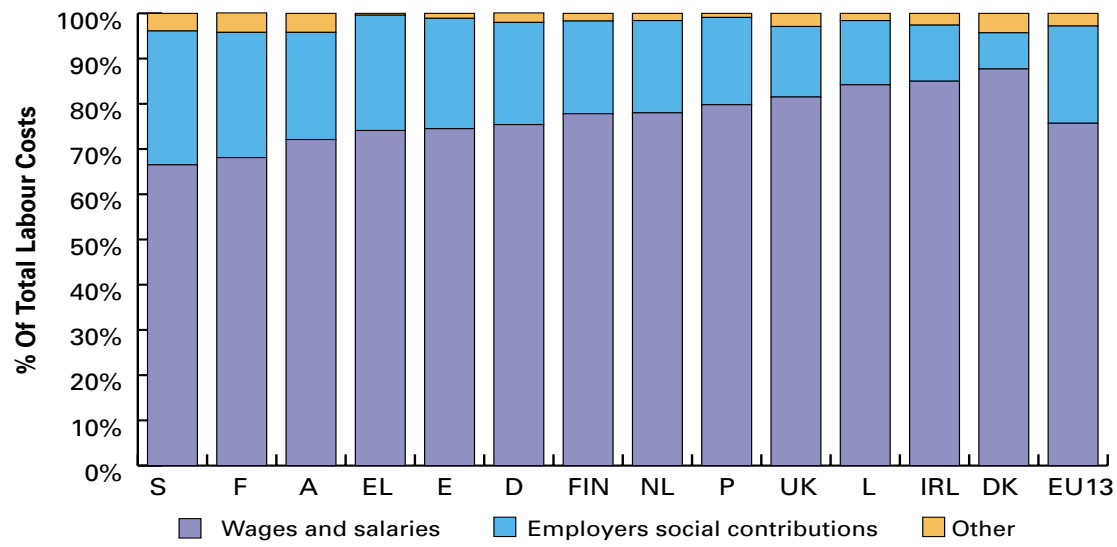
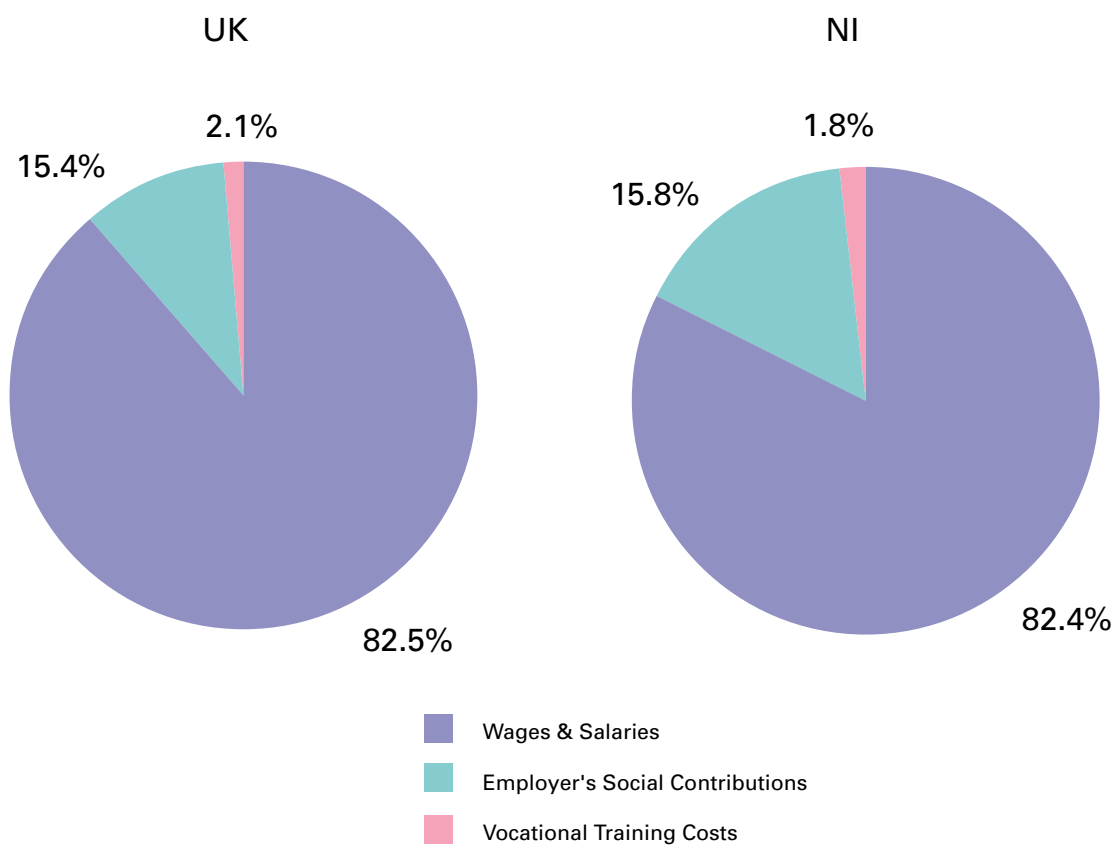
Clare Lyle and Anne-Marie Scullion
Statistics Research Branch, Department of Enterprise, Trade and Investment.

Figure 2: Structure of Total Labour Costs (%) in Industry and Services (Sections C-K)



Source: Labour Costs Survey 2000, Eurostat

Figure 3: Structure of Labour Costs NI and UK



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Statistics Research Branch, Department of Enterprise, Trade and Investment.

While wage levels may vary considerably labour costs remain quite constant across industries in both NI and the UK with respect to the share of social contributions relative to wages.
However the proportion of labour costs spent on training can vary considerably from 7.9% (NI) and 5.4% (UK) in the mining and quarrying section to 1.5% in both NI and UK in hotels and restaurants.

COST PER EMPLOYEE

The total cost per employee is calculated by dividing total labour costs by the total number of employees.

Northern Ireland has a total labour cost per employee of £19,603. (The third lowest ranking of the regions.) The total cost per employee is highest in London at £27,089, while the cost is lowest in the North East at £18,589. Overall the average for the UK as a whole is £21,707.

REGIONAL COMPARISONS – LABOUR COSTS PER HOUR

However lower labour costs per employee does not translate into lower labour costs per hour as can be seen in **figure 4**. NI is ranked 6th (lowest to highest) in terms of labour costs per hour, reflecting the lower number of hours worked in NI.

Thus other UK regions may have higher total labour costs but work more hours than NI resulting in a lower labour cost per hour **(see table 1)**. In NI total labour costs per hour were £13.09 ranked 6th (lowest to highest) across the 12 UK regions, while for the UK as a whole, the figure was £14.18 **(see figure 4)**. Total labour costs per hour were highest in London at £18.36, followed by the South East at £15.31. The North East region had the lowest total labour costs per hour at £12.00.

Figure 4: Regional Labour Costs per Hour

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Statistics Research Branch, Department of Enterprise, Trade and Investment.

Table 1: Labour Costs by UK Region 2000

Region	Total number of employees ('000)	Total labour costs £ (billions)	Hours worked by all employees (millions)	Total cost per employee	Vocational training costs per employee [1]	Total labour costs per hour (Total labour Costs/B1)
	A1		B1			
North East	617	11	956	£18,589	£380	£12.00
North West	2,146	42	3,278	£19,787	£397	£12.95
Yorkshire & the Humber	1,475	29	2,281	£19,864	£431	£12.85
East Midlands	1,124	23	1,779	£20,193	£455	£12.76
West Midlands	1,707	35	2,673	£20,765	£448	£13.26
East	4,223	90	6,507	£21,237	£462	£13.78
London	3,340	90	4,928	£27,089	£457	£18.36
South East	1,311	30	1,978	£23,098	£454	£15.31
South West	1,361	28	2,127	£20,861	£482	£13.35
Wales	624	12	961	£19,126	£385	£12.40
Scotland	1,623	33	2,475	£20,502	£447	£13.45
Northern Ireland	481	9	721	£19,603	£364	£13.09
UK	**20,032**	**435**	**30,663**	**£21,707**	**£443**	**£14.18**

1 Training cost calculation based on full time employees plus part time.

REGIONAL COMPARISONS – VOCATIONAL TRAINING COSTS

Vocational training costs per employee are calculated by dividing vocational training costs by the total numbers of full time and part time employees. (Apprentices are not included in the calculation). The region with the lowest vocational training expenditure per employee was NI with costs of £364, while the South West region had the highest vocational training expenditure per employee for 2000 at £482.

LABOUR COSTS BY INDUSTRIAL SECTOR

Labour costs per hour are generally higher for all industry groups in UK than in NI with the exceptions of K (real estate renting and business activities), N (health and social work) and O (other social community and personal service activities) where costs are higher in NI **(see figure 5)**.

In Northern Ireland the sector with the highest total labour costs per hour in 2000 was electricity, gas and water supply sector with costs of £17.35 per hour followed by real estate renting and business activity (£16.91 per hour) see table 2. The lowest total labour costs per hour were in the hotels and restaurant sector at £8.40.

European Labour Costs Survey 2000

Clare Lyle and Anne-Marie Scullion
Statistics Research Branch, Department of Enterprise, Trade and Investment.

Figure 5: Hourly Labour Costs by Industry NI and UK

Table 2: Labour Costs per Hour by Industry NI and UK

NACE*	UK	NI
H	£8.56	£8.40
G	£11.93	£11.39
N	£12.24	£12.52
M	£14.44	£12.62
I	£13.68	£12.79
C	£19.36	£12.90
C-O	**£14.18**	**£13.09**
F	£13.64	£13.24
D	£14.22	£13.36
O	£13.79	£14.97
K	£16.50	£16.91
E	£19.56	£17.35

* see note 5 for key to NACE

NOTES

1. The estimates for the UK ELCS are produced by combining information from existing sources, rather than running a dedicated survey. In nearly all European countries, surveys are carried out for the express purpose of producing ELCS results. In the UK, however, the cost and burden on businesses of running such a survey is deemed prohibitive.

2. All estimates in the results are for businesses with 10 or more employees. This is to allow comparison of the UK ELCS with those for other EU countries (in a number of these countries the data for small businesses is not available).

3. All of the data relate to labour costs of employees in the calendar year 2000.

4. A previous European Labour Costs Survey was carried out in 1996, however no regional information is available for comparison over time.

5. NACE - NACE is the Nomenclature Generale des Activities economiques dans les Communautes Europeenes and it is equivalent, at 2-digit level to the UK SIC92 (Standard Industrial Classification 1992).

*C-mining and quarrying
D- manufacturing
E- electricity, gas and water supply
F- construction
G- wholesale and retail trade
H- hotels and restaurants
I- transport, storage and communication
J- financial intermediation
K- real estate, renting and business activities
L- public administration and defence, compulsory social security
M- education
N- health and social work
O- other community, social and personal service activities

Our Non-Employment in Comparative Perspective

Michael Anyadike-Danes, NIERC

The UK's unemployment rate has been falling almost continuously for more than a decade. Between Spring 1992 and Spring 2003 the male rate roughly halved, from 12% to 6%. All the UK's regions shared in this improvement in labour market conditions and the inter-regional unemployment 'gap' – calculated as the difference in percentage points between the most prosperous and the least prosperous - narrowed significantly.

Financial support for this research from the NI Department for Employment and Learning is gratefully acknowledged. The usual disclaimer applies

In Spring 1992 the spread for males ranged from 15% at the top (NI) to 9% at the bottom (East England); by Spring 2003 the top regional rate was down to 8% (North East England) and the bottom down to 4% (again East England). Not only did the national average halve, so did the inter-regional range. Women experienced a similar improvement (but on a smaller base): nationally the rate roughly halved (from 8% to 4%), and the inter-regional range contracted too. Even against this background of solid and widespread improvement in the labour market, though, the experience of NI males stands out. In 1992 the male unemployment rate in NI was not just at the top of the regional list, it was one third larger than the national average; by 2003 it was within *one tenth of a percentage point* of the UK average. To be sure, the relative position of females has not improved, but they are still not much more than half a percentage point away from the UK average, approximately where they were a decade ago.

This paper sets out to answer the question: is the unemployment rate reliable as a summary indicator of the state of the labour market? And so it asks too (by implication): is there something more to the assessment of labour market performance which will be missing from a narrative of progress and improvement which rests solely on the path of unemployment? The answer to the first is 'no', on its own it is not a reliable summary indicator. The answer to the second is 'yes', there is something more.

As we shall see the *non*-employment rate - the proportion of the population not in employment[1] – turns out to be a much more informative indicator of labour market conditions and suggests an increased 'detachment' from the labour force of significant numbers of the working age population, particularly those in the less prosperous regions. And, as measured by relative non-employment rates, longstanding inter-regional ('north'/'south') gap in labour market performance still remains substantial. Moreover, a closer look at the non-employment data reveals a striking pattern in the incidence of non-employment for reasons of sickness and disability which has reached worrying proportions amongst both men and women in the least prosperous regions of the country. In NI, for example, around 10% of males and females of working age are not working (and not seeking work) for reasons of sickness or disability.

The rest of the paper is divided into four. The first three sections concentrate on comparisons across the UK's regions. Here we use data from the Labour Force Survey to construct a five-fold classification of the non-employed of working age by sex.

1 This rate can be computed for any age group as long as the age group in the non-employment numerator matches the age group in the population denominator.

Our Non-Employment in Comparative Perspective

Michael Anyadike-Danes, NIERC

The categories are: unemployed; in education or training; not working by reason of sickness or disability; looking after the home; and retired or inactive for other reasons. Averages from this data for the period 1995 to 2002 for the 12 (NUTS1) regions of the UK are then used to calibrate the relationship between the size and composition of non-employment.

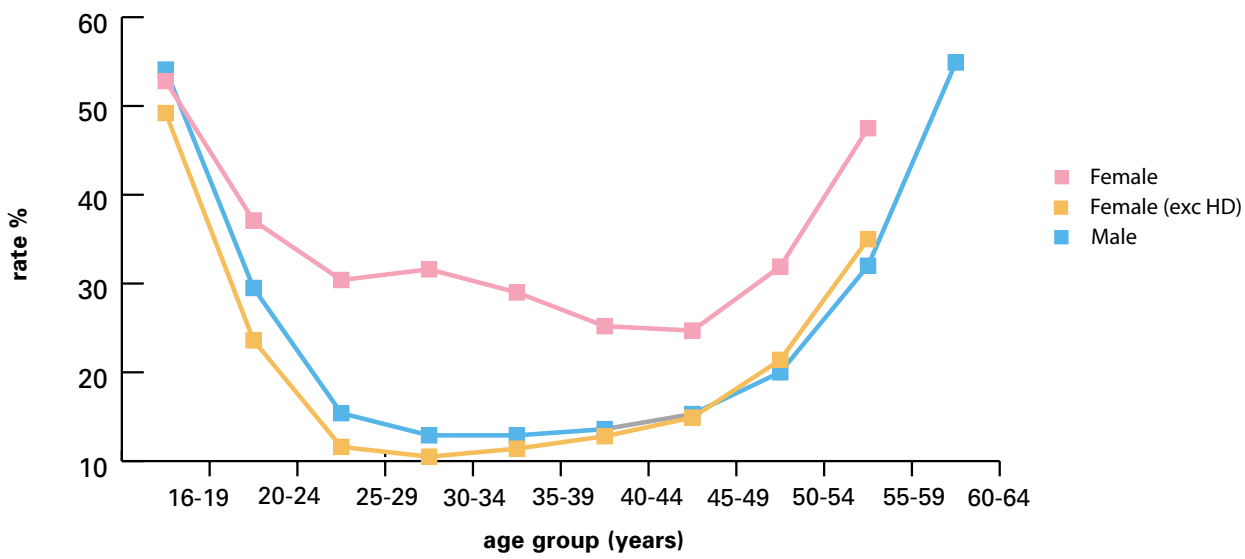
The first section sets out the basic 'facts' of regional non-employment and its composition by age and sex; the next section reports the results of the modelling of the size-composition relationship; whilst the third discusses some implications of the estimated relationships by age and sex for cross-regional comparisons, and for the incidence of non-employment due to sickness and disability. A fourth section compares data on non-employment in NI with that from the RoI.

VARIATIONS IN NON-EMPLOYMENT RATES BY AGE, SEX AND REGION ACROSS THE UK[2]

Before examining the question of the relationship between the size and composition of non-employment it is worth summarising some basic facts about UK non-employment rates[3] . First of all, the non-employment rate has a characteristic age-related shape. **Chart 1** illustrates this using regional average data for males and females recorded for five-year age groups from 16 to 59 to 55 to 59 years old[4] . The connection between non-employment and stages in the life course is obvious. In the teenage years participation in education means that the non-employment rate is relatively high, it then falls quite steeply for 20 to 24 year olds as they make the transition to work. From the 25 to 29 year old age group up to 45 to 49 is 'prime' working age, after which non-employment rises, ultimately quite steeply, as retirement approaches. It will be noted that although the female non-employment rate is always higher than the male rate, the broad pattern of change is similar. Indeed, if we exclude the proportion of females whose labour force activity is recorded as "looking after the home" (the dashed line on the chart labelled 'exc HD'), that over the 'prime' working age range, male and female rates are virtually identical.

Of course, the nature of the connection between the life course and the non-employment rate implies that the composition of non-employment will also vary with age. **Chart 2** records a plot of the female non-employment rate by age group category. We already know that for most age groups the looking after the home category is about 10 percentage points, and the

Chart 1: Male & Female Non-Employment Rate By age, ratio to population, regional average %



2 This article is an extension of research reported in last year's ***Labour Market Bulletin,*** "Why is our Employment Rate the lowest in the UK? Does it matter?" (November 2002, chapter 6, pp.47-53)

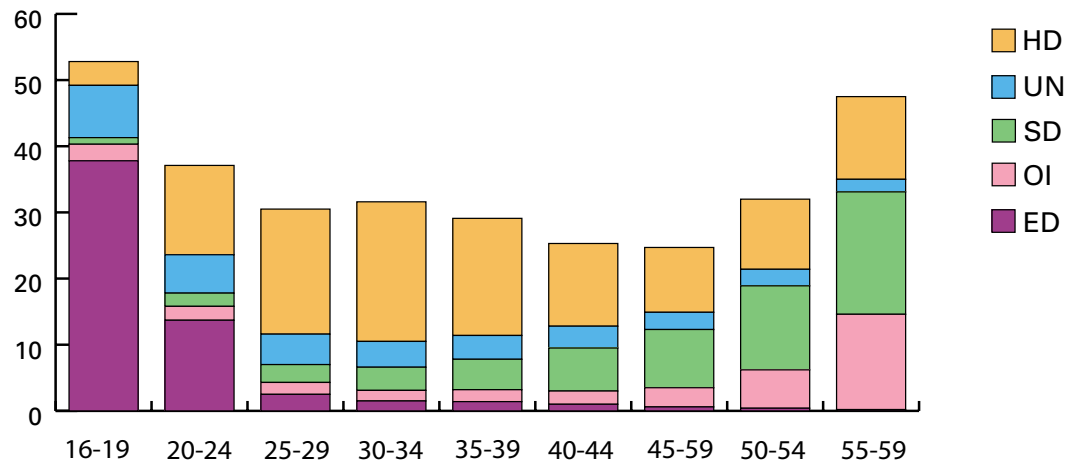
3 The sources and construction of the data used here can be found in the Appendix to M.K. Anyadike-Danes, "The Allometry of Non-Employment: What can compositional data analysis tell us about labour market performance across the UK's regions" NIERC, September 2003. The paper can be downloaded from the "Conference Papers" section of the NIERC website: **www.qub.ac.uk/nierc.**

4 In order to make the results for males more directly comparable with those of working age females (that is 16 to 59 year olds) the results reported here exclude 60 to 64 year old males.

Our Non-Employment in Comparative Perspective

Michael Anyadike-Danes, NIERC

Chart 2: Female Non-Employment Rate and its Composition, by Age, regional average, ratio to population (%)



Key: UN, unemployed; ED, education and training; SD, sick/disabled; HD, looking after the home; OI, other inactive (mainly retired); NEM, non-employed.
Note: Working age 16 to 59 years for both males and females.

importance of education for the younger age groups and retirement (the largest component of 'other inactive') has also been mentioned. What is new, and most striking, is the remarkable growth, over the prime working age groups, in the sick/disabled rate. For 30 to 34 year olds the rate is 3.5%, for 45 to 49 year olds it has more than doubled to 8%, and for the 55 to 59 year olds, the last pre-retirement age group, it is more than five times larger, with the rate standing at just over 18%. By contrast, the unemployed rate[5] is small and relatively constant (over the prime age range always less than 5%). The corresponding data on the composition of male non-employment display much the same features. Of course the 'looking-after-the-home' category is tiny, but otherwise the pattern is very similar and, in particular, the size and rate of growth of the sick/disabled rate is almost identical, whilst the unemployed rate remains close to 5% for all prime age males.

Chart 3 completes the background. It displays a scatter by region of working age female rates against rates for males aged 16 to 59. Two important features of the data stand out. First, there is a wide inter-regional range – almost 15 percentage points separate rates in the most prosperous parts of the 'south' (South East and East England) from those in the most disadvantaged, extreme 'north' (North East England and NI). Second, although (as we saw) non-employment rates differ quite substantially by sex, the female/male differential of about 12 percentage points seems not to vary much between regions. Indeed, if we again exclude the proportion looking after the home, we find that the 'gap' virtually disappears for the ten regions in the (male) 15% to 25% range, and for the extreme 'north' female rates are actually lower by five percentage points.

THE RELATIONSHIP BETWEEN SIZE AND COMPOSITION

The regional average figures for non-employment and its composition vary systematically, and in an intuitively plausibly way, by sex and age. However, these regional averages are not the principal concern here. Rather we are seeking to determine the nature and extent of the connection between the composition of non-employment and working age *regional* non-employment rates.

We have already seen the size of the inter-*regional* range in non-employment rates, we wish to see whether we can detect significant effects of this variation on the composition of non-employment. The raw data

5 This is not the conventional unemployment rate since the denominator here is population, not (as in the ILO case) the labour force.

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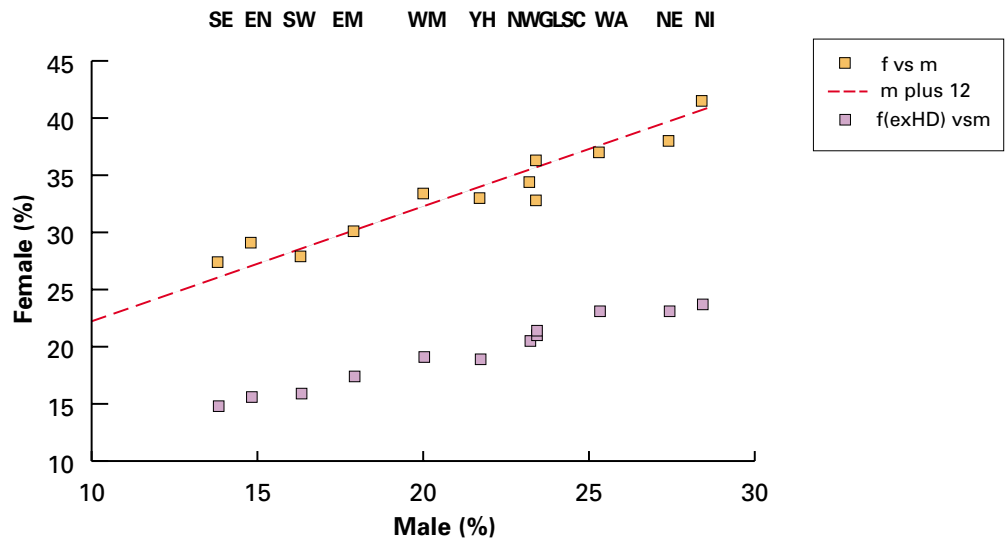
Chart 3: Male & Female Non-Employment Rates by Region, Working Age Female vs Male (16-59yrs), ratio to population %



itself is suggestive. **Table 1** displays non-employment rates for working age female and males aged 16 to 59 years for two regions, one at either end of the 'spectrum' of regional prosperity; the South East of England (SE) and NI. For both sexes the south/north differential is around 15 percentage points; and we can also see that,

- The unemployed rate for NI males is larger than for SE (but the differential is small relative to non-employment); female rates are roughly the same
- The education rate is higher in NI than in SE (male/female rates similar within regions)
- The sick/disabled rate is higher in NI than in SE (male/female rates similar within regions)
- The looking-after-the-home rate for NI females is about 5 percentage points larger than for SE females
- SE female other inactive rate at 4% is twice as large as the others.

Simply put, the objective here is to determine the extent to which these measured inter-regional differences in the component rates making up the overall non-employment rate – that is the composition of non-employment - can be accounted for by the differences in the size of the non-employment rate itself.

The technical details of the modelling exercise can be found elsewhere[6] , here we will focus just on the results. **Chart 4** displays an illustrative projected composition of male non-employment for the oldest five age groups, and **Chart 5** the corresponding projections for females in age groups from 40 to 44 up to 55 to 59. The HIGH and LOW projections recorded here represent the regional 'extremes'. They are calculated by substituting into the estimated model for each age group the corresponding regional maximum and minimum non-employment rate (either NE England or NI is the maximum, one of the three regions of southern England (SE, East, SW) is the minimum.

6 For a discussion see M.K. Anyadike-Danes, "The Allometry of Non-Employment: What can compositional data analysis tell us about labour market performance across the UK's regions" NIERC, September 2003. The paper can be downloaded from the "Conference Papers" section of the NIERC website: www.qub.ac.uk/nierc.

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Table 1: Non-Employment of Working Age Population and its Composition by Sex, South East England and NI, ratio to population %

	Male			Female		
	SE	NI	Difference	SE	NI	Difference
UN	4.3	7.9	3.6	3.2	3.4	0.2
ED	4.3	9.1	4.8	4.1	9.3	5.2
SD	2.9	8.3	5.4	3.5	8.6	5.1
HD	0.5	1.3	0.8	12.6	17.8	5.2
OI	1.7	1.9	0.2	4.0	2.4	-1.6
NEM	13.7	28.5	14.8	27.4	41.5	14.1

Key: UN, unemployed; ED, education and training; SD, sick/disabled; HD, looking after the home; OI, other inactive (mainly retired); NEM, non-employed.
Note: Working age 16 to 59 years for both males and females.

We can see a similar, quite clear cut, pattern in both charts. Taking males first, the LOW projection shows the sick/disabled share relatively constant across the age groups, whilst the other inactive (essentially retired) share expands by a factor of five (from 10% to 50%) at the 'expense' of the unemployed share. The other inactive share expands in the HIGH projection too, but much less dramatically. Instead it is the sick/disabled share which undergoes the most striking change (and from a share for 40 to 44 year olds which is already larger) with again the unemployed share contracting across the age groups. It is worth emphasising here that these are projected shares of very different sized non-employment rates: for most of these age groups there is a 20 percentage point difference between the regional maximum and minimum. We will return in the next section to examine the implication of projected shares for inter-regional variations in sick/disabled rates.

The picture for females from the projections recorded in **Chart 5** is similar to that for males. Again the sick/disabled share in the LOW projection is relatively small and constant, again the other inactive share expands steadily with age, but here it is not just the unemployed share which contracts, the looking-after-the-home share does too. The HIGH projection corresponds with that for males in the same way. The sick/disabled share is relatively large and expands with age and the (relatively smaller) other inactive share

Chart 4: Projected Composition of male Non-Employment by Age, High, & Low, stacked shares (%)

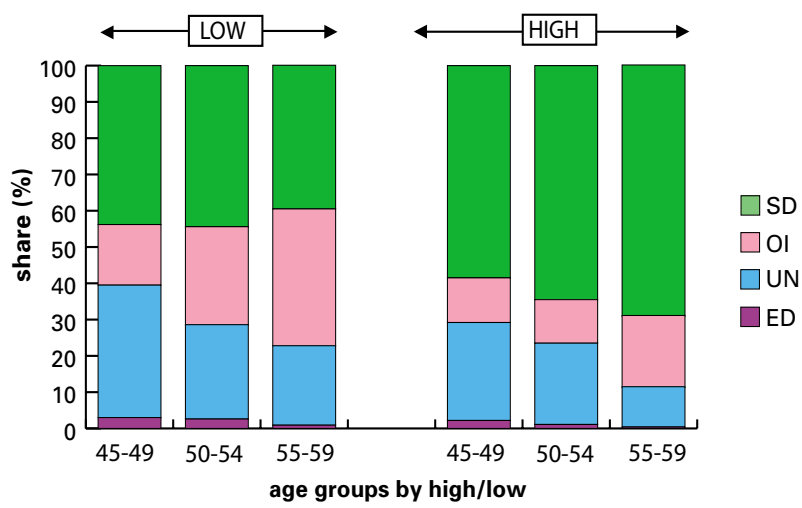
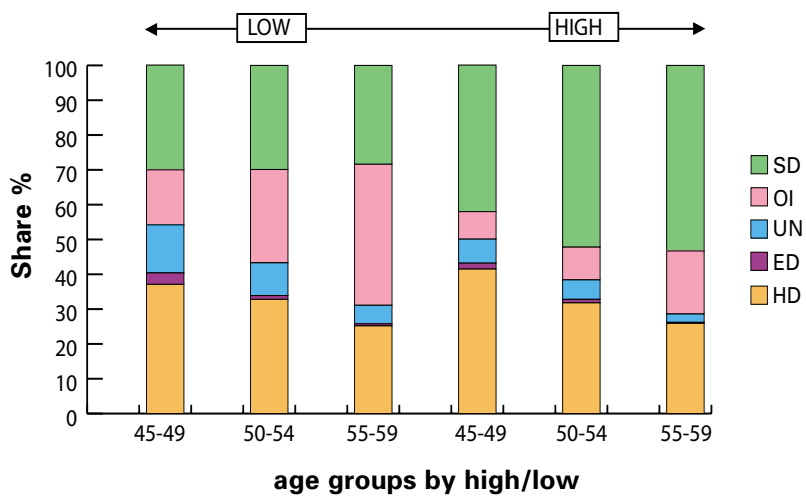


Chart 5: Projected Composition of female Non-Employment by Age, & Type High & Low, stacked shares (%)



expands with age too. Again it is the unemployed share and the looking-after-the-home share which contract.

PROJECTED NON-EMPLOYMENT RATES

We can also use the model to construct a decomposition which reveals the contribution of the 'north'/'south' difference in non-employment rates to the 'north'/'south' difference in the composition of non-employment and so to shed some light on the differences we saw earlier between the SE and NI. The first two columns of **Table 2** (in both panels (a) and (b)) record the simple transformation of the shares projected by the estimated coefficients for working age non-employed into rates using the pair of non-employment rates, the HIGH rate (NI) and the LOW rate (SE). The difference between the two cases (recorded in the third column) can then be divided into two: a 'scale' effect (the HIGH/LOW difference if composition were independent of size); and the 'size' effect itself.

For the working age group as a whole, the most striking feature of the contrast is the large size effect on the difference in sick/disabled rates. The difference in sick/disabled rates accounts for roughly half the HIGH/LOW difference for both males and females, and of that difference between half (male) and two thirds (female) is accounted for by 'size' effects. And, for both males and females, the largest negative, 'offsetting', size effect is the other inactive (mainly retired) component of non-employment (and, in the case of females, looking after the home).

Another feature of the table worth noting is what it tells us about the unemployed rate - for both males and females the 'size' effect is negative (and in the case of females, it is large relative to the 'scale' effect). Evidently then, taking the working age population as a whole this provides direct evidence that in regions where the non-employment rate is high the unemployment rate may well understate the extent of labour market slack, ***and do so quite systematically.***

However, since it is the contrast in the sick/disabled category between the 'LOW' and 'HIGH' cases which is so striking, and so uniform for males and females, it is worth digging a little deeper. **Table 3** records data on the projected sick/disabled rate by sex and age group for the two cases. Not only do the projected rates rise almost monotonically by age (the rates for 25 to 29 year old females are the only outliers) but, more significantly, so does the difference between them. Up to the mid-30s for females and late-30s for males the difference is relatively modest, less than 5 percentage points, in striking contrast for 55 to 59 year olds the gap is four

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times larger at 20 percentage points. Indeed, for every age group over 30 for females and over 40 for males the rate in the 'HIGH' ('north') case is three times as large as the rate in the 'LOW' ('south') case. Clearly there is a remarkable parallel between the sickness/disability rates of males and females: not only do regional average sick/disabled rates for men and women grow in parallel with age, so does the difference between 'HIGH' and 'LOW' case regions.

A CROSS-BORDER COMPARISON[7]

Unemployment rates have fallen dramatically in the RoI over the period of the "Celtic Tiger" boom, and the non-employment rate has fallen. What is not widely appreciated is that, nonetheless, the non-employment rate in the RoI has only just reached NI levels and so, by implication, is still well above the UK average. Here, then, we will compare the composition of non-employment North and South to see what further light might be shed on the paradox of low unemployment rates and low non-employment rates, side by side. Again we use data from labour force survey enquiries since they use broadly similar definitions North and South. As we can see from **Chart 6**

Table 2: Projected Components of Working Age Non-Employment, 'North'/South' Differences with Scale/Size Decomposition, ratio to population (%)

(a) Male	LOW 'South' (13.5%)	HIGH 'North' (28.5%)	Difference	Scale Effect	Size Effect
UN	4.3	8.7	4.4	4.8	-0.4
ED	3.9	7.2	3.3	4.3	-1.0
SD	3.1	9.5	6.4	3.4	3.0
OI	2.3	3.2	0.9	2.6	-1.7
NEM	13.5	28.5	15.0	15.0	0.0

(b) Female	LOW 'South' (27.5%)	HIGH 'North' (41.5%)	Difference	Scale Effect	Size Effect
UN	3.4	4.3	0.9	1.7	-0.8
ED	4.0	7.7	3.7	2.0	1.7
SD	4.1	10.3	6.2	2.1	4.1
HD	11.9	16.2	4.5	6.1	-1.8
OI	4.0	3.0	-1.0	2.0	-3.0
NEM	27.5	41.5	14.0	14.0	0.0

Key: UN, unemployed; ED, education and training; SD, sick/disabled; HD, looking after the home; OI, other inactive (mainly retired); NEM, non-employed.

Notes:
1. Working age is 16 to 59 years for both males and females.
2. OI for males includes HD.
3. The projected rates for 'LOW' and 'HIGH' are calculated from the estimated coefficients of the model.
4. The 'Scale' effect is calculated by multiplying the rates from the LOW column by the ratio [(HIGH NEM/LOW NEM)-1]. The 'Size' effect is 'Difference' less 'Scale'.
5. Columns may not add due to rounding.

Table 3: Projected Male and Female Sick/Disabled Rates by Age, 'HIGH'/'LOW' Comparisons, ratio to population (%)

	Male			Female		
	'LOW'	'HIGH'	difference	'LOW'	'HIGH'	difference
16-19	0.6	1.9	1.3	0.8	1.4	0.6
20-24	1.6	2.7	1.1	2.3	3.2	0.9
25-29	1.9	4.3	2.4	6.9	9.6	2.7
30-34	2.0	5.3	3.3	2.0	6.1	4.1
35-39	2.6	6.5	3.9	2.4	9.3	6.9
40-44	2.8	9.5	6.7	3.8	11.9	8.1
45-49	3.5	12.6	9.1	5.5	14.3	8.8
50-54	5.2	18.8	13.6	7.3	22.5	15.2
55-59	8.2	30.6	22.4	10.7	30.8	20.1

Note:
The rates for 'LOW' and 'HIGH' are calculated for each age group from the estimated coefficients of the model using the regional minimum and maximum non-employment rates.

7 For a discussion of data sources and their construction see the Appendix to Michael Anyadike-Danes, "Border Effects in the Labour Market: Non-Employment North and South" NIERC, September 2003. The paper can be downloaded from the "Conference Papers" section of the NIERC website: **www.qub.ac.uk/nierc.**

8 The term "working age" in this section is defined here to mean 16 to 64 years for males and 16 to 59 years for females and the data has been adjusted accordingly.

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Chart 6: Male Non-Employment rates by age, RoI & NI, ratio to population, period averages

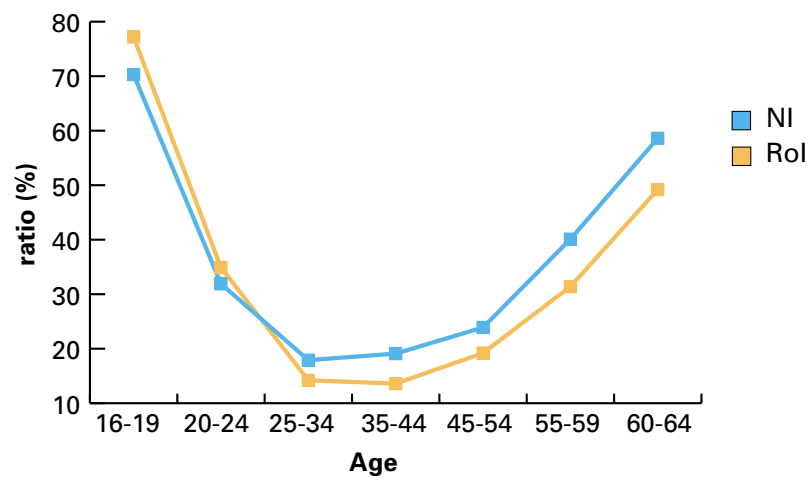
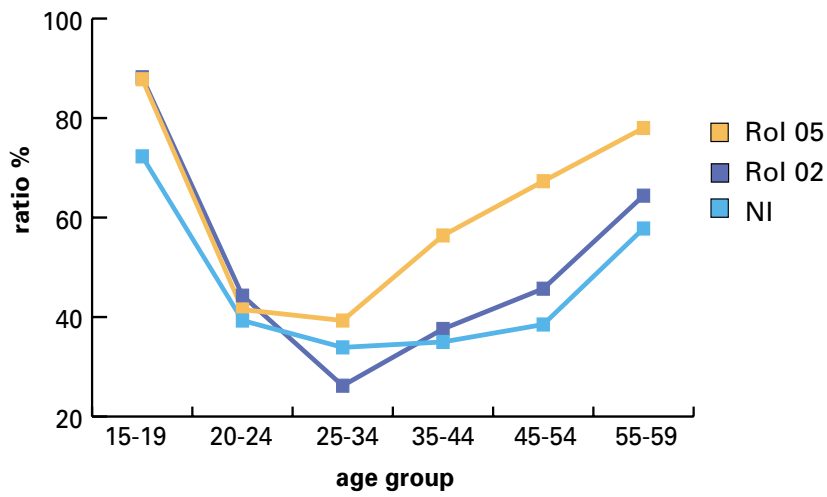


Chart 7: Female Non-Employment rates by age, RoI, 1995&2002, NI period average, ratio to population



the distribution of male non-employment rates by age in NI and RoI averaged over recent years appear quite similar. The rate in the South at the 'young' end is a little higher, and a little lower after the mid-20s; but overall the figure for the male working age group as a whole (16 to 64 years)[8] for NI at 31.4% is only marginally higher than the 28.2% figure recorded for the RoI.

The parallel description for females is a little more complex because the female rate for the RoI, unlike that for NI, has shown a strong and systematic trend in recent years so the period average for the RoI is a little misleading. To simplify matters here (the trends will be displayed in more detail a little later) **Chart 7** has the period average for NI and RoI observations for 1995 and 2002. In the RoI there is a downward shift for each of the post-25 year old age groups of between 10 and 20 percentage points. Notice, though, that by 2002 the rates for most age groups are close to NI levels (and for 25-34 year olds, below the NI figure). By 2002 the female working age (16 to 59) non-employment rate in RoI was 44.6%, just less than three percentage points higher than the NI period average of 42%. Indeed a more detailed examination of the trends for females in the RoI revealed that the rates for 16 to 19 and 20 to 24 year olds are virtually constant; by contrast, the older age groups exhibit a steep, but quite smooth, decline of between two and three percentage points a year.

Whilst the overall shape of the age distributions of the male non-employment rate in NI and RoI are quite similar to one another, and the age distribution of female rates North and South are quite similar to one another too (gender effects are larger than border effects), these gross similarities conceal important differences in the composition of non-employment. Let us take

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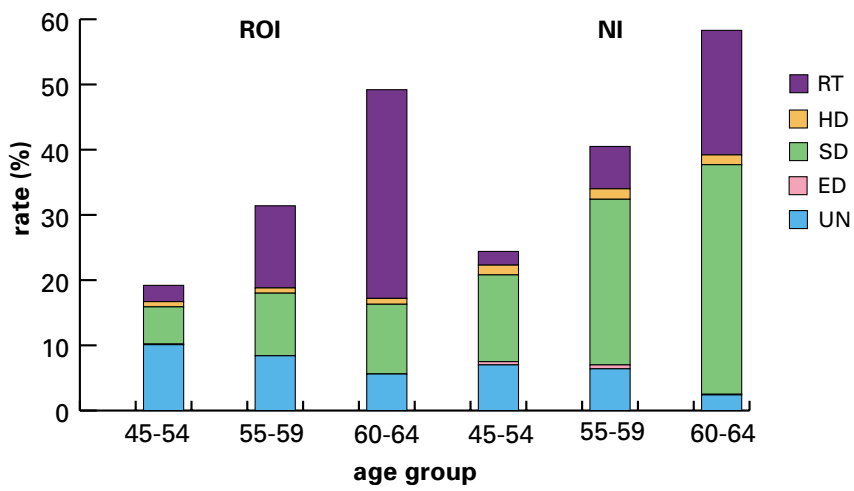
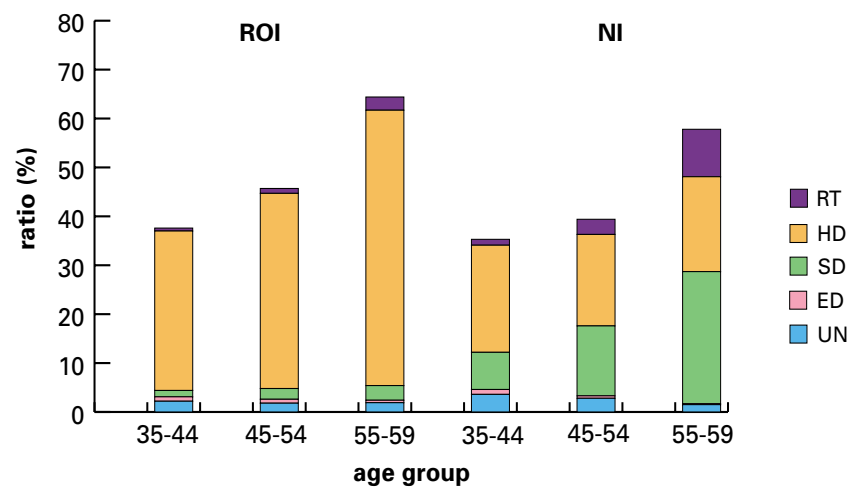
Chart 8: Composition of Male Non-Employment by age, selected ages, RoI and NI ratio to population %



Source: Labour Costs Survey 2000, Eurostat

Chart 9: Composition of Female Non-Employment NI & RoI by age, selected ages, ratio to population %



Source: Labour Costs Survey 2000, Eurostat

males first. The composition at the 'young' end of the age spectrum is similar: it is dominated by education and training; with unemployed rates very much lower (around 5%). The education 'rates' then fall quite steeply, and with it the overall non-employment rate as we move into the 'prime' age groups. But it is from the 45 to 54 year old age group onwards that significant differences begin to emerge as we can see from **Chart 8**. Notice, in particular, the steadily growing importance of the sick/disabled category in NI: for 45-54 year old males the NI sick/disabled rate is around 13½%, ***eight percentage*** points larger than in RoI. And the gap widens with increasing age. At 55 to 59 it is ***sixteen percentage*** points; at 60 to 64 years it is ***twenty four percentage*** points. Indeed this difference alone very much more than accounts for the differential between male non-employment rates in NI and RoI after the age of 45. The only offset to the influence of the differential in the sick/disabled rate is from the retired category where NI records a systematically smaller proportion than the RoI. For example, the NI retired rate for 60 to 64 year olds is 20%, ***twelve percentage*** points lower than the corresponding rate in RoI.

The NI/ RoI comparison for females reveals a comparable set of similarities and dissimilarities. At the young 'end' education rates are almost equally high. As we can see from **Chart 9** differences emerge from the mid-30s onward : 40% of 35 to 44 year old females in RoI look after the home, whilst the rate in NI is almost half that size at 22%. Moving into the older age groups the rate rises steeply in RoI - by the 55 to 59 age group it is 63%, whilst in NI it remains more or less unchanged around 20%. In NI, by

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Table 4: Female Non-Employment, Selected Rates, RoI, ratio to population %

	Non-Employment			Looking after the home		
age	1995	2002	change	1995	2002	change
25-34	39.3	26.2	-13.1	31.2	18.8	-12.4
35-44	56.4	37.6	-18.8	51.7	32.6	-19.1
45-54	67.3	45.7	-21.6	62.0	39.9	-22.1
55-59	78.0	64.4	-13.6	70.2	56.3	-13.9
wkage	57.7	44.6	-13.1	37.7	25.5	-12.2

contrast, the rise in the non-employment rate is accounted for – ***entirely*** – by the rise in the sick/disabled rate. For 25 to 34 year olds the rate is about 5%, for 55 to 59 year olds it is 27%, ***more than five times larger.***

As noted earlier, of the four non-employment rates examined here only the RoI female rate displays a systematic trend, and as a consequence its dynamic merits separate investigation. Between 1995 and 2002 the female RoI working age non-employment rate declined dramatically by 13 percentage points, almost one third (from 58% to 45%) and this pattern was common to all the 'prime', 25 years plus, age groups. For every age group there was a larger than 13 percentage point drop. And, most notably, the 45 to 54 year old age group non-employment rate fell by more than 20 percentage points. The proximate cause of the decline can be identified relatively straightforwardly: for each of the post-25 year old age groups (and for the working age group as a whole), the fall in non-employment matches quite precisely the fall in the proportion looking after the home. The correspondence is readily evident from a comparison of the 'non-employment' and 'looking after the home' sections of **Table 4**. Indeed the match is near perfect, and it is so year-by-year between 1995 and 2002 as well. However it is equally worth noting that the drop in both the non-employment rate and the looking-after-the-home rate appears to be quite recent. Looking back to the RoI's 1991 Census for example, we find that: the female non-employment rate was 62%, not much higher than 1995; the 1991 looking-after-the-home rate was 39%, four years later it was virtually unchanged.

The simplest way of summing up the overall pattern of change is by examining the differences between components for the working age groups as a whole. The data are displayed in **Table 5**. For males it is quite straightforward. There is a large difference in the proportion sick/disabled – ***six percentage points*** more in NI than in RoI – but, half of this difference is offset by the ***three percentage points*** more in RoI than NI in education. The female pattern is more complex. Whilst the overall non-employment rates are quite similar (less than three percentage points more in RoI), this disguises some much more substantial differences in components. Looking-after-the-home and education rates are very much higher in RoI, ***by 7½ and 5½*** percentage points respectively, whilst the sick/disabled rate, over 7 percentage points higher in NI offsets serves to reduce the overall North/South difference.

IMPLICATIONS

The results reported here have two different sorts of implications. First of all there are some important, substantive, findings. We have uncovered the significant effects of the 'size' of non-employment on its 'composition' which is immediately relevant to the interpretation of inter-regional comparisons of labour market conditions in the UK. Even more particularly (and contrary to received wisdom) we have been able to show that

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Table 5: Components of Working Age Non-Employment by sex, RoI and NI, ratio to population %

	Male			Female		
	Rolav	NI av	Diff	RoI 02	NI av	Diff
ED	11.7	8.7	3.0	14.0	9.4	5.6
UN	8.7	8.7	0.0	2.8	3.5	-0.7
SD	3.5	9.7	-6.2	1.4	8.6	-7.2
HD	0.5	1.2	-0.7	25.5	18.0	7.5
OI	3.8	3.1	0.7	0.9	2.5	-1.6
NEM	28.2	31.4	-3.2	44.6	42.0	2.6

Note: Rolav, average 1995-2002; NIav, average 1995-2002; RoI02, RoI 2002.

females are being recorded as 'not working through reasons of sickness or disability' at very similar rates to males. Of course, this also suggests that assessments of labour market performance should not rest too heavily on the unemployment rate as **the** indicator of demand, certainly the non-employment rate is a critical measure of the state of the labour market, especially in more depressed parts of the country.

Second, there is a puzzle for policy-makers. As we have seen, NI's non-employment record seems entirely consistent with its position in the UK's hierarchy of regional prosperity – its non-employment rate and the composition of non-employment are close to those recorded by its 'near neighbour' in disadvantage the North East of England. However, by comparison with its nearest geographical neighbour the RoI there is a striking contrast. After a decade of strong growth in employment the RoI's non-employment rates are only now comparable to those in the North; but the composition of non-employment in the RoI is radically different. In particular, the proportions not working through sickness and disability in the South of Ireland are a fraction of those in the North. As yet it has not been possible to shed much light on the different contributors to this puzzle. It is the subject of ongoing research.

NI Economic Research Centre
22-24 Mount Charles
Belfast BT7 1NZ

Tel: 028 9021 6810
Fax: 028 9033 0054

e-mail: m.anyadike-danes@qub.ac.uk

Area Perceptions of Young People in Belfast: Implications for Job Search and Exclusion[1]

Anne Green, University of Warwick, Ian Shuttleworth and Stuart Lavery, QUB

The role of area perceptions in shaping the labour market behaviour of individuals has been a neglected area of research. This article presents findings of a study commissioned by the Department which investigated what relatively disadvantaged young people in Belfast know about the geography of labour market opportunities in the city and the locations where they are prepared to work.

The rationale for the research on young people's area perceptions is set by UK-wide academic and policy debates about employability, spatial mismatch, social exclusion and sources of careers advice/guidance, and more local NI concerns with Targeting Social Need (TSN), access to employment and sectarianism.

CONTEXT

There are several reasons why employment location and the geography of access to work are important from a policy perspective. Physical accessibility is a key element in debates about spatial mismatch, which focus on the spatial separation of residents and workplaces in the face of economic restructuring. Poor public transport links and lack of access to private transport exacerbate unwillingness or inability to travel to employment. The low commuting tolerances of unemployed or low-skilled people have been used to argue for the need for 'local jobs' close to deprived neighbourhoods if residents of these areas are to gain work.

Labour markets are institutional and social constructs, shaped by local traditions and experiences. Labour market experiences are highly diverse, varying in accordance with many factors, including educational achievement and access to transport. Hence, in investigating employability it is important to understand the geography of labour markets and how people access employment.

'Objective' measures of labour markets and locality based on physical distance might not always be the most appropriate indicators, since they do not take account of the fact that decisions are based on information that has come through a perceptual filter. The need for 'social space' understandings of the geography of labour markets - as shaped by perceptions and social contexts – is given greater force by pioneering work in Birmingham in the 1980s, which showed that young peoples' perceptions were highly important as influences on their uptake of job opportunities. A 2003 Social Exclusion Unit report on Transport and Social Exclusion also emphasised how limited travel horizons, poor awareness of transport services available and a tendency to look for work in, or travel to, places that are familiar serve to limit the employment opportunities some individuals are prepared to consider. In North America 'imperfect knowledge' about the geography of labour market opportunities has been demonstrated to be a barrier to employment for disadvantaged people.

In NI problems of imperfect knowledge are compounded by social and religious divisions that mean that some areas are perceived as inaccessible or unsafe for employment purposes because of sectarian reasons. Although NI is unique in UK terms in the

1 Anne Green is Principal Research Fellow at the Institute For Employment Research, University of Warwick. See http://www.warwick.ac.uk/ier for further details. Ian Shuttleworth and Stuart Lavery are at C-STAR, School of Geography, Queens University of Belfast. Contact details and further information are available at http://www.qub.ac.uk/c-star

Area Perceptions of Young People in Belfast: Implications for Job Search and Exclusion

Anne Green, University of Warwick, Ian Shuttleworth and Stuart Lavery, QUB

duration and intensity of civil conflict it is not alone in experiencing social segregation. Qualitative research in some large British cities has highlighted how racial discrimination places restrictions on job search areas for certain minority ethnic groups.

The research focused on young people from less-affluent backgrounds who are most at risk from social exclusion. The central concern was to gain an understanding of what less-affluent young people in Belfast know about the geography of labour market opportunities in the city and the locations where they are prepared to work. This concern was addressed by examining the key features of the young people's 'mental maps', by investigating the geographical extent of likely/actual job search, and then addressing the question whether opportunities are restricted because jobs in accessible yet unfamiliar areas are not considered. There was also an interest in identifying the subjective behavioural factors that influenced young people's choices about which jobs should be sought where. This involved considering area perceptions, neighbourhood identity, gender and the influence of social class, as well as the religious chill factor and its operation in Belfast.

METHODOLOGY

The study used both quantitative and qualitative methods:

1) A range of large-scale data sources – including the Census of Population, the Census of Employment and administrative information on trainees and training provision - was used to obtain an overview of:
   - the geography of employment in Belfast and the rest of NI,
   - typical commuting patterns, and
   - the residential locations of trainees by training provider - to show how far they tended to travel and to investigate if providers drew from all parts of the city.
2) A number of information collection activities were undertaken with young people in seven deprived areas within Belfast, specifically chosen to represent different locations within the city ('inner'/'outer' and 'east'/'west') and as well as different community backgrounds:
   - a questionnaire was used to collect quantitative information from the respondents on their background characteristics, educational attainment, job aspirations, access to transport, willingness to be mobile, sources of labour market information, social networks and socialisation patterns (540 completed questionnaires were obtained),
   - ranking of pre-defined locations on maps in terms of:
     - the number of jobs that respondents thought different areas contained (in order to test the accuracy of perceptions about the geography of jobs in Belfast),
     - the areas that contained jobs 'for them' and where they would actually be prepared to work (in order to identify possible 'job search' areas and 'no go' areas),
   - focus group discussions – in which over 50 participants:
     - drew free-hand maps of Belfast, including as many areas as they could possibly draw, starting with their own area, and including roads and bus routes used, services used, other landmarks, areas that they knew well and areas that they would perceive as unsafe,

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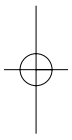
- discussed their education and employment aspirations, their general knowledge of the city and of the geography of employment, and areas that they would work in and also the general areas which they feared,
- interviews with ten trainers and student advisers/counsellors active in the youth labour market – focusing on attitudes, achievements and labour market prospects of trainees.



TRAVEL-TO-WORK AND THE GEOGRAPHY OF EMPLOYMENT AND TRAINING IN BELFAST

Analysis of commuting distances shows that Belfast is a low mobility area with relatively small travel-to-work distances in comparison with the more rural parts of NI. On this basis it would be expected that the young people interviewed would be mobile only over relatively short distances (less than 5 kilometres), and they might look for work in major nearby employment concentrations. Analysis of the geography of employment using Census of Employment data highlights the greatest concentrations of employee jobs in the major urban centres with most jobs. This suggests that people with average mobility in Belfast should find ample employment opportunities within a 5-kilometre search field. Ward-level analyses reveal that the majority of employment is concentrated in central Belfast, while many peripheral residential wards have low numbers of employee jobs and surpluses of working-age population over jobs.

A key question for the study concerned the extent to which respondents accurately perceive Belfast city centre as having a rich concentration of employment opportunities, the degree to which they are prepared to travel to the city centre, and the extent to which they feel it is 'safe'. Opposed to this is the extent to which they see their immediate residential locality as having employment opportunities or as the area in which they would prefer to work despite the location of jobs elsewhere in the urban area. Residents of some locations, if only prepared, willing, or able, to travel less than 2 kilometres could find themselves in an employment-poor context despite the availability of jobs around them in the wider city area.

Jobskills and New Deal Training Centres provided information on the locations of trainees attending the centres. Two examples are presented here, showing the numbers of trainees resident per ward attending provision at the respective training site. **Figure 1** shows a Jobskills provider in West Belfast, drawing most of its trainees from a spatially restricted cluster of Protestant wards. Conversely, **Figure 2** shows a provider that draws trainees who are resident in Catholic West and North Belfast but not in Protestant West Belfast. Some training providers, particularly those located in the city centre, attract trainees resident in all parts of the city. However, these exemplar maps suggest that training can be highly spatially restricted in some circumstances and that some trainees might leave providers with comparatively localised spatial horizons because they have attended a site very near to where they live.

These secondary and administrative data sources provide then 'objective' background against which the labour market perceptions, attitudes and aspirations of young people are shaped.

PERCEPTIONS, ASPIRATIONS AND MOBILITY

Slightly over half of the young people surveyed had fathers working in skilled manual occupations and a further fifth in unskilled

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manual occupations. Just over half of the Year 12 pupils surveyed expected no GCSE passes at grades A*-C, while a third of the trainees surveyed gained no such passes. Nearly half of the young people included in the survey aspire to skilled manual occupations. 'Good money' and 'interest' emerge as the two most important motivating factors in job choice.

In terms of advice about the labour market, family and friends are the most often used source of advice for young people. The information and guidance provided by friends and family members with relevant experience is rated highly because they "can tell you what it's really like". Peer group pressure is also important (as highlighted in earlier studies in Belfast and more recent research in London), with some young people unwilling to go to a particular training provider unless they could 'get a few mates' to go with them. The implication of such behaviour is that young people are tying themselves into socially and geographically restricted networks through their contacts.

Lack of access to private transport restricts the mobility of some young people. Some focus group participants emphasised the importance of access to lifts in determining where it was possible for them to work. One had quit a previous job because two of his mates who worked there left so he no longer had a way to get there.

Over half of respondents report that they leave their area three times or less during an average week, and the majority indicate that their friends live in the same area as them. In terms of attitudes to and experience of, public transport, there are complaints about the irregularity and unreliability of buses – particularly from young people in outer areas. In other areas, some interviewees display a lack of knowledge of bus routes, expressing surprise that some buses went on beyond the city centre. For many of the young people interviewed, experience of using public transport is relatively limited.

KNOWLEDGE OF JOB LOCATION

Analysis of the rankings of pre-specified job locations on the maps of Belfast issued to the young people surveyed reveals that their perceptions, in general, were realistic. The city centre is ranked as the location with most jobs – as would be expected according to Census of Employment data, and several industrial estates are also identified. However, Stormont - one of the highest ranking areas within Belfast in terms of number of jobs – is not highly ranked. It could be that the young people do not see the typical civil service posts available there as being 'for them', so they discount them to some extent. However, Laganside is understood by young people in many different parts of the city as a location where there are jobs.

An analysis of factors underlying geographical perceptions of the city looking at the extent to which city centre areas are identified as important locations in terms of numbers of jobs and desirability as an employment location, reveals that:

- those who aspire to skilled manual work are less likely than those who aspire to other occupations to rate the city centre highly – this pattern can be rationalised by reference to expectations about the geography of employment in the Belfast area, with the city centre perceived to be home to service employment;
- males rank the city less highly than females – a pattern that might be attributable to employment preferences: with females more likely

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to aspire to the types of jobs typically found in the city centre;

- respondents with friends mainly in their home area are less likely to rank the city centre highly – this is indicative of the influence of social networks on information flows, such that people who socialise locally tend to be less likely to have wider and accurate knowledge of the geography of the city.

In order to examine the effects of geographical location on perceptions of desirable labour market opportunities, the perceptions of pupils of the same religion from two anonymised schools are compared in **Table 1** – 'Protestant North-West' (left-hand panel) and 'Protestant East' (right-hand panel). Many pupils select the top rated city centre location, but few select the bottom-most places on the rankings. There are some important similarities – notably, the city centre is seen as a favoured location by both sets of pupils. There are also differences – for example, the 'Protestant North-West' pupils rank the Shankill highly as a place they would like to work in, whereas the 'Protestant East' pupils rank the Shankill lowly. This is a clear case, borne out also in focus group discussions and the drawing of mental maps, where the effects of religion are outweighed by geographical location, with respondents favouring job locations close to their home area. Hence, typical mental maps drawn by respondents from the Shankill centre on the Shankill Road, with the city centre generally included only as a small box or as an arrow. The East and South of the city are not included in any of the maps. The mental maps of young people from the East contrast with this. They often cover much wider geographical areas, but tend not to include the West. This indicates that Protestants living in the East of the city have little knowledge and/or experience of Catholic or Protestant areas in the West.

An attempt to control for the effects of religion is made in **Table 2** (although it should be noted that some of the stated preferences reflect the fact that most Catholics tend to live in the West of the city and most Protestants in the East). The locational preferences of Protestant trainees (left-hand panel) are compared with those of Catholic trainees (right-hand panel). The high ranking of the city centre by both groups suggests that this area is seen as a 'neutral' location. However, Catholics tend to rank areas with high proportions of Catholic residents as being areas in which they would like to work.

CONCLUSIONS AND POLICY IMPLICATIONS

The research shows that most young people have quite accurate basic knowledge of the location of employment opportunities in Belfast. The city centre is also perceived as a place where there are 'jobs for them'. Laganside also emerges strongly, and this might have implications for job location if TSN considerations are to the fore in locating employment in the places where it is accessible to all parts of the community.

However, there is clear scope for improving young people's knowledge, since most have a highly localised outlook. An obvious tendency for people to focus on their home area is evident, but the geographical extent of the mental maps varies, with those in outer areas tending to be more spatially extensive.

The research shows that area perceptions, limited mobility, lack of confidence and religious factors intertwine, in complex ways, to limit perceived opportunities. This means the young people surveyed do not consider all of the available training and employment opportunities. Rather, they restrict their options and chances of employment by discounting

Area Perceptions of Young People in Belfast: Implications for Job Search and Exclusion

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training and employment openings in areas that are accessible, yet unfamiliar. Many have only limited aspirations anyway, in terms of jobs and training, and these serve to restrict their opportunities still further geographically. For those young people without their own transport, a reliance on lifts means that there is a structural tendency to follow existing concentrations of where family, friends and neighbours work. This may serve to reinforce tendencies towards segregation, holding all other factors constant, so leading to 'concentrated disadvantage' in some instances. Segregated residential patterns mean that residents of some areas have a strong 'sectoral' perceptual geography of Belfast, not seeing the whole, but instead viewing a slice along a major arterial road to and from the city centre as their activity and perceptual space. Some evidence emerged from focus groups with young people and interviews with trainers and student advisers that sectarian fear could be linked with a general lack of mobility and geographical knowledge.

There is evidence to suggest that sometimes fear can be overcome by experience - by travelling to and working in areas of the other community as part of social activities or for employment reasons. Some young people who considered that they had a relatively good knowledge of different areas in Belfast attributed this to reasons such as "playing football and all, going to different football grounds" and "going to parties, meeting girls, going down the town for clothes." This indicates how non-work/education related activities can expand geographical horizons and help shape knowledge and perceptions.

The results of quantitative and qualitative analyses reveal that geography plays a role in shaping access to employment and training opportunities. However, a policy of provision of suitable training opportunities and jobs close to where socially disadvantaged people live does not encourage residents to extend their travel horizons or raise their aspirations.

In practice, trainees tend to place spatial restrictions on their choice of providers, and an associated unwillingness to take placements in unfamiliar areas, means that they may leave their course with comparatively localised spatial horizons. While recognising the very real barriers faced by some people, this research suggests that there is a role for policies to enhance the mobility of disadvantaged people in the labour market by improving public transport, and by increasing their experience and confidence e.g. through sport so they are able to venture into new areas.

A further phase to this research is now underway which is focusing on useful strategies to widen young peoples mental maps. An article on this project will appear in next years Bulletin (No 18).

For a copy of the full report Contact:
Department for Employment and Learning,
Research and Evaluation Branch
Adelaide House
39-49 Adelaide Street
Belfast BT2 8FD
Tel: 028 9025 7683/983
e-mail:reb@delni.gov.uk

Area Perceptions of Young People in Belfast: Implications for Job Search and Exclusion

Anne Green, University of Warwick, Ian Shuttleworth and Stuart Lavery, QUB

Table 1: Desirable employment location identified by Protestant Year 12 Pupils from different geographical locations

'Protestant North West' Year 12 Pupils			'Protestant East' Year 12 Pupils		
Area	Mean rank	Number identifying area	Area	Mean rank	Number identifying area
City centre	2.40	90	City centre	2.86	28
Shankill	3.52	89	Dundonald	3.28	25
Duncrue	4.28	58	Stormont	4.40	15
Harbour estate	4.83	53	Orangefield	4.45	22
South city centre	5.10	51	Lisburn Rd/Boucher Rd	4.50	12
Mallusk	5.59	66	Harbour estate	4.65	23
Laganside	5.70	46	Laganside	5.05	20
Lisburn Rd/Boucher Rd	5.94	52	South city centre	5.36	14
Abbey centre	6.50	60	North city centre	5.92	12
North city centre	7.47	38	Forestside	6.30	23
Holywood	7.65	40	Duncrue	8.08	12
Orangefield	8.10	41	Mallusk	8.17	6
Dundonald	8.85	41	Holywood	8.93	14
Forestside	10.37	35	Shankill	10.00	6
Stormont	11.21	29	Andersonstown	10.33	6
Twinbrook	12.34	29	Abbey centre	11.14	7
Andersonstown	12.69	26	Twinbrook	14.50	2
Falls	13.76	29	Falls	15.25	4

Note: the higher the mean rank, the more attractive the area.

Area Perceptions of Young People in Belfast: Implications for Job Search and Exclusion

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Table 2: Desirable employment location identified by Protestant and Catholic trainees.

Protestant Trainees			Catholic Trainees		
Area	Mean rank	Number identifying area	Area	Mean rank	Number identifying area
City centre	2.74	118	City centre	2.61	88
Orangefield	3.69	94	Falls	3.65	89
Dundonald	4.82	92	Andersonstown	4.40	70
Harbour estate	5.11	81	Lisburn Rd/Boucher Rd	4.72	68
Forestside	5.15	80	Twinbrook	5.06	70
South city centre	5.34	67	South city centre	5.22	49
Lisburn Rd/Boucher Rd	5.43	80	North city centre	6.12	49
Shankill	5.90	67	Harbour estate	6.20	51
Laganside	6.53	59	Laganside	7.03	36
Duncrue	6.74	69	Mallusk	7.60	43
Stormont	6.77	62	Duncrue	7.72	32
Holywood	7.63	63	Orangefield	8.09	32
Abbey centre	7.78	59	Stormont	8.77	31
North city centre	8.43	47	Forestside	9.00	32
Mallusk	9.51	53	Holywood	9.12	33
Falls	10.34	32	Dundonald	9.23	31
Twinbrook	10.92	39	Abbey centre	9.80	30
Andersonstown	11.32	31	Shankill	10.48	29

Note: the higher the mean rank, the more attractive the area.

Figure 1

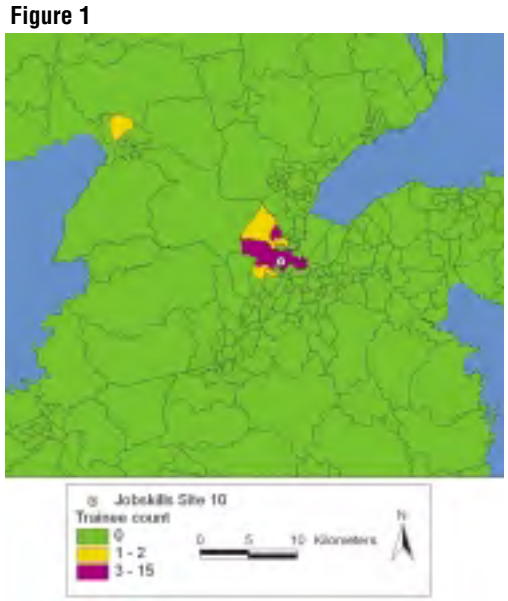
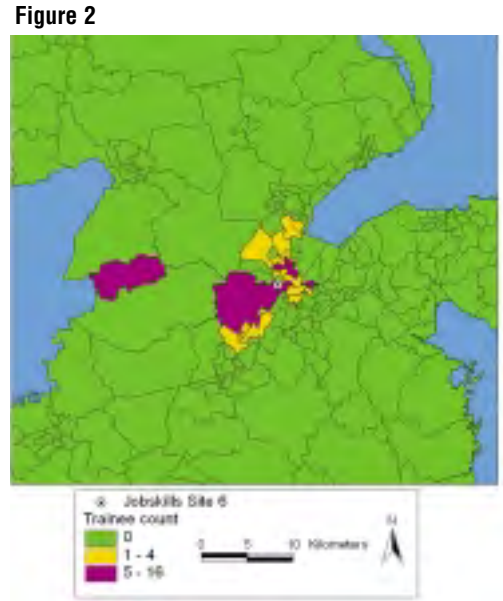


Figure 2



Taskforce on Employability and Long –Term Unemployment - Final Report

Taskforce Secretariat

Arising from the Executive's first Programme for Government, a Taskforce on Employability and Long-term Unemployment was established in March 2001 to drive forward action on employability and reduce long-term unemployment. The Taskforce was chaired by the Minister for the Department for Employment and Learning and included senior representation from across Departments, the Northern Ireland Office and the Equality Commission for NI. The Equality Commission was included in recognition of its statutory duty in this area. The Taskforce met on 10 occasions.

ACTION

The Taskforce Report was launched by Minister Jane Kennedy on 16th December 2002 at the opening of Knockbreda Jobs and Benefits Office. Since then over 600 copies of the full Report and nearly 1200 copies of the summary have been issued to date. In its Report, the Taskforce considers many of the barriers to employment such as benefits issues, childcare provision, educational issues, transport, essential skills, and others. The Report contains some forty recommendations and twelve action points affecting most Government Departments. Some of the measures are preventative and others are ameliorative in nature. There will be no quick fix. Some of the measures will impact in the short term whereas others will be for the medium and longer term.

The Report commits the Department for Employment and Learning to lead the implementation of the Taskforce Action Plan and an Inter-Departmental Implementation Group, chaired by DEL's Minister, has been established to ensure that each of the parties to the Action Plan take responsibility for delivering on their commitments. This Employability Implementation Group, largely based on the membership of the Taskforce in order to provide continuity, held its first meeting on 1 May 2003 when the following terms of reference were established:

- To drive forward and monitor progress on the implementation of the action points and recommendations contained in the Report of the Taskforce on Employability and Long-Term Unemployment.
- To commission further research as necessary and monitor progress on the indicators and targets included in the Report.
- To consider what additional actions should be introduced to improve employability and to tackle long-term unemployment which is found disproportionately in different groups and different areas.
- To produce progress reports.

All Departments are fully committed to the implementation of the Report and progress was recorded over a broad range of the Taskforce's action points and recommendations. The Employability Implementation Group will meet regularly to ensure implementation of the Report and that the terms of reference are fulfilled.

Taskforce on Employability and Long –Term Unemployment - Final Report

Taskforce Secretariat

TARGETED INITIATIVES

One of the most immediate outcomes of the Report is the proposal for DEL to create a number of Targeted Initiatives (TIs) in a small number of areas of lowest employment and high social deprivation. Targeted Initiatives will establish an approach which integrates the various actions set out in the Report. They will provide a co-ordinated service which builds on partnerships between statutory agencies, local voluntary and community organisations and employers, and will be tailored to individual needs through increased flexibility of existing programmes and an innovative and imaginative approach to barriers to employment. The funding secured, some £14 million approximately over the next three years, will allow TIs to be piloted in four areas: West Belfast, Greater Shankill, Derry (Foyle and Waterside) and Strabane.

There are 3 core components within a TI: local engagement and participation in the development and implementation of the TI; the creation of Job Assist Centres; and the creation of a Transitional Employment Programme (Intermediary Labour Market).

One of the keys to the success of this initiative is in engaging with all the key partners, in particular employers and the community sector in moving the TI concept forward. The Department has formalised this process by establishing in each TI, a Local Stakeholders Forum to advise on TI developments locally. An Employment Services Board has been established in West Belfast and it has agreed to fulfil the stakeholder role for the West Belfast and Greater Shankill areas, while the Local Strategic Partnerships are taking this role in the Derry and Strabane District Council areas.

The Full Report can be obtained by contacting:
Jim Wilkinson,
Employability
Implementation Group
Tel: 028 9025 7824
email:jim.wilkinson@delni.gov.uk.

Days Hotel Belfast – A Case Study in Successful Employability

Darren McKinstry, Research Analyst

Early in 2003 the Sandy Row Community Forum (SRCF)- supported by the South Belfast Partnership Board (SBPB), Belfast GEMS and South Belfast Employment Office of the Department for Employment & Learning (DEL) – undertook steps to develop an initiative toward improving the employability of Sandy Row residents.

At the same time the construction of the £12 million Days Hotel (3 Star) on a derelict site adjacent to Sandy Row provided a potential opportunity to work with a large local employer toward seeking enhanced access to employment for local jobseekers. The resulting Employer-Community collaboration process led to over 200 requests for further information from local residents, led to a dramatic uptake in community based capacity building programmes (e.g. CV services and interview assistance etc) and resulted, as part of the initial recruitment process in some 20 local residents gaining work, the vast majority of whom are still with the hotel at the time of writing (some 5 months later).

The success of this initiative promised to provide useful lessons – accordingly the

Organisation	Description
Sandy Row Community Forum	This is an umbrella body for community organisations which operate in the Sandy Row area of South Belfast. Sandy Row falls within the Shaftesbury Ward of South Belfast. The Forum was set up in 1996 and delivers a range of programmes covering early years , after schools, health promotion, education, youth, elderly and employability support.
South Belfast Partnership Board	This is a multi sectoral body, comprising representatives of the community, private, statutory and political sectors which was set up in 1998 to co-ordinate the development and implementation and integrated regeneration strategy aimed at addressing the key issues affecting the most disadvantaged communities of South Belfast. One of its key thematic priorities is economic development and unemployment
Belfast GEMS	Belfast GEMS is a local labour market intervention, which addresses the employability of residents of the most disadvantaged areas of South and East Belfast. The governing instrument for the initiative is provided by South Belfast Partnership Board. It is funded by Belfast Regeneration Office through the Department for Employment and Learning, as well as Belfast City Council, Laganside Corporation. Belfast Local Strategic Partnership and Halifax plc.

Days Hotel Belfast – A Case Study in Successful Employability

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SBPB and Research and Evaluation Branch (DEL) jointly funded and commissioned research on this project.

This article thus summarises key lessons derived from the steps taken by the SRCF in seeking to find ways to work with both the employer and local residents toward overcoming perceived and actual barriers to recruitment / employment with the purpose of assisting local jobseekers into accessible and sustainable employment. In addition to supporting the work of the organisations outlined above, the findings are of particular relevance to the Taskforce on Employability and Long Term Unemployment toward more fully understanding the role of demand led employability processes in improving the accessibility of employment, specifically with regard to marginalised groups and communities.

POLICY CONTEXT

Access to Employment is a theme that has received increased attention over recent years. The European Commission identified 'employability[1] ' as one of four core pillars (alongside developing entrepreneurship and job creation; encouraging adaptability of businesses and their employees and strengthening equal opportunity policies for women and men) when it announced a wide-ranging European Employment Strategy (EES) in 1997. While a revised strategy (March 2003) saw a re-organisation of the approach (and the now familiar term 'employability' largely removed) the underlying themes remained and now focused more directly on supporting the EU Lisbon summit (2000) goals of sustained economic growth alongside 'full employment', 'quality and productivity at work' and 'social cohesion via an inclusive labour market'.

These revised goals of the EES are particularly relevant in NI where social cohesion is an important issue and long-term unemployment is still recognised as a significant problem. The establishment in recent years of the Equality Commission for NI, the DEL – led Interdepartmental Taskforce on Employability and Long-Term Unemployment (hereafter 'the Taskforce') and revised government policy initiatives such as New Targeting Social Need point to this importance.

With specific regard to employability, while it is recognised that such processes depend on the balance between **'supply'** (e.g. individual knowledge, skills and household background) and **'demand'** (e.g. the economic and social context within which work is being sought) much of the emphasis within UK employment policy remains focused largely on the importance of ***individual*** (supply side) characteristics in influencing outcomes in the labour market with little detailed focus on the important role that demand side characteristics can play in shaping labour market outcomes.

RATIONALE & RESEARCH DESIGN

Recent efforts by the SPBP and government departments such as DEL have sought to encourage local employers toward making employment opportunities more widely accessible. While anecdotal evidence points to resulting benefits for both an increased range of job seekers and also participant companies and communities, specific examples of such benefits are rare and under investigated. The opportunity to work with SBPB and specifically SRCF / Days Hotel provided a valuable opportunity to examine the processes, strengths and weaknesses of an Employer-Community collaboration process.

The principal method of data capture was via a series of semi-structured qualitative interviews with participant

1 The NI Taskforce on Employability and Long Term Unemployment define Employability as "the capability to move into and within labour markets and to realise potential through sustainable and accessible employment".

Days Hotel Belfast – A Case Study in Successful Employability

Darren McKinstry, Research Analyst

groups (employer, community organisation and a selection of those successful in obtaining work). While the full report outlines the key stages of involvement between the community forum and the employer toward establishing a local demand-led employability programme this short article instead focuses on summarising and highlighting key barriers and bridges to participation from the perspective of employer, community organisation and local jobseeker.

KEY THEMES

As might be expected, rationales for involvement generally focused around the core business areas of each of the participants. SRCF seeking to maximise potential opportunities and benefits for local residents; local jobseekers wishing to obtain new or better employment (better hours, better pay, working closer to home) and the employer wishing to engage a new and attractive supply of labour, while also reporting a desire to assist a relatively deprived community. Irrespective of the rationale for participation the collaborative efforts led to a number of key lessons.

In general, all parties benefited from an increased awareness of training and employment opportunities arising from the employer-community collaboration while the specific assistance of SRCF led to additional benefits.

By providing 'pre-recruitment support' with regard to completing CV's and organising any subsequent interviews SRCF were able to assist local residents toward first securing an interview and then a job while ensuring those candidates presenting themselves to the employer were not only more fully aware of the type of work on offer but also (thanks to assistance with interview skills) increasingly able to provide information on specific skills and relevant experience as required by the employer during the interview process.

The localisation of the interview process (held by the employer but within the local community centre) and the willingness of the employer to visit community centres and engage with residents not only encouraged applicants regarding their chance of actually obtaining employment but in doing so, and as a result of positive word of mouth, dramatically increased the number of those presenting themselves for further information and / or interview. A mark of this success is that from an initial pool of 22 applicants who applied to initial publicity, subsequent word of mouth led to some 200 requesting additional information and being interviewed.
Similar benefits were realised via processes of 'post-recruitment support'. For those successful in gaining employment, SRCF provided an ad-hoc and informal advice service – assisting individuals to settle into their new employment by for example providing advice on wages, payroll and seeking to minimise the effect of any teething problems associated with adapting a new work / life balance. The employer was encouraged by relatively low turnover, attributing at least part of the reason to the gratitude associated with having engaged the community and having delivered on a promise of accessible employment.

Areas for additional improvement did however arise – for example, closely associated with applicants lack of confidence with regard to completing CV's and participating in job interviews (which SRCF worked to overcome via pre-recruitment support), those successful in obtaining employment have been reluctant to take promotion when offered by the employer, clearly reducing the effectiveness and benefits of the process for both individual and

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employer. It was also felt that post-recruitment support could be more explicitly broadened to those unsuccessful in gaining work – encouraging applicants to reapply for subsequent vacancies while in the interim directing them to community based or government organised capacity building programmes.

Overall, the additional costs (time / effort) of participation required from the employer were seen as balanced by lower turnover and a workforce perceived as increasingly flexible and reliable because of its proximity to the site of employment and the positive word of mouth engendered by resulting community spirit and gratitude. The views of participants (employer, community organisation and jobseekers) and lessons from other similar work (See LMB 16, Ch. 16 – The Halifax Call Centre: Employer Recruitment Practices and Employability) point to a key advantage of the process being in a sustained and linked employability effort. Thus opportunity of direct access to a 'real' job not only provides added incentive to participate in training schemes but when tightly integrated with community assistance, the seamless nature of such processes means that participants can be guided from initial advice, through capacity building programmes, toward open days, job application and interview assistance. Those successful in obtaining employment further benefiting from post-employment support with those not successful benefiting from support and advice regarding other job opportunities and associated capacity building / training.

RECOMMENDATIONS

The report concludes with a number of detailed recommendations seeking to summarise key steps in the process and intended to be of utility in informing future similar employer-community interactions. In brief these can be summarised as follows:

- **General Approach:**

  Establish a local employability working group to provide resources/expertise and act as a single point of contact for the employer. Identify potential business benefits such as decreased turnover, a widened labour supply, a potential workforce balancing effect, enhanced public relations and the ability of the community organisations to assist in the recruitment, screening and pre-employment preparation of potential candidates as unique selling points for an employer-community collaboration process.

- **Pre-Recruitment Phase:**

  Schedule key dates with regard to any future potential recruitment exercises and proactively work with employers and the local community to ensure capacity-building programmes can be sequenced accordingly. Seek to minimise any barriers to participation by encouraging employers to review entrance requirements and methods of application (e.g. application form versus CV) and selection. Encourage the employer to visit the local community to promote opportunities and demonstrate commitment.

- **Recruitment Phase:**

  Recognise the value of the collaborative (employer-community) process in persuading individuals to participate and the value of direct communication by employer staff and potential jobseekers. Encourage Community visits and open days accordingly alongside information and advice on the nature of

Days Hotel Belfast – A Case Study in Successful Employability

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employment available, flexibility in shifts, wages, available tax credits and personal / community development. Recognise the value of linking with partner organisations such as neighbouring communities, GEMS and the Employment Service to provide resources and share expertise. Seek to increase local awareness of opportunities and provide capacity building / support in making an employment application. Consider asking the employer to subsidise the cost of these (and possibly other) outreach efforts as a form of low cost advertising and community engagement. Consider the possibility of delegating the scheduling of interviews to the local community organisation and of holding the interviews locally to increase participation from those potentially intimidated by the interview process.

- **Post-Recruitment Phase:**

  For those successful in the recruitment exercise provide further specific advice on available tax credits, payroll, contracts etc as well as facilitating an informal information network where appointees can raise queries / issues that they might not otherwise raise (e.g. with the employer). Seek to relay key themes of concern / benefit to the employer toward improving conditions. Offer capacity building courses with regard to work-based skills and confidence building toward promotion etc. For those unsuccessful - initiate a series of employer facilitated signposting measures, providing information on alternative avenues (option to reapply, other employment, community assistance, government training etc) helping to ensure those interested in employment opportunities remain engaged with the labour market. Overall, obtain feedback from participants (employer, partner organisations, community) on costs / benefits experienced and if / how the process could be improved. Use this information to improve / promote future employer-community interaction measures.

Acknowledgments.
My thanks to the Sandy Row Community Forum, the management and workforce of the Days Hotel Belfast; representatives of DEL's Research & Evaluation Branch and South & East Belfast Employment Service; the South Belfast Partnership Board and the various community representatives from South Belfast who through their involvement with this and similar projects have informed the themes presented here.

For further information please contact:
darren@darrenmckinstry.com

For a copy of the full report Contact:

Department for Employment and Learning
Research and
Evaluation Branch
Adelaide House
39-49 Adelaide Street
Belfast BT2 8FD
Tel: 028 9025 7683/983
e-mail:reb@delni.gov.uk

Researching Pathways to Post-16 Pursuits

Helen Moor and Annie Johnson, National Foundation for Educational Research (NFER)

This article introduces the latest phase of a longitudinal research project involving over 3,000 NI young people[1]. The study originally tracked this sample from the ages of 11 to 16 throughout post-primary education. After the cohort reached the end of compulsory schooling in 2001, data were gathered on their post-16 destinations. With a body of evidence on these young people's attitudes and experiences at school over the previous five years, the study is endeavouring to identify whether young people in similar destinations post-16 arrive via similar school experiences and opinions. The research report is due to be submitted to the sponsors in December 2003.

BACKGROUND

Between 1996 and 2001, a cohort of over 3,000 pupils, from a representative sample of NI schools, was tracked throughout the five years of post-primary school education. The 3,000 young people completed annual questionnaires, and a sub-sample of 60 case-study pupils was interviewed and also observed in class from their last year of primary school onwards. In addition, their schools were surveyed yearly, and teachers of all subject specialisms interviewed.

Through the questionnaire survey and interviews, the young people were asked to give their opinion on the NI school curriculum. Lines of inquiry included: the extent of their enjoyment of subjects, their level of engagement with learning and their views on assessment methods. Additionally, they were invited to comment on the relevance of their subjects, in terms of appropriateness to their current lives, to everyday adult life and to future vocational needs.

A further key area of investigation was young people's perspective on the make-up of the school curriculum: was there any subject, topic or skill that was given too much time? anything insufficiently covered? Anything not covered at all that should be included? In this regard, the recurrent message from pupils was that the 'academic' was overemphasised at the expense of creative subjects (e.g. drama), the practical and active (e.g. technology and design, PE) and knowledge and skills that they felt had a direct 'real-life' relevance: ICT, home economics, child development, health-related areas and careers education (see Harland *et al.*, 2002 and forthcoming).

In addition to gathering pupils' own perceptions of their post-primary education, the research team collected their results in assessment exercises completed during this time: the Transfer Test at age 11, the end of Key Stage 3 tests at 14 and GCSE/GNVQ examinations at 16.

Thus, by the time the cohort had reached the end of compulsory education (Year 12) in June 2001, five years' worth of evidence had been accrued on the educational experiences of over 3,000 NI young people. With this substantial data-set to build on, the research was extended for two years after compulsory schooling.

THE POST-16 PHASE

The purpose of this post-16 phase of the research was three-fold.

1 Sponsors of the research:
1996–2002: Department of Education (DE), the Esmée Fairbairn Foundation (EFF) and the Northern Ireland Council for the Curriculum, Examinations and Assessment (CCEA).
2002–03: DE and Department for Employment and Learning (DEL).

Researching Pathways to Post-16 Pursuits

Helen Moor and Annie Johnson, National Foundation for Educational Research (NFER)

- Firstly, to ascertain the post-16 destinations of the 3,000 young people tracked since age 11.

- Secondly, to ask their opinion on their post-16 destinations. For example, their interest in and engagement with these post-16 pursuits, how manageable they found them to be and, as appropriate (i.e. for academic or vocational study and training), their perspectives on any methods of assessment used.

- Thirdly, to invite the young people to reassess what they had learnt as part of the NI school curriculum in the light of their post-16 experiences. For example, did they still believe that their schools required them to spend too much time on some subjects at the expense of others, or had they modified their position now that they were aware of the demands of AS/A-levels, AVCEs (Advanced Vocational Certificate of Education), training, working or job seeking?

RESEARCH METHODS

The research methods for this stage of the study comprised a data collection exercise to ascertain the post-16 destinations of the 3,000-strong sample (June–October 2002), followed by individual interviews with 100 of these young people (January–March 2003).

To gather the post-16 destinations of the sample, the research team contacted the 50 post-primary schools attended by the sample in Year 12. These schools were asked to supply the post-16 destination of each individual in terms of:

- education at grammar school;
- education at secondary school;
- education at FE college (courses up to AS/A-level);
- Jobskills at FE college;
- Jobskills/training /apprenticeship;
- employment;
- job seeking;
- others (e.g. parenthood, travelling);
- unknown.

In total, the destinations of 3,423 young people were collected. These destinations data are to be subjected to analysis by the features of the post-primary school which young people attended (grammar/ secondary, level of entitlement to free school meals, religious management type, size of school, geographical location). The data will also be examined against young people's own characteristics (gender, social class, level of attainment at school and degree of engagement with learning). Furthermore, having tracked the young people throughout post-primary education, a strength of the study will be its ability to examine their destinations in the light of their perceptions of school from ages 11 to 16. Thus, the analysis will endeavour to ascertain whether any predictor of their destination was evident in the views they expressed whilst at post-primary school.

In addition to the destinations data collection, individual interviews have been conducted with a sample of 100 young people representing the spectrum of post-16 possibilities: AS/A-levels; AVCEs; BTEC National Diplomas; full-time NVQ courses; work-related training (e.g. Jobskills, apprenticeship, training); employment (the occupations of interviewees ranged from positions in the Civil Service to covering shifts in a family-run petrol station); and unemployment, parenthood and illness.

In the course of the interviews, young people were asked to describe their current undertakings and to reflect back on their experiences of compulsory education. Thus, the views of 100 NI eighteen-year olds have been collected on the following areas.

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- The factors influencing their decisions regarding the path they chose post-16.
- Details of any changes in direction since age 16.
- The relevance of any careers guidance received at school and/or post-16.
- Their opinions on their post-16 destinations: for example was further study/training/ employment as they imagined it to be?
- The extent to which they felt their post-primary education had prepared them for their current undertakings.
- With hindsight – considering their experiences since age 16 – how useful was the school curriculum? Could anything have been done differently to prepare them better for studying, training, working, job seeking or parenthood?

REPORTING

To date, reports have been produced on the young people's educational experiences in the last year of primary school; in the first year of post-primary education; after three years of post-primary education and during their GCSE/GNVQ years (Harland *et al.*, 1999a and b, 2002, forthcoming).

Findings on the post-16 phase of the research will be available after December 2003.

FURTHER INFORMATION

For further information, please contact:

Helen Moor
Senior Research Officer
National Foundation for Educational Research
Genesis 4
York Science Park
Heslington
York
YO10 5DG

Telephone: 01904 433435
E-mail: h.moor@nfer.ac.uk

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From University to Employment - the Experience of the 1991 NI Cohort.

Pat McGregor, Pat McKee , School of Economics and Politics, University of Ulster and Róisín Thanki, Trocaire.

This article examines the choices made by the 1991 cohort of NI domiciled entrants to higher education (HE) on whether to stay in or leave NI for their HE experience and subsequently then for employment. It summarises a paper that was published in Applied Economics 2002.

This article represents an analysis of a cohort of NI domiciled graduates who entered HE in 1991. A survey was conducted in 2000 to identify where that cohort studied and their subsequent labour market experiences. The survey was funded by the former Training and Employment Agency (now DEL) and the Department of Education for NI and was conducted by the Centre for Research on Higher Education, Queen's University/University of Ulster (see LMB 14 Chapter 17 for further details on sampling methodology). These data provide an invaluable insight into the movement of school leavers into university and from this to the labour market. In particular they permit three questions to be addressed:

1. What characteristics account for a school leaver moving outside NI for university education?
2. Once graduated, what factors explain whether an individual stays within or returns to NI?
3. What consequences do the above decisions have for individual earnings?

TO STAY OR TO LEAVE: EDUCATION

The principal factors determining whether a school leaver attends university outside NI are ability, social class, religion and gender. For example, in 1997/98 more than half of the NI students with fathers in social class I (Professional) entered higher education in Great Britain. This compares to just over 40 per cent of those from social class II, falling to 32 per cent from social class V. In the 1991 cohort **Table 1** indicates that those who attended universities outside NI had higher A level scores (19.4 against 18.7, where an A grade is given 10 points decreasing to 2 for an E grade), were less likely to be Catholic (35.6% against 55.8%), more likely to come from a professional background (13.7% against 6.7%) and to have attended a grammar school (77.1% against 66.7%).

While suggestive, such descriptive statistics do not allow for extensive interactions between the characteristics. For instance, how is ability to be disentangled from gender and religion? One way is by using regression analysis of the choice of university between NI and Great Britain, the results of which indicate that ability, as measured by the A level score, is the most significant factor in influencing location of study.

Figure 1 shows how the probability that an individual goes to a NI university varies with A level score. The effect of religion, social class and the subject studied at A level is demonstrated

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by choosing a base individual type and comparing the results when these characteristics are changed. In this case the base is provided by a Protestant girl whose father is a professional, who studied A levels (as opposed to the more vocationally oriented BTEC), attended a grammar school and went to university straight from school.

This type of individual, for A level scores up to around 20 points, has a 50-50 chance of staying in NI. Once the A level score is greater than 20 points the chances of staying in NI decline steadily until they become very small at around 35 points (note that a score of 40 points is equivalent to 4 grade A's at A level). Thus the brightest school leavers tend not to go to university in NI.

The type of A levels studied exerts an influence on the relationship between A level score and going to a NI university. School leavers who have studied all science A levels differ substantially from the average case. The tendency to stay in NI is more stable and declines less sharply as grades get higher.

The effect of religion on such trends is also clear: Catholics behave in a similar fashion to others except that their tendency to stay in NI is generally considerably higher.

In **Figure 2** the effect of social class is examined. The base has a father who is professional and this is compared to non-professionals. The contrast is substantial for the lower A level scores but diminishes as the scores increase. Again the pattern for Catholics is similar except for a greater propensity to stay in NI at all except the very highest A level scores. When examining **Figure 2** it should be borne in mind that A level scores themselves vary with social class, as demonstrated in **Figure 3.**

TO STAY OR TO LEAVE: EMPLOYMENT

The choice of job market follows the completion of a degree. **Table 2** indicates that there is only limited movement after graduation – 78% of those surveyed found employment in the region they attended university. **Table 1** shows a more complicated picture concerning those who leave NI after graduation. By A level score they appear more able (19.7 to 18.5), but not by degree classification (57.9% of those who departed got a 2.1 or above against 60.9% of those who stayed). The strongest indicator of a mover is provided by attending a grammar school (78.4% against 64.0%); a professional background now makes it less likely for an individual to leave NI (4.5% against 7.2%) which suggests that for this group the decisions concerning location of university and job market are simultaneous.

Interestingly, the average A level score of those who leave NI after attending an NI University is now slightly higher than that attained by those who left for university (19.7 against 19.4). The class composition is different and those whose fathers were skilled, non-manual workers are more likely to move after graduating than those from a professional background.

A quite different picture is presented by those who return after graduating from a university outside NI. Those that return have performed less well on average in their degrees (46.8% have 2.1 or above compared to 65.3% for those who remain outside NI) and A levels (17.2 against 20.2). Conversely achieving a degree classification of third or lower substantially increases the chance of returning to NI. The effect of a 2.2 is less marked. The characteristics of having attended a grammar school and coming from a professional background

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both reduce the likelihood of returning (68.4% of homers went to grammar schools compared to 80% who stayed in GB while 5.1% came from professional backgrounds compared to 16.9% who stayed).

Two explanations of the post graduation behaviour suggest themselves. The first relates to the labour market. If a competitive UK market existed for any particular type of graduate then it would be anticipated that, for example, business studies graduates, would be less likely to return home and those who went to university in NI would be more likely to move if the labour market was tighter across the water. Our analysis indicates that there is some evidence for this among engineering graduates but not among medical, social studies, business studies or arts.

The second hypothesis suggest that those who return to NI originally desired to stay at home for higher education but did not manage to secure a place with their A level scores. This receives some support since the homers are associated with the poorest class of degree and lower A level scores. The picture is one where there is a definite return of weaker individuals from Great Britain that is countered by a much less precise movement in the reverse direction.

THE CONSEQUENCES FOR EARNINGS

The average income was greatest for those who had moved out of NI for both university and employment. Their average salary was £22.0k compared to £17.2k for those who stayed in NI **(Table 1).** Those who left NI after graduation were able to earn more (£20.1k) than those who stayed but were still appreciably below those who had departed for University in GB and stayed there after graduating (£22.0k). Worst off were those who returned after graduating outside NI: their earnings on average were £16.0k. The salary figures do not take into account differences in the cost of living but this will not alter the initial conclusion: moving after graduation will on average lead to an income that is below your peers in your chosen labour market. Ability or social factors cannot explain these differences since these are controlled for as part of the regression analysis.

Regression analysis of the earnings of the graduates surveyed allows the monetary consequences of the education and employment decisions to be quantified. The dependent variable is income and this is explained by a number of factors, such as A level score or whether the individual left NI after graduating there. The latter is captured in a dummy variable, NIAWAY, which equals one if the individual went to a NI university and then left to work outside NI (otherwise NIAWAY is zero). Since many of the determinants of earnings, such as ability and social class, appear as explanatory variables, the estimated coefficient of NIAWAY can be interpreted as the proportional change in income that an individual who leaves after graduation would expect compared to if he or she stayed in NI. The advantage of regression analysis is thus that questions concerning the role of gender, ability or religion in earnings can be treated separately through the use of other dummy variables. The case NIAWAY is especially interesting: it has no significant effect on earnings. But surely this is contradicted by the income statistics of **Table 1** that show those who left on average saw their income increase from £17.2 to £20.1k? The explanation is that the gains were not general and in fact were concentrated among Catholics. The results of the regression analysis are summarised in the following paragraphs.

Although the A level score has an important role in explaining which labour

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market an individual ends up in, it has no appreciable role in explaining earnings. Despite this, the proportion of science A levels has a significant, positive impact. In addition being male is associated with 14 % higher earnings while those whose father was skilled manual earn 6% less than those with a professional father. A student with entry qualifications other than A levels or BTECs, for example, Baccalaureate, and those aged over 21 on entry to university earn respectively 17 per cent and 14 per cent more.

Being a Catholic secures a 6 % increase in income over the base, but this must be put against substantial declines for those with degrees in social or business studies where Catholics are disproportionately represented. Dominating all of these factors is the 26 per cent increase that is obtained on average by Catholics that leave NI after graduation. Within the empirical limitations, the effects on earnings have been controlled for ability, class background, schooling and discipline. Having controlled for individual attributes, the explanation for this 26 per cent increase might be found in the functioning of the labour market. Given that a specific effect for religion is only found for those graduates that leave NI together with the social history of the province, the most straightforward explanation would be discrimination. However, given the sample size involved, this can only be suggestive.

There are a number of general conclusions with respect to earnings relative to being home or away. First, there is no general effect of leaving NI after graduation: any benefit is specific to Catholics. Second, going away to university will secure a 13 per cent increase in income. Third, returning to NI after graduation is penalised by a 20 per cent drop in income.

It is possible to interpret these findings within the framework of asymmetric information which has been employed by some authors to explain aspects of the brain drain between different countries. Assume that attending university in a particular region provides employers within that region with greater information on the student's ability. This may be due to informal contact with staff within the institutions or alternatively due to the presence of placement within a degree (which is common in the University of Ulster for example). Flows of graduates over time into local labour markets are bound to establish networks between students and employers. As a consequence, the productivity of local graduates will be more accurately estimated by future employers. This can explain the fall in earning associated with return to NI even after lower ability is taken into account. Equally it can account for the failure of NI graduates, except for Catholics, to increase their earnings by migration.

POLICY IMPLICATIONS

The recent DfES White Paper on the funding of higher education in England clearly implies that students will be anticipated in the future to pay for an increased proportion of the cost of their university degrees. The analysis presented above suggests some possible implications of this. The tendency for the choice of university and graduate labour market to be made simultaneously will be reinforced if there is a relative as well as absolute increase in the costs of attending a university outside NI. Such a development is likely, especially given that those students who leave NI tend to be the most able and thus most likely to take up the more expensive sought after courses. To make an adequate return on such an investment will generally require the higher wages that prevail outside NI. Such an effect though would be mitigated in proportion to the generosity of the allowances in any income contingent repayment scheme.

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If the costs of higher education in England are increased it will make it more difficult for those unable to get a place in a university in NI to go to Britain with the intention of returning on graduation. The evidence from the 1991 cohort is that the income penalty for this is of the order of a fifth of average earnings. An increase in anticipated repayments would lead to the return to higher education for some in such circumstances becoming negative.

Those who leave NI after graduation do not generally realise the benefits gained by those who attend university in GB. Despite this, almost a fifth of NI graduates of the 1991 cohort left the province. The effect of increased costs to higher education on this movement would depend upon the how costs in NI compared to GB. If they were relatively low in NI then the flow would be anticipated to increase. Certainly the varied experience of the 1991 cohort would suggest that forecasting the results of a major change to university funding could be problematic.

For a copy of the report please contact:

Dr Pat McGregor, Room 03C06B School of Economic & Politics, University of Ulster, Jordanstown Campus, Shore Road, Newtownabbey Co. Antrim BT37 OTP

Table 1: Characteristics of the 1991 Cohort of NI Domiciled HE Entrants

	Migrated to GB for HE			Remained in NI for HE			Total
Variables	Total	Stayed in GB after graduation	Returned to NI after graduation	Total	Stayed in NI after graduation	Migrated to GB after graduation	
A Level Score	19.4	20.2	17.2	18.7	18.5	19.7	18.9
Male(%)	44.9	44.1	46.8	41.9	41.6	43.2	43.0
Catholic(%)	35.6	34.3	39.2	55.8	56.6	52.3	48.1
Professional(%)	13.7	16.9	5.1	6.7	7.2	4.5	9.4
Manual(%)	18.5	18.3	19.0	29.6	31.1	22.7	25.4
Grammar(%)	77.1	80.3	68.4	66.7	64.0	78.4	70.6
Secondary(%)	7.9	7.5	8.9	13.8	14.1	12.5	11.6
Degree Class							
1	11.3	12.7	7.6	12.4	12.1	13.6	12.0
2.1	49.0	52.6	39.2	48.0	48.8	44.3	48.4
2.2	31.2	29.1	36.7	32.1	30.8	37.5	31.7
Number in Sample	292	213	79	477	389	88	769
Income £000	20.4	22.0	16.0	17.7	17.2	20.1	18.7
Number in Sample	257	188	69	424	342	82	681

Note: Not all responded to the salary question

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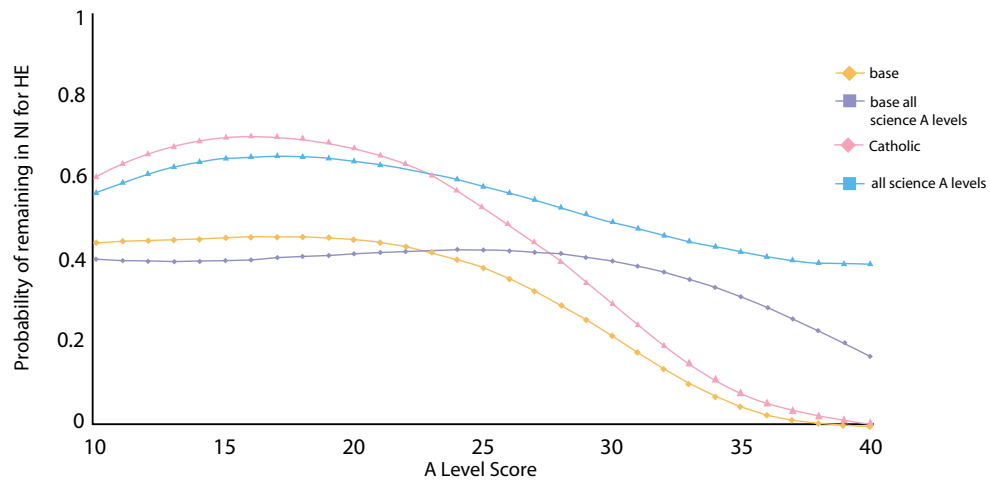
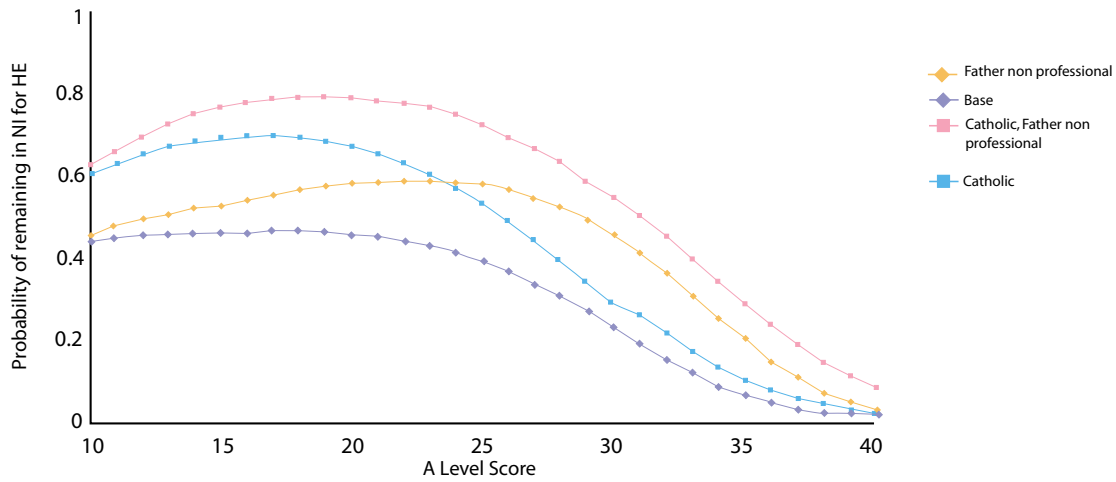
Figure 1: The effect of A level scores on the probability of remaining in NI for higher education - the role of science A levels.



Note: The base has been defined as a Protestant girl whose father is a professional, who studied A levels (as opposed to the more vocationally orientated BTEC), attended a grammar school and went to university straight from school.

Figure 2: The effect of A level scores on the probability of remaining in NI for higher education - the role of social class



Note: The Characteristics of the base individual are the same as figure 1

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Figure 3: A level score by social class

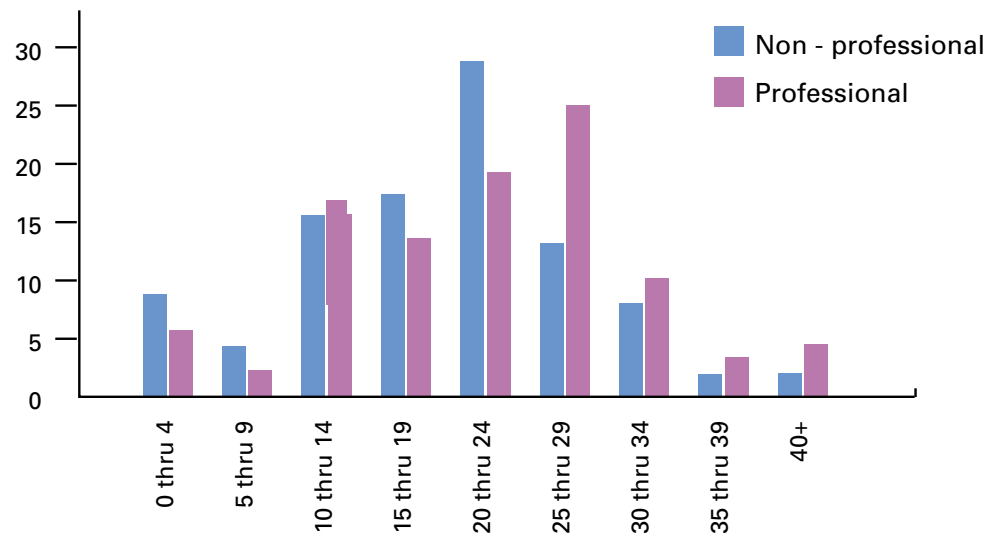

Table 2: Movements between University and Employment

		University	
		NI	GB
Employment	NI	389 (50.6%)	79 (10.3%)
	GB	88 (11.4%)	213 (27.7%)

Does it Matter at which University you Study?

Seamus Mc Guinness, Priority Skills Unit, NIERC

Recent years have seen concerted efforts by government to raise standards in UK universities through the teaching quality assessment and research assessment exercise (RAE). However, the potential impact of any improvements in university quality on the labour market outcomes of graduates, specifically in the areas of job quality and earnings, is a relatively underdeveloped area of research.

The relationship between university quality and labour market success is important for a number of reasons. Firstly, attending "a good" university and studying a subject of choice are primary motivations influencing the decisions of large numbers of pre-university students. Whilst there is a considerable literature examining the wage gains associated with studying particular subjects, little is known about institutional influences. Secondly, whilst graduate overeducation (the extent to which graduates are employed in non-graduate jobs) has been identified as a problem effecting substantial proportions of current university leavers, it is unclear if the incidence of this phenomenon is more prevalent amongst graduates of less prestigious universities. Finally, recent changes in the UK Higher Education (HE) funding system, specifically the anticipated decision to grant some universities the freedom to charge higher tuition fees, suggests, at the very minimum, a tacit belief in some quarters that attending a better quality university will result in higher future earnings.

Clearly, it is important to assess the extent to which students attending more prestigious and potentially higher priced institutions are likely to recoup their additional investment. These issues are examined here using data from a study of a cohort of all university entrants from NI in 1991 matched against an index of university quality.

EXISTING EVIDENCE

US studies dominate the very limited literature on university quality with the general consensus being that any institutional effect on earnings is likely to be small. James et al (1989) found evidence of a significant prestige-related gain for graduates qualifying from private East Coast institutions; however, they estimate that total college quality effects explain only between 1-2% of the earnings distribution. Smart (1988) reported quality related wage gains of between 3-4%. Pascarella et al (1992) found a positive relationship between tuition charges and subsequent earnings. For the UK, Belfield and Fielding (2001) report a statistically significant relationship between per student expenditures and earnings, however, resource related effects were quite low suggesting a 2% wage gain for every additional £1,000 of per student resources. In relation to job quality, Robst (1995) conducted the only existing study using

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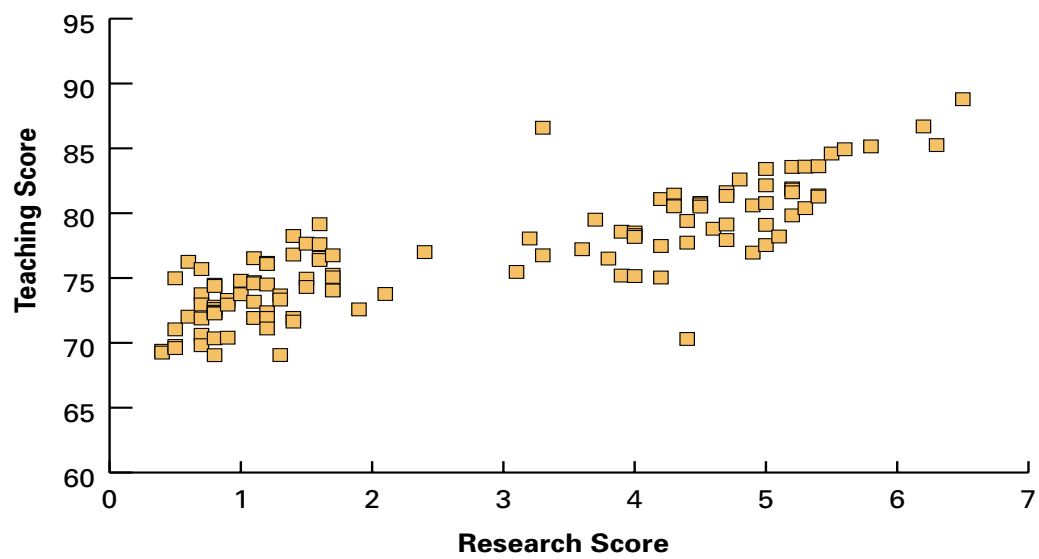
Figure 1: Research/Teaching Score Crosstabulation



expenditure and prestige based measures of college quality. Using US data, he concluded that workers attending higher quality colleges had significantly lower probabilities of being overeducated.

EMPIRICAL ISSUES

What is immediately obvious from the literature is that there is no standard approach to defining or measuring university quality. Studies tend to use either resource based measures (spending per student, staff-student ratios) or prestige ratings. However, little consideration is given to exactly how these variables relate to university quality (and each other) or the mechanisms through which they will impact on earnings and the likelihood of overeducation. Whilst variations in both university prestige and resource levels have the potential to affect the labour market position of graduates, it is likely that these quality variables will tend to influence labour market outcomes in different ways. Resource levels will be most closely linked with teaching standards and may thus have their greatest impact through standard educational effects associated with the accumulation of skills. Prestige effects are also likely to be associated with educational gains through peer group learning influences and spillovers from better quality academic research. However, the primary function of university prestige may simply be as a quality signal to employers. Additional prestige related benefits might also derive from the more influential networks that are likely to be built up within more selective institutions.

Within the UK, university prestige appears to be strongly linked to the quality of university research, as a quick glance down the names of the Guardian newspaper's top 20 UK research universities will reveal. However, the relationship appears less clear when viewed in the context of the Guardian teaching rankings, a measure more heavily related to resource influences[1] , with just 6 institutions ranked in the top 20 for both teaching and research. Nevertheless, plotting Guardian research scores against teaching scores does reveal a strongly positive relationship with a correlation demonstrating that each quality indicator encapsulates much of the

1 The Guardian research scores are based on results of the Quality Assurance Agency teaching assessment but also incorporate factors such as per student spend, staff-student ratios and university size.

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other **(Figure 1)**. A notable feature of the relationship highlighted by the chart is the absence of universities with research scores in the 3-4 range. The research quality of UK institutions appears to be concentrated in two very distinct clumps separated by a well-defined chasm[2] . A potential explanation for the apparently uneven distribution of research scores is that the 3-4 range operates as a separating point distinguishing the polytechnics that acquired university status in 1992 from the older, more established, institutions.

DATA AND METHODS

The data come from a study of all NI domiciled students entering higher education in 1991/92, the vast majority of whom graduated between 1994 and 1996. The data were collected via a postal questionnaire conducted in early 1999, so respondents would typically have been active in the labour market for between 2-4 years. The data-set contains 1,353 valid responses, however, after removing individuals who failed to graduate and those failing to provide information on key variables the effective sample was reduced to 837. Just over 60% of the sample attended NI universities with the vast majority of the rest electing to study at GB universities.

Table 1: Distribution of Sample by Faculty

	Number of Respondents	%
Arts	63	8
Social Science	106	13
Business	152	18
Maths & Engineering	131	16
Science	100	12
Medicine	88	11
Combined	153	18
Other	44	5
Total	**837**	**100**

Table 2: Average A level Point Score by Faculty

	Average point Score
Arts	19.65
Social Science	19.83
Business	17.98
Maths & Engineering	20.51
Science	18.35
Medicine	23.82
Combined	20.42
Other	17.10
Total Average	**19.79**

Table 3: Average A level point score of entrants to institutions of varying research quality

University Research Score	Average Point Score of entrants	% student distribution by institutional quality
1 - 2	13.70	10
2 – 3	16.61	32
3 – 4	19.17	1
4 – 5	22.00	43
5 – 6	22.64	11
6 – 7	25.81	1
7	37.54	2
Total	**19.36**	**100**

2 The two apparent outliers have been checked and confirmed as Wales College of Medicine (high teaching and low research) and Lampeter University (high research and low teaching).

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The Guardian research and teaching scores will form the principal measures of university quality used in this study. The Guardian teaching scores are heavily based upon the results of the teaching assessments carried out by the Quality Assurance Agency (QAA) (2001), however, a number of other factors are also incorporated including per student spend and staff-student ratios. The research scores on the other hand are based exclusively on outputs[3] derived from the 1996 and 2001 Research Assessment Exercises (RAE). Although the QAA based scores are available for the most recent assessment only, the RAE results are available for 1996 and are thus preferred to the 2001 based RAE scores on the grounds that they provide a better match with the cohort under examination. Whilst the QAA based scores may not correspond exactly with the point of labour market entry for our group, university quality is unlikely to have altered much in the intervening period[4] . Research and teaching quality scores are also available at faculty level, however, it seems unlikely that a more disaggregated analysis will yield significantly different effects. Firstly, resource related variation at departmental level will be highly correlated with differences at the aggregate level. Secondly, from a signalling perspective, it might be supposed that employers are more likely to make judgements that are based on institutional, as opposed to departmental prestige. Finally, from a methodological standpoint, it is important to recognise that the Guardian scores are merely proxies and neither variable is a direct measure of either quality effect[5] .

SAMPLE CHARACTERISTICS

The faculty distribution of the sample given in **Table 1** largely conforms to expectations, although the picture may be somewhat obscured by the use of a combined subject grouping. Nevertheless, there is nothing to suggest that the sample departs markedly from the NI average, particularly given that the distributional shares of the more specific groupings such as Science, Maths & Engineering and Medicine correspond with those of the total population of NI students qualifying from Higher Education Institution's (HEI's). Some variation was found for the average A level point scores within particular subject groupings (**Table 2**), however, the results were again largely unsurprising with students in faculties such as Medicine and Engineering possessing much better A levels than those studying for Business or Science degrees[6] . As noted earlier, just over 60 per cent of the sample attended university in NI and whilst students electing to remain at home were certainly restricted in terms of institutional choice, there is nothing to suggest from the analysis that it resulted in any mismatch between student and institutional quality levels **(Table 3)**. The distribution of students across institutions of various quality across institutions of varying quality is largely as expected, perhaps with the exception of universities in the 3-4 quality range, a factor readily explainable by the lack of institutions achieving such RAE **(Figure 1)**. It does not appear that those choosing to study in GB institutions differ significantly in average ability terms from their counterparts who choose to remain at home given that both groups have very similar mean A level point scores (19.74 NI cohort, 19.87 GB cohort).

Generally speaking studies of the graduate labour market tend to focus on earnings as the principal measure of employment success. However this can be problematic, as graduates in relatively successful jobs may well be in receipt of lower "training" wages in the early stages of their careers. Thus it is important that we also consider the quality of

3 Average research rating per university staff member and the average rating per submitted researcher.

4 This is illustrated by the fact that the empirical analysis generated almost identical results for both the 1996 and 2001 RAE measures.

5 From a methodological perspective this raises the question of measurement error, however, if the proxy is left out, then it can be shown that the asymptotic bias deriving from an omitted variables problem is more severe than if a proxy with a high degree of measurement error is included (Greene, 2000).

6 Students attending NI universities have the option of entering university to study science at level 0 (below undergraduate level), which has lower level entry requirements.

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employment, particularly given that the ability to obtain graduate level employment is increasingly seen as a key indicator of success within a highly competitive labour market. Recent studies of the UK graduate labour market have estimated that the incidence of overeducation lies between 20 and 30 per cent (Dolton & Vignoles 2000, McGuinness 2002). In this data-set overeducation was measured subjectively by asking the respondent if a degree was a necessary requirement for the job. The particular merits of the various subjective and objective measures of overeducation has been widely debated within the literature, however, it has been demonstrated that subjective measures, such as the one employed here, are less likely to provide biased estimates of the incidence of overeducation and its wage effects.

Table 4 summarises the results of a cross-tabulation of overeducation rates in first / current employment and university research scores. The results appear consistent with previous studies with the incidence of overeducation estimated at 31% for those in first employment and 24% for those in current employment. The much lower overeducation rates amongst higher quality institutions suggest that university attended may have a significant impact on this particular measure of labour market success. However the fact that more prestigious universities attract higher ability candidates, who would be much less likely to be overeducated in any case, implies that it would be naive at this stage to conclude that it is the impact of the university quality alone that has resulted in these lower overeducation rates. The relative stability of overeducation rates, both across universities and within institutions of varying research quality, further supports the contention that overeducation is a relatively permanent phenomenon whilst doing little to suggest that attending a more prestigious institution does much to improve ones chances of exiting from an, overeducated state.

Table 4: Cross tabulation of University quality and Incidence of Overeducation

University Research Score	% Overeducated 1st Job	% Overeducated 2nd job
1 - 2	45	40
2 – 3	39	28
3 – 5	24	19
5 – 6	27	23
6 +	8	4
Total	**31**	**24**

ECONOMETRIC ANALYSIS

The analysis found nothing to suggest that attending a more prestigious institution significantly lessens the likelihood of an individual becoming overeducated. Students attending lower ranked institutions were not found to be at any disadvantage **providing they obtain a relatively good degree classification.** University attended was not found to have any influence on transitions into or out of overeducation, with socio-economic influences, such as parental social class, much more important in this respect. Institutional quality was found to be associated with wage gains; however, these effects were not universal as they tended to vary with faculty with students studying in, for instance, Medicine and Social Science benefiting from attending higher ranked institutions whilst no wage gains were evident for students from Engineering or Business backgrounds. The research reinforces the idea that institutional impacts were relatively limited with

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respect to labour market outcomes, operating only through interactions with certain individual level characteristics. .

Summary and Conclusions

Institutional prestige and the quality of education delivered are undoubtedly important in motivating the choice of university, yet there is little evidence on the benefits to be gained from attending better quality universities. Whilst there was evidence of some average wage gains for graduates from premier league institutions, the impact of university quality appeared to vary with degree classification and faculty. In addition the impacts with respect to likelihood of overeducation were also limited.

This research is of importance for a number of reasons. Given the non-universal nature of quality impacts, it suggests that subject choice and degree classification are likely to be of greater importance in determining the return from a degree than having attended a more prestigious institution. One implication of the findings is that if "top-up" fees are introduced in the UK, many students at higher priced institutions (presumably concentrated at the upper end of the quality spectrum) may not recoup the additional costs incurred in the course of their education. It is also clear that further research is needed to better understand the transmission mechanisms whereby institutional quality impacts labour market variables if government policy on the future direction of Higher Education is to be better informed. For instance, if the observed effects derive from students at more prestigious universities receiving better teaching and as a result accumulating more skills, the results imply that any expansion of Medical or Social Science education should be concentrated within higher quality institutions. However, if institutional impacts were transmitted through alternative paths, for instance by the university acting as a quality signal, then observed relationships could potentially break down as a result of the decline standards that would necessarily follow any scenario of expanding Medical and Social Science places at more prestigious universities.

For further information please contact:

Séamus McGuinness
NI Economic Research Centre
46-48 University Road,
Belfast, BT7 1NN
Tel: +44 (0) 28 9026 1814
Fax: +44 (0) 28 9043 9435
e-mail:
s.mcguinness@qub.ac.uk

Full report available online from:
www.qub.ac.uk/nierc/documents/Rwp78.pdf

The Regional Mission of Higher Education in NI

David Charles, Stuart Dawley, Paul Benneworth, Cheryl Conway,
University of Newcastle

Dr David Charles, et al, of the University of Newcastle were commissioned by the Department for Employment and Learning (DEL) to examine the regional mission of higher education in NI and to map out the kinds of local economic interactions that have been taking place. Dr Charles had previously produced reports on the same basis for each of the English regions.

The Charles report provides a largely qualitative assessment of NI HE Institutions' impact on regional competitiveness through:

- Research and Technology Transfer;
- The Graduate Labour Market;
- Urban and Rural Regeneration;
- The Cultural Agenda;
- Sustainability and the Environment; and
- Regional Governance

It found that Northern Ireland HEI's were extremely active in their regional missions, increasingly in collaboration with each other and with other higher and further education institutions in NI and beyond. It also reported that the NI universities had a strong commitment to transfer knowledge to SMEs, especially in initiatives such as the Teaching Company Scheme, and more recently in stimulating entrepreneurship and spin-off companies.

The report noted that regions everywhere are coming to regard universities as core resources for their economic and social development. Whether it be through the spinning off of new businesses, the bringing into the higher education system of those young people from disadvantaged backgrounds, or the sheer dynamic effects of concentrating young people and their spending power in inner city areas, universities are being seen as important inputs to economic change and to the renaissance of urban areas. Much of the debate over the regional contribution of universities has been drawn initially from the experiences of a handful of research universities in spinning off new businesses and being at the heart of new technology-based industrial complexes. However, the debate has shifted on as a result of a wider recognition that universities can and do play a much wider role in society, and that these roles have a particular regional expression across most of the domains of government. In addition to the static and dynamic effects of universities on the regional economy, there are contributions to the built environment, on cultural development, on social development, and on governance.

DESCRIPTION AND CHARACTER OF HIGHER EDUCATION IN N I

The higher and further education system in NI consists of two campus-based universities, the Queen's University of Belfast (QUB) and the University of Ulster (UU), the all-Ireland office of the Open University, two university colleges with a primary focus on teacher training and 16 colleges of further and higher education. In comparison to the rest of the UK, NI has a distinctive HE sector. For example the

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two universities here cover a broader mission than most universities elsewhere in the UK.

The research found that the HE sector took its regional mission very seriously. In particular, the two NI universities have created regional development offices in recent years to co-ordinate their regional outreach activities. These offices have been particularly active in ensuring strong participation in the region's Structural Funds programmes, developing specialised facilities and services for local industry, and in the new Higher Education Reach-out schemes.

HE RESEARCH AND TECHNOLOGY TRANSFER ACTIVITIES

HE contributes to regional competitiveness in many ways, through the provision of technical skills, through the provision of knowledge that can be applied in product and process innovation, through new business ventures that emerge from the knowledge and people in the university, and through the opportunities and experiences exchanged as part of the social capital and networking within which the universities are embedded.

The regional innovation system in NI is traditionally weak, suffering from the combination of a manufacturing sector that combines externally-owned branch plants and SMEs in mature industries. NI continues to have a relatively low level of business R&D. The aggregate level of R&D in NI also hides the fact that most of this is due to a relatively small number of large firms.

The Universities are the prime public sector R&D resource in NI. The report provides examples of a wide range of activities at the HE level which facilitate collaboration with business and industry, knowledge exchange and the commercialisation of knowledge. These examples include the activities of a wide range of research centres, technology support units and science parks, the promotion of an enterprise culture within the university community, firm spin-out activity, the provision of consultancy services to industry and through placements and personnel exchanges.

GRADUATE LABOUR MARKETS AND ACCESS TO LEARNING

The report points out that the HE sector is also key to meeting the demands of the regional economy in relation to its higher level skill requirements. It reviewed statistics from the Labour Force Survey which indicate that overall the stock of graduates in NI more than doubled from 60,000 in 1990 to 123,000 in 2001, with 40,000 of this increase occurring since 1995. As a result the proportion of the working age population who are graduates has risen from 7% in 1990 to 12% in 2001. This is slightly less than the proportion of persons of working age in the UK as a whole who are graduates (15%). Out of the 123,000 graduates of working age in NI at Spring 2001, 90.1% were in employment, which is higher than the UK figure of 88.7%. However there has been a consistent differential in the employment rate of graduates and non-graduates over the period with the non-graduate employment rate in NI being the lowest of all UK regions. Of those who had graduated between 1997 to 2001, 83% were in full time employment and 62% in employment deemed to be permanent. Approximately 70% of recent graduates worked in the private sectors, high proportions of which were in service occupations. Although a fairly high proportion of new graduates secured employment in managerial, professional and associate professional occupations there was some evidence of graduates working in non-graduate occupations.

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HE CONTRIBUTION TO URBAN AND RURAL REGENERATION

The research report provides details of a number of areas where the HE sector in NI impacts upon urban and rural regeneration. In particular it points to a large number of departments and centres, housed in the NI Universities, which contribute to research focused on regeneration issues. It also points to examples where the universities have been directly involved in regeneration and stewardship through their own capital investment programmes.

SUSTAINABILITY AND THE ENVIRONMENT

The report points out that both universities in NI are committed to the pursuit of sustainability which includes efforts aimed at eliminating barriers to social inclusion. The report sets out examples where NI HE research and commercialisation activities and teaching programmes have contributed to regional sustainability. For example both NI Universities have dedicated research centres looking at developing and commercialising environmental technologies. At UU, the Centre for Sustainable Technologies provides a focus for these activities. The research covers the full spectrum of sustainability activities, from science and engineering (photovoltaics) through management (life-cycle energy chains) to the aesthetics and cultures of sustainability (architectural design). The University also has an Environmental Research Unit, whose members participated in the founding of Gendel Ltd. a high-technology UU spin-out with a portfolio of some twenty patents. QUB is host to the Queen's University Environmental Science and Technology Research (QUESTOR) Centre, which acts as a focus for research in support of sustainability.

HE AND THE REGIONAL CULTURAL AGENDA

The research report provides evidence of the direct involvement of the HE sector in our cultural life. It points to the large number of campus based arts festivals and, in particular, the positive role of the Belfast Festival, based at QUB. The mainstream research and teaching activities also underpin cultural activities. The UU boasts one of the leading arts and design units in the United Kingdom and the Institute of Irish Studies at QUB has become an internationally renowned centre of interdisciplinary Irish scholarship.

CONTRIBUTION TO REGIONAL DECISION-MAKING CAPACITY

Universities can make a number of significant contributions to the decision-making process in the localities, regions and states in which they are located:

- As **users** of the governance system (e.g. in applying to local authorities for planning permission for campus development),
- As **stakeholders** providing formal representation from the education sector,
- As **experts** with particular contributions to make,
- As **community representatives** carrying a mandate to represent particular groups,
- As **businesses** with an interest in for example attracting inward investment, and
- As **public intellectuals** contributing to public life.

The report again points to a large number of examples where the HE sector in NI has made a significant contribution to regional decision making capacity. In particular the report sets out the valuable research conducted by the Universities in relation to devolution, learning lessons from the analysis of troubled regions elsewhere and by assessing issues in relation to peace and reconciliation.

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CONCLUSIONS

The report found that both QUB and the UU are extremely active in their regional missions, increasingly in collaboration with each other and with other higher and further education institutions in NI and beyond. Both are developing a range of mechanisms and structures to enhance this regional role - The University of Ulster with its Regional Development Section and Queen's with its Research and Regional Services unit. At the same time the universities have been appointing staff specifically to develop the regional outreach and commercialisation roles, and co-ordinate these activities across the institutions.

A copy of the full report can be found on the statistics and research page of the DEL web site - **www.delni.gov.uk.**

Alternative Education Provision for Disaffected Young People - Research Work in Progress

Rosemary Kilpatrick et al, Institute of Child Care Research, Queens University Belfast

Recently, increasing attention has been paid to young people who are at risk of, or are actually excluded from school, a group often referred to under the umbrella term of disaffected young people. These young people tend to come from a background of multiple disadvantage, and often experience joblessness on reaching school-leaving age. Additionally, they frequently find themselves not only excluded from school but also from society and, it has been argued, form part of an ever increasing underclass living life on the margins of society. They have been the subject of pioneering work commissioned by Research & Evaluation Branch (of the then T&EA, now DEL) entitled Status 'O' - see LMB Nos. 13 and 14.

Locally, there has been a growing concern regarding these young people and especially their education and this is reflected in a research study[1] which identified that though there was a range of alternative provision available to this group the provision had developed on a somewhat ad hoc basis with wide variation in policies and practices. The Education and Training Inspectorate (ETI) then examined EOTAS (Education Other than at School) and SSPPR (Special Support Programmes for Peace and Reconciliation) provision in greater detail, and clearer profiles of the different types of schemes began to emerge [2/3] . A common finding from the studies was that the young people attending these schemes, for the most part, benefited personally, socially and educationally from them. However, they also expressed strong views on their formal education and its inability to accept them or understand and provide for their needs. To address such issues the ETI (2002) developed a proposed, flexible curriculum and indicators of quality for assessing Alternative Education Provision (AEP), the latter providing a useful framework for assessing and evaluating these projects in the future.

Concurrently with these schemes schools were authorised to disapply the statutory curriculum for some 14 and 15 year olds, in what has become known as the KS4 Flexibility Initiative. In developing a vocational element of the curriculum in mainstream schools, this differed from EOTAS schemes which had developed provision outside mainstream education. The success of the KS4 Flexibility Initiative has been documented in the recent ETI (2003)[4] , report which indicate similar personal, social and educational benefits to those identified for EOTAS/SSPPR, as well as variability in the ability of the young people who were selected for the scheme.

Despite the differences in rationale for the different types of schemes (i.e. KS4 Flexibility Initiative, EOTAS and SSPPR), the evidence suggests that personal, social and educational benefits are similar. However, in spite of these benefits, the published research has paid much less attention to documenting the academic achievements, qualifications or economic benefits of any of the schemes and there has not been a follow-up of these young people to discover if the benefits identified are maintained in the longer-term.

With this in mind the Department of Education

1 Kilpatrick and Barr (2002) Multiple suspended pupils: their educational careers and support projects available to them. DE Research Report 27.
2 DE/ETI (2000) EOTAS/SSPPR: Education and Training Inspectorate Report DE
3 DE/ETI Alternative Education Provision DE
4 DE/ETI 2003 Key Stage 4: Flexibility Initiative on Vocational & Work-Related Training. Department of Education

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(DE), along with DEL and OFMDFM, is funding a research project designed to provide a greater understanding of the key factors determining the experiences and destinations of young people who attend various types of alternative education. The research findings will also guide future planning of AEP provision in terms of in-school provision, school and community based provision and out-of-school provision.'

AIM AND OBJECTIVES

The aim of the research is to examine the AEP experience of young people; how have they engaged with learning; have they re-integrated into mainstream provision; what levels of accreditation have they achieved and what kinds of transition have they made into the labour market? Have these forms of AEP been effective interventions, and how can the research findings help guide further planning of provision in each of the three types of AEP?

The research will therefore trace the progress toward adult working life of a cohort of young people who were in their final year of compulsory education in 2002/03 and who were engaged in six alternative education projects, representing three types of provision (i.e. KS4 Flexible Programme, AEP School/Training Organisation Partnership and AEP/EOTAS projects). Two projects of each type, nominated by DE, are included in the sample.

The objectives of the research are to:

(i) Track retrospectively, the education experience and achievements of cohort of young people who have had a placement in one of three types of AEP during their final year of compulsory education in 2002/03;

(ii) Track the destinations, subsequent training, vocational/academic qualifications and employment history of the cohort from the time they leave compulsory education in the summer of 2003 through to September 2005;

(iii) Identify the young people's family circumstances, their economic status, attitudes to education (mainstream and alternative) and formal training, and their hopes and plans.

(iv) Identify any positive changes in social and personal behaviour while attending AEP and assess the continuation of these changes during the follow-up period, as well as considering any long-term reduction in anti-social behaviour associated with attendance on AEP.

(v) Document provision and practice in the three types of alternative education provision, so as to compare and contrast purposes, referral criteria, curriculum, resources, staffing and other factors which may influence the effectiveness of each type of provision.

(vi) Compare the findings from the AEP cohort with a same-age group of (a) young people in general; (b) young people who are not in education, training or employment using the Status 0 data and (c) young people who are on EOTAS in the form of home tuition.

THE RESEARCH

These aims and objectives will be met by means of two parallel studies, the first of which (Study A) will track the educational, vocational and social experiences of a cohort of young people who have attended one of the three types of alternative education provision. The second study (Study B) will then compare the outcomes

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for this cohort of young people with a group of young people with similar backgrounds and educational histories.

For Study A the sample will consist of the total school-leaving aged population in the six DE-nominated AEP providers. Background data on family background, parents' economic status, and previous and current education record will be collected from existing records where possible, though this may need to be supplemented by information from the young people themselves. During the 2 year period of the study the sample's training and employment history also will be tracked by means of telephone interviews on a six-monthly basis. Additionally personal and social gains arising from attendance on alternative education provision will be assessed.

The above data will also be supplemented by case studies of a sub-sample of the total cohort, consisting of four young people from each of the six projects. In-depth interviewing of this group of 24 will allow for full and detailed tracking of their experiences, including their attitudes and aspirations, their feelings about their learning experience, and more accurate and specific information on the vocational and employment career of the group.

Study B will compare the data from Study A with a comparable group of young people who have not attended alternative education provision of the type outlined above. While no immediately appropriate data base is currently available it may be that the schools' CLASS system, the proposed Education Welfare Service database, or possible future cohort study databases may prove suitable. However, because of the uncertainty around the feasibility of these comparisons a sample of up to ten, educationally excluded young people, (identified by the ELB educational welfare officers), who are in receipt of EOTAS home tuition for reasons other than ill-health, will also be tracked, as a 'next best' alternative, educational experience..

MAINTAINING THE SAMPLE'S INVOLVEMENT

Previous research has shown that disaffected young people may be difficult to engage in the research studies and in order to gain and keep the young people's commitment, the research has been designed to:

(i) follow them up frequently so that they can give accurate data on their activities in the intervening period.
(ii) build in incentives such as half-yearly outings for the young people, including their involvement in planning these;
(iii) ensure that information gathering should be as friendly, non-threatening and non-judgemental as possible – while still obtaining the desired data.

Point (iii) is key to the data collection process and will be mainly addressed by the use of peer researchers. This approach has been used extremely successfully by a range of voluntary organisations, both locally and nationally. Nominations of young people who are suitable, able and willing to undertake peer research have been sought through contacts within the statutory and voluntary sectors and we expect to identify 2 or 3 peer researchers for each project (depending on size of sample associated with it). They will conduct all the interviews with the young people. These peer interviewers will be trained for their role and will be monitored and supported by the project's research officer.

TIMETABLE

Study A and Study B will be conducted concurrently. Initial contact has already been made with the nominated projects, and

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most background information on the young people attending the schemes has been collected. By the end of 2003, we expect that both samples will have been selected, peer researchers identified and trained, the first two rounds of telephone and case study interviewing completed, and work will be underway on creating the databases. During 2004, the third and fourth series of interviews will be undertaken and initial comparisons of the experiences of different groups will be made. Data entry will be completed and analysis begun. In 2005, the final round of interviewing will be completed, data already collected, as well as any further material, will be collated, monitored and analysed. The final report will be prepared. Throughout the project there will be on-going monitoring of the progress of the research, meetings with the DE/DEL/OFMDFM Steering Group, continuing support for the peer researchers and the planned 'get-togethers' with the young people.

RESEARCH TEAM

This research is being conducted by a research team from Queen's University, Belfast composed of:

Rosemary Kilpatrick
(Deputy Director Institute of Child Care Research)
Claire McCartan
(Research Officer, Institute of Child Care Research)
Penny McKeown
(Senior Lecturer, Graduate School of Education)
Tony Gallagher
(Professor, Graduate School of Education)
Ruth Leitch
(Head of Graduate School of Education)

For further information please contact Claire McCartan at Queens University, Institute of Childcare Research, 5A Lennoxvale, Belfast, BT9 5BY. Telephone 90274667 or 90335401 email **c.j.mccartan@qub.ac.uk**

New Deal Evaluations – An Update

Eamon Nugent, New Deal Branch, DEL

The New Deal programme was introduced in NI in April 1998, initially for young people aged 18 to 24 who had been claiming Jobseeker's Allowance (JSA) for 6 months or more. Later in the year, a New Deal for longer term unemployed, those aged 25 and over who had been claiming Jobseeker's Allowance for 18 months or more was introduced on a pilot basis. This was subsequently replaced by an enhanced New Deal 25+ programme in April 2001.

In April 1998 unemployment in NI as measured by the seasonally adjusted claimant count, stood at 57,900: (July 2003) it has fallen to 33,900 (a 41% decrease). Unemployment in the New Deal target group for young people has fallen from 6,448 to 2,050 (a 68% decrease) over the same period: and in the 25+ target group, it has fallen by 13,208 to stand at 1,530 (a 90% decrease).

Previous articles in the Labour Market Bulletin have reported the findings of earlier evaluation reports on New Deal, principally the findings of the Stage 1 qualitative and quantitative studies involving individuals entering both New Deals in the period May-August 1999. This article reports on the evaluations published since the last LMB and outlines further work in progress.

NEW DEAL FOR 18 TO 24 YEAR OLDS: SURVEY OF PARTICIPANTS - STAGE 2 REPORT

NEW DEAL PILOT 25+: SURVEY OF PARTICIPANTS - STAGE 2 REPORT

Two reports, one on the New Deal for 18 to 24 year olds and one on the New Deal 25+ pilot were published in March 2003. These reports (Stage 2) compiled by KPMG consulting with Economic Research and Evaluation and Research and Evaluation Services (RES), report on a quantitative study of New Deal participants. The study was commissioned as part of the overall evaluation of New Deal in NI aimed at examining the effectiveness, efficiency and equity aspects of the New Deal programme. Key findings are:-

- For both the New Deal for 18 to 24 year olds and the New Deal 25+ pilot, the subsidised employment option proved more effective at getting people into employment than other options.

- The Voluntary Sector and Environmental Sector Option were not particularly successful in moving participants into sustained employment. A substantial proportion of these participants were unable to sustain the transition into employment that was derived from their New Deal placements.

- There is mixed evidence from the evaluation of the success of the full time Education and Training Option of the New Deal for 18 to 24 year olds in getting people into sustainable employment.

New Deal Evaluations – An Update

Eamon Nugent, New Deal Branch, DEL

- The Intensive Activity Period/Education and Training Opportunities elements of New Deal 25+ appears to have made little difference to participants' employment chances.

YOUNG PEOPLE, UNEMPLOYMENT DURATION AND THE NEW DEAL IN NI

The Department published a revised version of New Deal Evaluation Report No 5 "Young People, Unemployment Duration and the New Deal in NI" in April 2003.

The study, which examined the effects of the New Deal for 18 to 24 year olds in NI on outflows from unemployment and duration of unemployment spells for the target age group was carried out by Duncan McVicar (NI Economic Research Centre) and Jan Podivinsky (University of Southampton). It was published originally in June 2002.

Since then the researchers have undertaken further analyses of the data. These show New Deal for 18 to 24 year olds to be more effective than indicated by the initial results.

The key findings in the Report are:

- The research found that New Deal for 18 to 24 year olds has significantly reduced the unemployment duration for young people in NI. Males are 45-50% less likely to experience an unemployment spell of one year or more while females are 40-45% less likely to experience such a spell.

- Participating in New Deal increases the chances of unemployed young men aged 18-24 getting a job by 40% and increases the chances of unemployed young women getting a job by 20%.

- Both men and women aged 18-24 are now more likely to leave unemployment for a place in education and training, and more likely to move off unemployment benefit (Jobseeker's Allowance) on to other benefits.

NEW DEAL INNOVATION FUND

The New Deal Innovation Fund was launched in 1999 as a way of developing initiatives to complement New Deal by providing additional assistance to those with multiple barriers to employment. To date there have been two rounds of funding, the first of which ran until late 2000. These projects were evaluated and the results published in December 2001 (Report reference NDER3). Seven further projects were then established in 2001 which offered a range of services for participants who were difficult to attract to New Deal or who found it difficult to find or to maintain placements on New Deal options.

In October 2002 Williamson Consulting was commissioned to undertake an evaluation of the second round of Innovation Funds.

An evaluation report was published in June 2003. While the Innovation Fund projects proved more valuable in terms of employment and training outcomes than might have been expected, there would seem to be a number of ways in which use of this funding could be changed to improve outcomes. Key findings are as follows:-

- DEL should consider a more strategic, long term approach to use of Innovation Funds.

- It may be more effective to focus projects on flexibility and customising New Deal rather than innovation.

- In future, projects should be more closely related to localised employment and training needs.

- DEL staff should be more closely involved in development of projects at a local level.

New Deal Evaluations – An Update

Eamon Nugent, New Deal Branch, DEL

- Future projects should set more realistic targets.
- A much longer timescale should be allowed for development and planning of New Deal projects.
- Projects should work more closely with employers and should, perhaps, include a work experience element.
- An element of Output Related Funding should be introduced.
- For those who may not achieve employment in any situation, an alternative and limited social economy type employment scheme should be considered.

EVALUATION OF NEW DEAL 25+

An evaluation of the enhanced New Deal 25+ programme introduced in April 2001 is currently under way. The objective of the evaluation is to assess the effectiveness, efficiency, and equity of the programme with particular reference to the enhancements made. An interim report is expected in December 2003.

Full Reports are available. For further information contact:
Eamon Nugent,
New Deal Branch
Telephone: 02890 257482
Website:
www.delni.gov.uk

Equality Monitoring in DEL

Robert Kidd and Christine Thompson, DEL

Since 1993, the former Training and Employment Agency, now part of DEL, has monitored the uptake of its main programmes and services in terms of gender, community background and disability. This monitoring has allowed government to keep a check of its own performance and the regular publishing of the results in the Labour Market Bulletin has enabled public scrutiny. After the introduction of the Northern Ireland Act (1998) the monitoring was extended to cover ethnic origin, marital status, dependant status and age.

In 2001 and 2002 the monitoring results for the whole of DEL were published in the Labour Market Bulletin and this article updates these to 2003.

Table 1 shows the occupancy on all of the Department's programmes and services and shows the estimates of the eligible groups for gender, community background and disability. The eligible group is the total number of people eligible to participate in the programme or service. The breakdown of the eligible population was taken from the 2001 Labour Force Survey (most recent annual data available). Not all eligible group figures are available as the data are taken from a sample survey and once the estimated number in a category drops below a certain level (6,000), data are deemed to be unreliable and are not published. Numbers exceeding 6,000 are also subject to sampling error.

For HE and FE the question on religion is not compulsory. In addition, in HE, it is only requested for NI domiciled students studying in NI. This results in a high percentage non-response in both the HE and FE sectors (35% in HE and 12% in FE).

The figures for occupancy on each programme or service should broadly reflect the composition of the eligible group. If they do not then it may be necessary to examine these differences.

The occupancy on many of the programmes and services does broadly reflect the eligible groups and is therefore not discussed further in this article. There are, however, some programmes and services whose occupancy continues to differ from the eligible group. For example, the level of female participation on Jobskills Modern Apprenticeship is 23% compared to an eligible group of 52%. Previous articles on equality monitoring in DEL have suggested that this may be due to the nature of the programme and the high participation rates in FE and HE by females. This issue will be examined further in an Equality Impact Assessment of the programme which is due to commence before March 2004.

The percentage of Catholics on Job Bridge has been falling since 2001 when 87% of participants were Catholic compared to only 38% in 2003. However, there should be caution in comparing these figures as the occupancy on the programme is small (118 at

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Table 1: Occupancy and Eligible Group Figures [1]

	% female		% catholic [2, 3]		% disabled [4]	
Programme	**Occupancy**	**Eligible**	**Occupancy**	**Eligible**	**Occupancy**	**Eligible**
Job Brokerage [5]	34%	34%	[54%]	[60%]	N/K	17%
Employment Support	34%	45%	[43%]	[49%]	100%	100%
Rapid Advancement Programme	35%	N/K	[62%]	N/K	1%	N/K
IFI Wider Horizons	44%	39%	[67%]	N/K	N/K	N/K
Enterprise Ulster	48%	59%	[57%]	[58%]	2%	43%
Jobskills [6]	32%	40-60%	[65%]	[58%]	10%	N/K
Jobskills Modern Apprenticeship	23%	52%	[52%]	[61%]	0%	N/K
New Deal for Disabled People	46%	46%	[46%]	[53%]	100%	85%
New Deal 18-24	33%	N/K	[63%]	N/K	6%	N/K
New Deal 25+	16%	N/K	[60%]	N/K	3%	N/K
New Deal 50+ [7]	28%	32%	[46%]	[48%]	7%	86%
Premiere 2	62%	N/K	[59%]	N/K	2%	N/K
Focus for Work	52%	60%	[53%]	[59%]	4%	47%
Worktrack	67%	60%	[60%]	[59%]	3%	47%
Job Bridge	39%	51%	[38%]	[58%]	3%	37%
Bridge to Employment	20%	59%	[32%]	[53%]	0%	30%
Walsh Visa Programme	24%	50%	[71%]	[48%]	1%	11%
Higher Education (HE) [8]	60%	N/A	[58%]	N/A	4%	N/A
Further Education (FE) [8]	58%	N/A	[54%]	N/A	5%	N/A

Notes

1. The occupancy figures are as @ 31 March 2003 for all training and employment programmes and as @ 01 December 2001 and 01 November 2002 for HE and FE respectively.
2. Percentages for community background (religion) composition exclude those not classified as either Protestant or Catholic. The accepted convention, which is followed in this article, is to give the percentage in [square brackets], except where specifically indicated. Protestant and Catholic percentages will thus sum to [100%].
3. For HE, information on religion is only collected for NI domiciled students studying in NI Institutions.
4. Disability in HE and FE is defined on the basis of a student's own self-assessment while those on a training or employment scheme are given the DDA definition of disability and asked to determine if they are disabled under this definition.
5. Eligible Group figures for Job Brokerage include only those who are either ILO unemployed or economically inactive but who would like a job. The Job Brokerage service is also available to those who are employed but fewer will take up the service.
6. Excludes Jobskills Modern Apprenticeships.
7. Eligible group figures for New Deal 50+ include only those of working age. Although the programme is available to those over working age the up-take is small.
8. HE enrolments at FE colleges are included in the FE figures.

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the end of March 2003) and small changes in the numbers on the programme can cause large variations in percentages. The same caution should be applied to the Bridge to Employment figures as there were only 25 participants on the programme at the end of March 2003.

The low participation rate of people with a disability on DEL programmes and services were discussed in the last issue of the Labour Market Bulletin and is being examined for each individual programme or service through the Department's programme of Equality Impact Assessments.

DEL will continue to collect data on and monitor the occupancy of its main programmes and services in order to ensure that all of these are delivered on the basis of equality of opportunity and we will continue to publish the results in the Labour Market Bulletin.

For further information contact:
Christine Thompson,
Research and Evaluation Branch
Telephone: 02890 257734
E-mail:
christine.thompson@delni.gov.uk

Attitudes towards Lifelong Learning[1]

John Field, Division of Academic Innovation and Continuing Education, University of Stirling

Modern economies place great emphasis on learning in adult life. The argument for lifelong learning has been voiced loudly and clearly in recent years. The sheer pace of economic, social, cultural and technical change, as well as its extent, has brought an end to the period when people could get by on what they had learned in school or college. Across Western Europe, governments and employers alike are exploring new measures designed to promote the continuous improvement of skills and capacities among the adult workforce.

Systematic research on lifelong learning in NI has tended to conclude that participation in organised adult learning is somewhat lower than in the rest of the UK. Surveys of general learning in adult life show markedly lower levels of participation than in the other UK nations. Labour Force Survey data repeatedly show that the level of workforce training is well below UK levels, and that NI also has the largest proportion of unqualified workers. This is particularly surprising given that average levels of educational attainment among young people are comparatively high by UK standards, and in most countries high levels of schools attainment tend to be followed by high levels of effective participation in adult learning. For a region that seeks to attract and retain inward investment, and thrive in an increasingly competitive global market while possessing few natural resources, the challenge of improving adult learning is therefore extremely important.

Because adult learners generally make their choices on a largely voluntary basis, rather than attending because of their age and status, their attitudes, perceptions and motives are vital if participation in learning is to grow. In 2001, the Life and Times survey attempted to survey attitudes towards lifelong learning in NI. The Survey findings cannot provide answers to all of our questions about the nature and distribution of learning by adults in NI, but they do give us a clear basis of evidence about people's attitudes towards learning. This summary describes the Survey's findings in respect of broad attitudes towards adult learning and its outcomes, and then goes on to consider views on the financial aspects of adult learning. These findings should be of some value both to policy makers and employers, as well as to those concerned with providing learning opportunities to adult workers.

ATTITUDES TOWARDS ADULT LEARNING

Attitudes and motivation are central to adult learning. People in adult life generally undertake a programme because they want to. But even if they are directed towards it by a manager or their job centre, their participation is only effective if they can somehow be motivated to engage with the new skills, ideas and information that they encounter. The central questions at the heart of the Survey were therefore of considerable importance, as they sought to establish the general attitudes of the wider population towards learning in adult life.

In general, the Survey

1 Full details of the Northern Ireland Life and Times Survey, with a description of the methodology involved, can be found in Katrina Lloyd, Paula Devine, Ann Marie Gray and Deirdre Heenan (eds.), *Social Attitudes in Northern Ireland: the 9th Report,* Pluto Press, 2003

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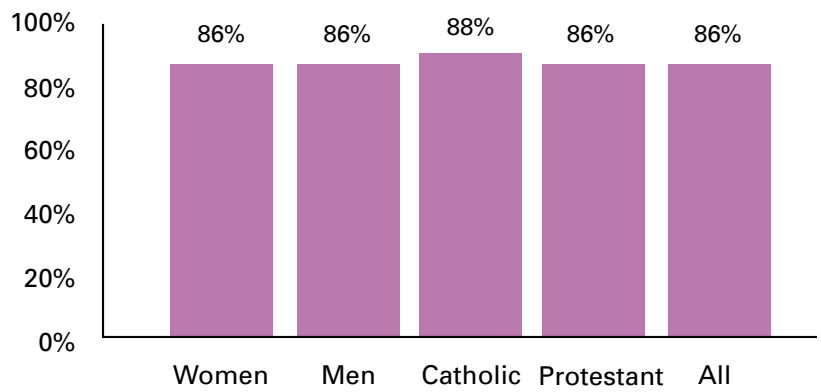
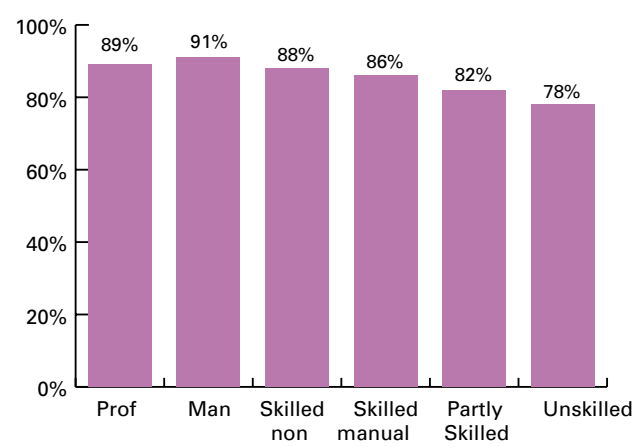
Figure 1: Percentage agreeing that "Learning in later life opens up a whole new world for people"



suggests that people generally hold very positive views on adult learning. 86% of respondents agreed that learning in later life opens up a whole new world; only 2% disagreed. **Figure 1** shows that differences between the genders, or between people of different religions, were minimal. There was some variation in attitude by age, with young people, ironically, expressing slightly less positive views than those from other age groups. Even among young people, though, an overwhelming majority agreed that learning in later life "opens up a whole new world". So the overall picture is an extremely positive one.

As a general social attitudes survey, the Survey targets the general population, and not just the workforce. Nevertheless, it also enables us to draw some significant conclusions about the attitudes of different groups in the workforce. **Figure 2** shows variations by socio-economic status. Once more, there is broad on the positive function of adult learning, though this time there was a marked tail-off in support among people from manual worker backgrounds. This suggests that manual workers may not always be as motivated by the idea of learning in its own right, and may require additional reasons if they are to engage with upskilling programmes.

Figure 2: Percentage agreeing that "Learning in Life opens up a whole new world for people" by socio-economic status



There are also significant variations between people of different educational levels. The Survey findings show

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that attitudes are more positive among the best qualified, and lowest among the least well qualified. Those with no qualifications, or with none higher than NVQ2/GCSE, were less likely to view learning positively. Above that level, there were similar results for all groups, regardless of whether their highest qualification was BTEC Nationals/Ordinaries, HNC/HND, or a degree. The only exception was those whose highest qualification was at NVQ3/A Level, who came somewhere in the middle. Once more, a very clear majority among all groups agreed that learning in adult life opened up a new world. At this very general level, then, the Survey confirms that broad public attitudes towards adult learning are very positive indeed.

One important factor in persuading people to learn is the belief that it makes a concrete difference to their lives. For some, the main reason for participating is largely instrumental: in other words, they see learning as worthwhile because it is a means by which they can achieve specific, concrete goals, and not as an intrinsically desirable experience for its own sake. The Survey asked people whether they saw learning in later life as "only worth doing if it will lead to something useful like a job or a promotion". This allows us to see whether people view learning as something valued primarily as an instrumental means to a primarily vocational end.

On this definition, only a minority - albeit quite a large one - take a largely instrumental view of adult leaning. 36% believe that taking a course is only worth while if it leads to something useful, like a job or promotion, with 51% expressing disagreement. Within this broad pattern, though, there were wide variations between the different groups. Young people are the most likely to take an instrumental view; 46% agreed with this view of adult learning, as against only 31% among those aged 35-44. Motivation is markedly more instrumental among men (44%) than women (34%), and it was also more instrumental than among Protestants (42%) than Catholics (32%) and people of no religion (31%). However, there were much sharper variations when it came to level of previous qualification (people with no qualifications were twice as likely to take the instrumental view as were graduates) and social class (under 30% of professionals and managerial/technical employees took this view, as against 41% of skilled manual workers and almost a half of the semi- and unskilled).

As well as relatively instrumental outcomes, the Survey also explored some of the broader benefits of learning, by asking respondents whether lifelong learning "makes people better citizens". The findings suggest that civic outcomes are strongly associated with lifelong learning, with 57% agreeing that lifelong learning makes people better citizens.

Overall, then, there is a consensus among respondents on the positive nature of lifelong learning. Generally speaking, people strongly associate it with general civic outcomes that benefit the wider community, and relatively few take a primarily instrumental view of adult learning. While Protestants are slightly more likely to hold an instrumental view than are Catholics, differences between the two main communities are minor. Social class and prior qualifications, on the other hand, have a major impact on people's views on learning.

PAYING FOR LEARNING

Any sizeable increase in lifelong learning would have serious financial consequences. Yet while most people would agree that initial education in school and college should largely be financed by taxpayers, responsibility for

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funding adult learning in any country is divided between employers, government and individuals. This partly reflects the extent to which the benefits of learning are shared among individuals, employers and the wider community. It also partly reflects the discretionary nature of adult learning. Yet because adult learning in the UK is largely non-statutory, local and national government funding for it is at best patchy. For many employers, too, spending on continuing training is treated as a discretionary cost which should be controlled. The question of who should pay for learning in adult life is therefore of considerable general importance.

The Survey shows strong levels of agreement that workers themselves need to take responsibility for learning new skills. 82% of respondents agreed that "If the NI economy is to be successful, workers will have to take responsibility for learning the skills that keep them up to date". Moreover, this was a largely consensual view, with minor differences only among different sectors of the population. Support was noticeably lower among those with no qualifications (79%) and the unskilled (79%). Yet even in these groups, there was considerable support for the view that workers are responsible for updating their skills.

This is not, though, the same as believing that workers should meet all the costs. In general, the Survey shows that most people would welcome increased government spending on lifelong learning. At the most general level, 73% agree that the government should be spending more on lifelong learning for everyone. A majority of both main religious groups share this view, but with more Catholics supporting higher public spending than Protestants. Support for increased public spending is higher among the young, declining with age (though it stood at 65% even among the 65+ group). It is also considerably higher among manual workers than among the middle classes, with 80% of unskilled manual workers approving of this view as against just under 70% of people from professional and managerial/technical occupations. There is, though, clear evidence of strong cross community support among all social classes for increased spending on this area of policy.
General support for higher public spending was mirrored by backing for financial assistance for specific categories of learner. Technological change poses a particular challenge. When asked who should pay the fees for a worker wanting to attend a two day computer skills course that would help in their work, 70% named the employer, another 14% thought that the government should pay, and only 8% the individual themselves. Broadly, this pattern was reproduced among all groups. Views were more divided when it comes to paying for academic development and personal growth, with larger numbers – albeit still a minority – believing that the learner should meet the costs of these types of learning.

As well as questions about particular types of opportunity, respondents were also asked about their views on free training courses for various categories of unemployed people **(Table 1)**. A majority was in favour of such support in all cases, ranging from 89% support for free training for people in their 50s to 57% in the case of ex-prisoners. Again, there were wide differences between the views of various sub groups in the population. In the case of ex-prisoners this fell to 51% among the 25-34 age group, and reached a low of 44% among Protestants (31% were opposed). Among Catholics, agreement was lower for ex-prisoners (72%) than for lone mothers (80%), and even more so for unemployed people in their

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Table 1: Attitudes towards free training and courses for particular groups of unemployed (percentages)

	Lone mothers	Ex-prisoners	People in	People in their 50s
their 20s				
tIn favour/strongly in favour	83	57	89	85
Neither in favour nor against	7	16	6	7
Against/strongly against	5	23	4	7
Other	4	4	2	1

50s (90%) and 20s (89%).

Last, the survey tried to measure awareness of a particularly important government funding scheme, the Individual Learning Account system. ILAs were introduced across the UK in 1998, following the publication of *The Learning Age,* as a means of providing an incentive to meet part of the costs of learning for individuals. They were suspended in 2001 as a result of allegations of fraud, and this decision was widely covered in the media. Yet 77% of respondents said that they had not heard of Individual Learning Accounts or ILAs . Awareness of ILAs varied considerably between age groups, with roughly one-third of the under-35 groups claiming to have heard of ILAs, while nine out of every ten people aged 65 or over said they had not heard of them. Women were more likely to know about ILAs than men. There was, though, very little difference between the responses of the different religious groups.

The Survey provides considerable support for high levels of government financial support for adult learning. Although there is more backing for some categories of learning, and some types of learner, than others, policy makers could on this evidence expect the public to endorse higher spending in this area. It is ironic, then, that when government introduced a systematic programme of incentives in the shape of ILAs, public awareness of its existence was so low. As the survey was conducted at a time when ILAs were in the limelight, this suggests that publicity alone is not sufficient to draw a scheme of this nature to people's attention. It might reasonably be deduced that public opinion might be more inclined to favour a series of targeted support schemes aimed at particular types of learner or learning, rather than a general programme of financial assistance.

CONCLUSIONS

The Survey findings send something of a mixed message about the prospects of creating a learning society in NI. On the one hand, they suggest that people share an overwhelmingly positive view of the idea and practice of learning in adult life, and see their own family as likely to support them if they took up learning themselves. They are also able to perceive clear benefits from learning; these include both very instrumental, specific advantages to the individual in terms of their job and career prospects, as well as wider gains for the society in terms of civic engagement and cultural development. Most people also recognise that while somebody else might pay the costs, workers themselves have responsibilities in respect of skills updating.

The findings on the funding of learning should give some cause for thought. There is strong support for increased government spending, as well as for free training for specific groups of learners. Most people also believe that the costs of training for technological change should be met primarily by employers. This begs the question of whether a learning society can really be achieved

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without significant growth in individuals' own spending. In a fast-moving and unpredictable economic and social world, which faces people with an environment that demands increasing flexibility and adaptability, it is highly unlikely that significant gains in skills and knowledge can be made without a dramatic and widespread shift towards a lifelong learning culture.

Overall agreement within the population on the value of lifelong learning is more or less unanimous. As in so many other areas of economic and social life, there were relatively few differences between the responses of members of the main religious groups. Rather more striking variations can be observed between the members of different age groups, and to a less extent between the different genders, as well as between the members of different types of organisation and those with different levels of educational qualification. However, differences were most marked in respect of socio-economic status, and this represents a challenge to those who employ significant numbers of manual workers or poorly qualified workers, as well as to those charged with responsibility for training and developing the unemployed. Yet even among these groups, there is considerable recognition of the positive values of lifelong learning. This suggests that there is considerable degree of consensus on most aspects of lifelong learning, and that a solid body of opinion exists which would favour higher levels of support from government and employers for people who learn in adult life. Yet government will need to target its efforts carefully if it is to avoid further marginalising the least well qualified and least skilled.

ReferNet – The European Network for Vocational Education

The European Network for Reference and Expertise in Vocational Education and Training and by its UK branch UK ReferNet.

Refer is a new information network established in 2002 by the European Centre for the Development of Vocational Training (Cedefop).

It aims to provide high quality information on developments in vocational education and training (VET) in the European Union by bringing together the expertise of key organisations in all EU member states and a number of other partner countries in order to meet the growing demand for information that makes possible comparisons between member states on their policies and practices. Since 2003, future member states joined the EU-wide network.

ReferNet provides a decentralised approach to information exchange, and is based on national consortia in each participating country, made up of organisations representative of vocational education institutions and stakeholders. The network encourages and facilitates mutual exchanges of information, promotes the creation of partnerships and provides consortium members with an opportunity to broaden their contacts with other international organisations in Europe.

The activities of the network are focused on documentation and information dissemination activities, collection and analysis of information and research.

REFER IN THE UK

Each consortium is led by a national co-ordinator responsible for developing the consortium and ensuring the efficient and satisfactory operation of the network. The Qualifications and Curriculum Authority (QCA) based in London co-ordinates the UK Refer Consortium.

The UK Refer network is supported by a Cedefop grant, with matched public funding provided by the DfES. Mr Tom Leney, the UK ReferNet national co-ordinator, Ms Natalia Cuddy, network manager and Mr Jason Hall, research assistant, work closely together as a UK ReferNet management team.

The UK network is being developed in two stages. Firstly we invited other government departments and national agencies with an interest in vocational education, together with the TUC to form a Steering Group chaired by the Joint International Unit (JIU) of the DfES and DWP to guide development of the UK Consortium.

The next stage is to broaden the network by inviting other stakeholders including education and training providers and research organisations to participate in activities organised by the Consortium.

The UK ReferNet partnership aims to develop and sustain the national network and enhance the network's impact.

The recent decision by UNESCO to develop a UNEVOC centre and activities in the UK and other member states of the EU provides the UK ReferNet with the opportunity to extend the vision and activities by closely collaborating with the newly established entity in the UK. The National Steering Group welcomes

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the opportunity to include a global perspective in its work and anticipates that benefits will accrue from the linking of ReferNet and UNEVOC activities.

ACTIVITIES

The network's activities fall into three categories:

1. DOCUMENTATION AND DISSEMINATION ACTIVITIES

This is mainly to do with ensuring that relevant information about vocational education and training in the UK is fed into the network on an on-going basis. This includes providing information about or (where relevant) copies of, any publications, reports and press releases about vocational education and training developments and details of relevant conferences and seminars. The tasks required fall into three categories:

a) Documentary tasks
- Contributing to Cedefop's bibliographical database, through indexations and summaries of key publications and documents
- Updating data on key vocational training organisations
- Replying to specific questions put to the network from or through Cedefop.
- Contributing to Cedefop's thesaurus of vocational education and training.

b) Feeding Cedefop's information services
- Submitting topical news to the European Training Village (ETV) News service
- Submitting press releases from consortium members and other key organisations to an on-line service published by Cedefop
- Providing short articles on specific subjects for publication in Cedefop-Into (3 times a year)
- Identifying and reporting on the outcomes of important seminars and conferences

c) Dissemination and awareness raising
- Participating in exhibitions, conferences and seminars
- Disseminating information within the national consortium
- Disseminating information to journals and periodicals
- Promoting Cedefop's information services and products including databases and publications

All Steering Group members ensured that their organisations put ReferNet onto appropriate electronic circulation lists to feed relevant information onto the UK and consequently EU network.

2. COLLECTION AND ANALYSIS OF INFORMATION ON VET SYSTEMS AND DEVELOPMENTS

Providing information on member states' VET systems is a core activity of Cedefop and one of the key purposes of the consortium is to provide a means of ensuring member state involvement in ensuring the supply of up-to-date and high quality information about VET systems and developments. This will include:

a) Contributing, in close co-operation with the Eurydice unit, to the Eurydice/Cedefop web publication on "Structures of the education, initial training and adult education systems in Europe"

The UK ReferNet team made a substantial contribution to the above publication, which could be found at http://www.nfer.ac.uk/eurydice/factfiles/factfileuk_struct.asp

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b) Providing a more detailed page description of the national VET system to be published on the ETV and in hard copy format.

The first version of the report on "VET in the Devolved Administrations of the UK: Thematic Overview" has been drafted by the UK ReferNet team and peer reviewed by the consortium members and will be available electronically at www.refernet.org.uk. The published version will be made available by the end of 2003.

c) Providing biennial reports on developments in VET policy and new initiatives – on-going.

d) Preparation of detailed reports on specific themes indicated by Cedefop, to be published on the ETV.

Cedefop's intention is to conduct a series of more detailed probes into the 11 themes covered in the thematic overview of VET in the UK. In July 2002, the first more detailed report on VET funding streams was produced by the UK ReferNet team and peer reviewed by the main stakeholders.

3. CO-OPERATING IN RESEARCH ACTIVITIES

Cedefop is looking to develop a more co-ordinated approach to research to ensure greater transparency of national and European research in VET. The work of the consortium will entail co-ordination and implementation of European Research Overview (ERO) activities at national level. The latter is a platform for the research community to share information about projects, resources, activities and events, and is part of the Cedefop research arena (Cedra) which promotes VET research in Europe shared information and knowledge, and will be disseminated via an ERO database. Research activities will include:

a) Co-ordinating ERO at national level by collecting and preparing project data from national research bodies or centres, gathering information from European research project co-ordinators, developing contacts with national and European experts, and maintaining data on research projects, papers and experts.

b) Supporting Cedefop in identifying potential contributors capable of carrying out comparative research on specified research topics for publication in its regular report on VET research in Europe.

c) Promoting collaboration between researchers from different organisations to work on specific themes at national or transnational level.

HOW THE UK CONSORTIUM NETWORK IS CONSTRUCTED

QCA (CO-ORDINATING BODY)

QCA has drawn upon internal expertise from various teams within the organisation, co-ordinated by a cross-team group, and supported by the research team. These include:

- research and evaluation (thematic studies, monitoring of research projects, specific reports etc.);
- statistics and information (statistical reports);
- qualifications (sectoral information regarding standards and qualifications);
- information centre (bibliographical searches);
- external relations (press releases, limited press cuttings service and dissemination support);
- publications (website development and dissemination support).

THE NETWORK

The network consists of all major stakeholders in the UK's VET system, with appropriate networking through key

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partner organisations on a "cascade basis".

For example:

- The Joint International Unit of the DfES and the DWP acts as a central point for networking with the various policy divisions within the two departments, other Westminster government departments and the national co-ordinating units of EU programmes for which the DfES is responsible;
- In the same way, it is hoped that designated contact persons within each of the devolved administrations might act as agents for the network in the gathering and dissemination of information in Wales, NI and Scotland.

GOVERNMENT DEPARTMENTS THAT ARE INCLUDED IN THE NETWORK:

- DfES (Education and Skills): relevant policy areas include analytical services, qualifications and young people, learning quality and delivery, further education, higher education, adult learning, adult basic skills strategy, vocational guidance (Connexions); international interests specifically include EU education and training policy, mutual recognition of qualifications, and the national co-ordinating units for Socrates, Leonardo da Vinci and other programmes;
- DWP (Work and Pensions): relevant policy areas include employment policy, labour market research and the national co-ordination of European Social Fund (ESF programmes);
- Scottish Executive (representing Scottish interests);
- Welsh Assembly Education Department (representing Welsh interests);
- Department for Employment and Learning, NI (representing NI interests)

PUBLIC AGENCIES (EXECUTIVE AGENCIES OR NON-DEPARTMENTAL PUBLIC BODIES) THAT ARE INCLUDED IN THE NETWORK:

- Learning and Skills Council (LSC);
- Sector Skills Development Agency (SSDA);
- The British Council.

OTHER ORGANISATIONS ARE INCLUDED IN THE UK-WIDE NETWORK:

- Trades Union Congress (TUC);
- Institute of Directors (IOD);
- Learning and Skills Development Agency (LSDA);
- National Foundation for Educational Research (NFER), including the UK Eurydice unit;
- VET research institutes, which could be represented collectively via QCA's Advisory group for research on assessment and qualifications (AGRAQ);
- UK National Academic Recognition Information Centre (NARIC), incorporating the UK National Reference Point (NRP) for transparency of vocational qualifications.

NATIONAL STEERING GROUP

The national steering group meets twice a year (March and September), to consider the draft work plan, annual report and half-yearly progress reports and consists of representatives of the following organisations:

- Joint International Unit of the DfES and DWP (Chair)
- QCA (Secretariat)
- Scottish Executive
- SQA
- Department for Employment and Learning NI
- Welsh Assembly Education Department
- TUC
- LSC
- LSDA
- SSDA
- The British Council

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- NFER (Eurydice Unit)
- UK NARIC/NRP

In addition, the CIPD (previous UK contractor for Cedefop's former documentary network) has been invited and participates in meetings on an advisory basis.

The Steering Group network has a potential to become a lively forum for discussion of national VET agendas and developing lifelong learning issues that have an international dimension.

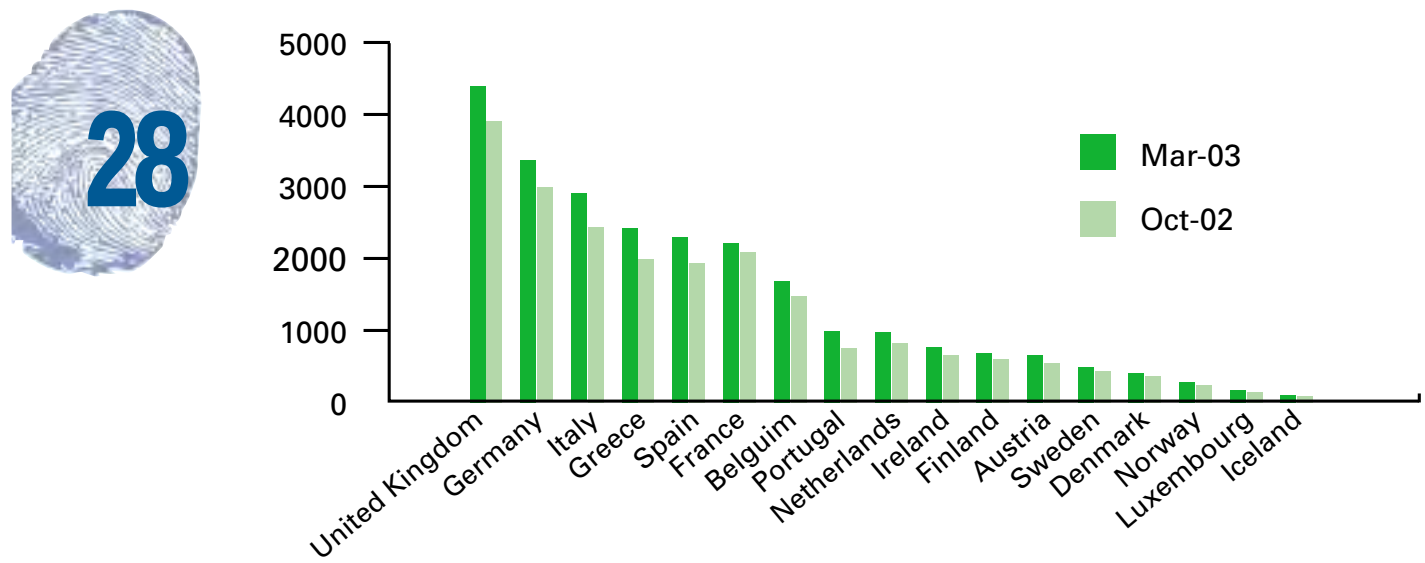
ReferNet provides direct opportunities for Steering Group members and wider network to co-operate across the range of activities. The national team has encouraged the consortium members by using the network to publicise their events and help identify participants for conferences, seminars etc, both in the UK and across Europe.

The national team also aims, in terms of international databases, to build up conceptual links between the work being done by several UK organisations that are members of the Steering Group or wider consortia. There appears to be an opportunity for co-operation to develop ways to ensure that these useful resources are brought to the attention the main stakeholders with interest in international developments.
In order to establish the platform for fruitful co-operation, the national team has set up a dedicated website. Conceptually, the UK ReferNet site seeks to achieve the same goals on a national level what Cedefop's ETV (http://www.trainingvillage.gr/etv/default.asp) does on the EU and international level.

If you would like to become a ReferNet consortium member or have any further queries, please get in touch with us at QCA on

ukrefernet@qca.org.uk or by phone on 0207.509.56.30.

Figure 1: Users of EFT in the EV and the EEA.



Evaluation of the Rapid Advancement Programme

Stephanie Morrow, Tony Simpson, and Nial Douglas, PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP were appointed by the Department for Employment and Learning in April 2002 to undertake an evaluation of the Rapid Advancement Programme (RAP). This article presents an overview of the findings of this evaluation, the overall aim of which was to assess the success of RAP in achieving its aim and objectives.

BACKGROUND

The Rapid Advancement Programme (RAP) is a 29-week training programme for unemployed degree/HND graduates from a non-IT educational background. The Programme is principally aimed at converting non-IT graduates into IT professionals with the necessary skills to contribute to the performance and competitiveness of the NI IT sector. It is funded by the Department for Employment and Learning (DEL) and provides specialised training in a range of dedicated IT disciplines. RAP was launched as a pilot programme in 1998 and was delivered by BIC Systems Ltd. in partnership with the North West Institute of Further and Higher Education and Western Connect.

The Programme involves both:

- **Classroom based tuition;**
  the Programme involves a 17-week taught element. The course content is divided into three broad subject areas, or 'tracks':

  (a) networking and operating systems;
  (b) emerging technologies; and
  (c) software development.
  Participants on RAP specialise in one of these subject areas; and

- **Placement with an employer;**
  participants also undertake a 12 week work experience module with a placement company.

Subsequent to the Pilot, and at the time of the evaluation, the main Programme had been delivered for a further three years, with 664 individuals having participated on the Programme in total. There was a slight scaling down of the Programme in the third year (2001/2002) which was attributed to the downturn in economic conditions in the IT/telecommunications sector. Over the course of the Pilot and the main Programme, 179 placement organisations have been involved in RAP. Placement providers were predominantly private sector companies, however, public sector and charitable organisations, were involved in providing placement opportunities, particularly in year 3. This again was attributed to the downturn in labour market conditions in the ICT sector.

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APPROACH

A broad-based methodology was employed for the evaluation, involving in-depth analysis both of quantitative and qualitative data. The key focus of the research was on placement companies, and RAP participants. The analysis involved examining existing data and information, and primary research in the form of surveys conducted by telephone.

PLACEMENT ORGANISATIONS

PwC surveyed a total of 50 placement organisations. The views of the organisations were sought with respect to recruitment and skills issues impacting on their organisation (in order to inform the debate about the ongoing need for RAP) and also with respect to their satisfaction with the content and delivery of RAP.

In terms of recruitment and skills issues, the key findings to emerge from the survey were:

- Approximately half of those interviewed indicated that they had not recruited any IT staff within the last year and the majority reported that it was either **'quite easy' or 'very easy' to recruit from graduate to project manager levels;** and
- Some organisations (26%) had **ongoing recruitment difficulties in niche areas and for more experienced individuals** with systems, database and networking skills – both areas where it was not perceived that RAP could play a role.

This suggests that there remains a lack of experienced project managers/specialist IT staff in the NI labour market rather than a lack of staff at graduate/entry level. Indeed the main message to emerge from data gathered on organisations` perceptions relating to the existence of a skills gap in the IT sector in NI is that, although some skill gaps continue to exist, they are not as marked as they were previously and certainly not as pronounced as when RAP was first launched in 1998. Projecting forward to the medium term (3-5 years) 72% of organisations interviewed did not expect significant recruitment difficulties.

In terms of the appropriateness and delivery of the programme, the key findings to emerge from the survey were:

- **A majority of placement organisations** (60%) interviewed either agreed or strongly agreed that **RAP equipped participants with the skills to meet their businesses requirements;**
- 58% of organisations surveyed by PwC had employed previous RAP participants on a permanent basis. Indeed 92% of organisations interviewed by PwC stated that they **would recommend RAP to other organisations** as a source of suitably trained IT people; and
- Around 76% felt that **RAP participants made a positive contribution to their business.**

PARTICIPANTS

The PwC survey of 123 RAP participants was broadly representative of the RAP population in terms of the year of participant, the location of training (Belfast/North-West) and course track. The main findings to emerge from this survey were:

- There were **high levels of satisfaction evident with respect to the taught course** element of RAP;
- There were **slightly lower levels of satisfaction with regard to the relevance of the course material to the skills required on their placement;**

Evaluation of the Rapid Advancement Programme

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Table 1: Type of full-time employment gained by participants surveyed

Year	Total number of respondents	Respondents currently in full-time employment	Proportion of the full-time employed who are	
			In IT Related jobs	not in IT Related jobs
Pilot – 1998/99	5	4	3	1
Year 1 – 1999/00	40	30	21	9
Year 2 – 2000/01	44	33	20	8
All Years	89	67	44	18

Source: PWC Survey

- Overall ratings of the 'placement experience' by participants tended to be in the range of 6-7 out of 10, where 1 was very poor, and 10 was excellent. This suggests that the participants, were **broadly satisfied with their placement experience although there may still be room for some improvement;** and

- The vast majority of participants interviewed were either **very satisfied or quite satisfied with RAP overall.** However, almost 14% of respondents were either indifferent or dissatisfied with the Programme, (one person dissatisfied).

The deterioration of the placement experience of RAP participants over time was indicative of overall programme trends – where there was a decline in the number of participants who were placed with IT companies during the course of the Main Programme. This decline was matched by an increase in the number of participants who were placed within the public sector or charitable organisations. A key factor influencing this rating of the placement experience is that many participants would have preferred to have been placed in an IT and/or a large prestigious organisation. As commented previously, the availability of these placements decreased over the course of the Programme.

DESTINATION OF PARTICIPANTS

Table1 shows that of those who participated in the Programme between 1998/99-2000/01 , approximately 75% (67 individuals) of those surveyed were in full-time employment at the time of the evaluation. Of these, 44 individuals had secured full-time employment in an IT-related job. An additional 7% of those surveyed reported that they were in either part-time or self-employment. The remainder were unemployed or undertaking further training.

Approximately 26% of *all* participants surveyed by PwC did not seek an IT related career – a trend more evident towards the end of the Programme's lifetime, where anecdotal evidence would suggest that, at least to some extent, participants may have been disillusioned with respect to their prospects of securing a job in IT.

CONCLUSIONS AND RECOMMENDATIONS

The main findings to emerge from our research in relation to the performance of the Programme are as follows:

- The survey evidence collated suggests that

1 Year 3 was excluded from the employment outcomes analysis because many of the participants were recently finished RAP and in the early stages of seeking employment

Evaluation of the Rapid Advancement Programme

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both **participants and companies** involved in the Programme were **broadly satisfied with RAP;**

- **Satisfaction** with RAP, particularly in relation to the placement experience tended to be **higher for those who participated in the earlier years of the Programme;** and

- The Programme has been generally **successful in terms of the number of participants progressing to employment post-completion.**

In terms of future directions for RAP, the evaluation highlighted a number of important considerations, including:

- **Forward policy context;** the important role that a workforce skilled in the application of IT has to play in NI economic development is acknowledged in the Programme for Government;

- **Projected supply and demand environment;** while skills shortages were reported in the IT sector, these existed mainly in specialist and high-experience areas. Furthermore our research revealed that recruitment pressures had eased, and that entry-level graduates in the IT sector were relatively easy to recruit. The majority of respondents to the PwC company survey indicated that they did not expect to experience recruitment difficulties in the medium term.

The IT labour market conditions within which RAP was conceived and established in 1998 have changed significantly. The evaluation highlighted the need to revisit the rationale for the programme and suggests that the market rationale for RAP is not as strong as it was. Consequently it was concluded that the decision by DEL to operate RAP for Year 4 at reduced scale, is an appropriate one. Beyond this it was suggested that there may be merit in having a defined break for RAP (e.g. for one year) with an intention to revisit. This approach would allow market forces to operate and may provide DEL with the 'space' to review the rationale for the programme in light of market and economic developments prevailing at a stage when perhaps the prospects for an upturn in the IT/telecommunications sector would be less tentative.

Largely as a consequence of this Evaluation Report's findings, the Department introduced a number of important revisions to the Programme in 2002. The revisions include a substantial decrease in the number of places available, and new, more focused delivery and funding arrangements. The changes are being monitored and evaluated to inform future policy and direction.

Essential Skills for Living Strategy – Achievements So Far

Deidre McGill, Essential Skills Branch, DEL

"Our initial aim is to support 25,000 adults to improve their literacy and numeracy skills by 2005 but we want to reduce by half the number of adults with poor skills in literacy and numeracy by 2012".

In October 2002, the Minister for Employment and Learning launched the Essential Skills for Living Strategy and Action Plan to improve the levels of adult literacy and numeracy in NI. The Strategy was launched in response to the International Adult Literacy Survey (IALS) which showed that almost 1 in 4 adults in NI perform at the lowest levels of literacy competence. See Labour Market Bulletins nos 12&14 for more detailed research results. This ambitious Strategy aims to support adults to improve their Essential Skills, to enable them to improve their overall quality of life, their personal development and their employment opportunities.

BUILDING A STRUCTURED FRAMEWORK

"One of the key challenges of the Strategy is to ensure a structured framework is in place, which includes common standards, a common curriculum and robust assessment and accreditation procedures".

In early 2003, the NI Council for the Curriculum, Examinations and Assessment set up a pilot exercise to test in NI the Adult Literacy and Numeracy Core Curriculum being used in England and Wales and a new assessment procedure at Entry Level based on tasks for learners. The pilot involved a wide range of learners, in 32 centres across a broad context of learning environments including Further Education Colleges, Training Organisations, Prisons and one Army Education Centre. One of the main recommendations following the pilot exercise was that the Core Curriculum be adopted for use in NI and that the most appropriate methodology for assessing the achievement of adults at Entry Level is through tasks that test the learner's ability to apply skills in real life contexts. A new task-based Essential Skills qualification at Entry Level is in place since September 2003, in line with the target set in the Strategy. Work has also commenced on piloting the use of tasks at Levels 1 and 2 to provide a continuum from the Essential Skills to Key Skills.

BUILDING QUALITY

"Quality in all aspects of provision is key to the success of the Strategy and we want all learners to experience training of a high standard which meets their needs".

Work has progressed on developing a better career structure and improved initial and in-service training, which recognises the professionalism of existing tutors and which will encourage the new tutors to apply. A framework of qualifications has been developed by Queen's University and the University of Ulster for all levels of tutors ranging from a support role at level 2, equivalent to that previously offered to volunteers, to postgraduate level. This is one of the key objectives of the Strategy.

During 2002/03, Queens University developed and delivered the level 4 Certificate in the Management and Teaching of Literacy to 70 tutors. A level 4 Certificate in the Management and Teaching of Numeracy has also been developed and will commence in September 2003. It is envisaged that

Essential Skills for Living Strategy – Achievements So Far

Deidre McGill, Essential Skills Branch, DEL

over 200 Essential Skills tutors will have participated in Certificate and Diploma courses by March 2005. Curriculum awareness training has been provided for over 300 Essential Skills tutors and continued curriculum support for tutors is being provided in association with the Learning and Skills Development Agency in NI.

The Education and Training Inspectorate is charged with monitoring and evaluating the quality of provision funded by the Department. The Inspectorate has provided independent advice on the various elements of the Strategy, including the use of the curriculum, accreditation and tutor education. Essential skills are inspected and reported on in all inspections of funded provision in Further Education (FE) Colleges and training organisations. Its inspection work is completed against a series of performance indicators which are published in the document, 'Improving Quality : Raising Standards'. In 2003-4, the Inspectorate will use the criteria in the document to evaluate the impact of the Essential Skills Strategy and the quality of provision for learners and tutors.

A Research Steering Group has been established and is advising on research work, which needs to be commissioned to inform the ongoing implementation of the strategy.

A very successful International Conference was held in Belfast in June 2003 in conjunction with RoI's Department of Education and Science. Entitled "Engaging, Supporting and Progressing the Learner", this was the first conference of its kind. It's aim was to share best practice in supporting adult learners to improve their reading, writing and maths skills and brought together key policy makers and practitioners from USA, New Zealand, Australia, Canada, England, Scotland, Wales and the RoI. All participants shared valuable learning and experience.

BUILDING CAPACITY

"It is vital that a diverse range of provision is available, which is both flexible and creative and designed to suit the needs of learners. Effective partnerships are required across a range of contexts and settings to ensure learning is relevant to the interests of learners".

A number of programmes have been developed to increase the flexibility in provision to suit the needs of different learners. New Deal provision has been enhanced and several Training Organisations are involved in piloting new Jobskills provision. An Essential Skills Fund was established in November 2002 to provide funding to FE Colleges to develop and deliver innovative programmes to engage learners to improve their literacy and numeracy skills. By 31 March 2003 some 2,474 adult learners had enrolled through the colleges for Essential Skills courses in literacy and numeracy.

The Educational Guidance Service for Adults (EGSA) has allocated EU Peace II funding of £5.5 million to 55 projects to deliver Essential Skills courses in a wide range of contexts, including workplace and family learning. It is anticipated that 6,500 learners will be engaged over the life of the Fund.

The Union Learning Fund was established in late 2002 to develop and expand the capacity of the trade union movement as a primary catalyst to increase learning in the workplace by encouraging innovative union-led partnership projects. Funding has been allocated to support six pilot projects and to establish a network of up to 40 Union Learning Representatives who will play a key role in encouraging employees to engage in learning and, in particular, to improve their Essential Skills.
The Department has targeted

Essential Skills for Living Strategy – Achievements So Far

Deidre McGill, Essential Skills Branch, DEL

a number of groups whose Essential Skills needs are known to be high and where resources can be allocated effectively by focusing the efforts of government departments and agencies. These groups include unemployed people and benefit claimants, prisoners, public sector employees and low skilled people in employment.

- The Department of Finance and Personnel is developing a Strategy and Action Plan for the delivery of Essential Skills throughout the NI Civil Service.

- Close links have been established with the Army Education Corps to make Essential Skills provision more readily available to army personnel and their families.

- The NI Prison Service has worked with the Department to enhance Essential Skills provision for prisoners.

- The Social Security Agency has been actively involved in considering new approaches to encourage benefit claimants to improve their Essential Skills. Pilot exercises using financial incentives and new Essential Skills screening tools are planned for January 2004.

Some of the benefits which employers, union representatives and learners have gained are:

"There is definitely a difference since people came on the Literacy course. They speak up at meetings and communicate more with me by email" **Employer.**

"The course gave the employees an opportunity for personal development that can benefit both working and home lives. In today's workplace there is an increasing need for employees to have basic IT knowledge and good reading, writing and maths skills in order to carry out day to day activities. These courses provide that" **Union Representative.**

"When we realised that orders were going astray and wrong invoices were being sent out, that's when we began to realise that there were issues linked to reading, writing and maths which we needed to address" **Employer.**

"Employers needed to be told that they would lose productivity, but that if they took part in the project, they would gain" **Employer. Organisation.**

"I have gained confidence and a belief that I can be successful in gaining a job at some time in the future. I hope to have achieved my first English exam in June 2003" **Learner.**

"Coming on the literacy project has given me more confidence in myself as a person and has changed the way I think about myself. This is only the beginning. I am hoping to enrol in more courses next year" **Learner.**

"I am hoping to develop my learning so I can consider a new career path. Through my literacy programme I have re-learned the alphabet. I will continue to learn and set goals" **Learner.**

ENGAGING LEARNERS

"The success of the Strategy will depend on the development and implementation of a comprehensive promotional campaign, which increases awareness and drives up demand among adults for Essential Skills".

The Department has worked closely with EGSA to develop a promotional campaign to raise overall awareness of the need for Essential Skills and to take account of the varying requirements, priorities and ambitions of learners.

Essential Skills for Living Strategy – Achievements So Far

Deidre McGill, Essential Skills Branch, DEL

AndersonSpratt Group was appointed to develop and deliver the campaign. As the campaign was being formulated, focus groups consisting of both learners and those not involved in learning were asked to consider a range of questions including:

- their reasons for not undertaking training;
- what motivated/demotivated them to take up learning;
- why they stopped training; and
- what factors would encourage them to commence training.

Participants said that the key barrier to overcome was the embarrassment factor and peer pressure. The main factors which would encourage them to undertake courses was to improve their job prospects, to improve their skills and their self esteem and to be able to help their families.

As a result of feedback the Department adopted the Gremlins images and advertisements and the strapline "Learning Works – Get more out of Life." A major television, radio and poster advertising campaign was launched in May and has resulted in 600 adults seeking advice through the Essential Skills Helpline to improve their skills.

Research carried out through a recent Omnibus Survey showed that 75% of all age groups surveyed were aware of the campaign. This high level of awareness increased to 87% and 86% respectively for 15-24 and 25-34 age groups.

EGSA has developed a Strategy to engage a wide range of learners through its network of regional offices. Their Strategy includes information, advice and guidance for adults to assist them in accessing appropriate provision. EGSA staff work with a range of advocates across NI providing support, raising awareness of the issues around Essential Skills and signposting adults to provision. Follow up research by EGSA to the helpline showed that most callers related to the scenarios in the television adverts. In particular, they identified with the adverts on filling in forms and helping the daughter with homework. Others were glad to see the issue raised as it made it easier for them to seek help. They commented that they had wanted to improve their skills but did not know who to ask and were embarrassed to seek help. A number of callers had started a class, others had enrolled in classes which started in September. Staff are continuing follow up calls with learners to encourage them to take the first step to enrol with a provider.

TARGETS FOR PERIOD 2002-2003

The Department set a challenging target of engaging 6,500 learners in the year ended 31 March 2003. Good progress has been made with 5,580 learners being supported through existing adult basic education provision in the first year. In addition, approximately 3,000 learners have embraced the new Essential Skills curriculum and assessment and accreditation procedures and, to date, over 800 learners have achieved a qualification.

This success is a tribute to the FE Colleges, EGSA, The Workers' Educational Association, learndirect staff and other voluntary and community providers who have responded so positively to the challenge and have increased significantly the numbers of learners participating in literacy, language and numeracy skills learning.

Further information on the Essential Skills for Living Strategy is available from the Department. Contact Deirdre McGill on (208) 9025 7785 e-mail: deidre.mcgill@delni.gov.uk

NI Compendium of Higher Education Statistics

Tertiary Education Analytical Services Branch, DEL

The NI Compendium of Higher Education Statistics is a document which has recently been published by the Department for Employment and Learning (DEL). It compiles current higher education (HE) statistics previously held by the Department into one easy reference document and this article is a summary of that publication.

HE is defined as the provision of programmes of study at a higher level than the Advanced Level of the General Certificate of Education (GCE A-levels) or National Vocational Qualification Level 3.

Some points to note from this document:

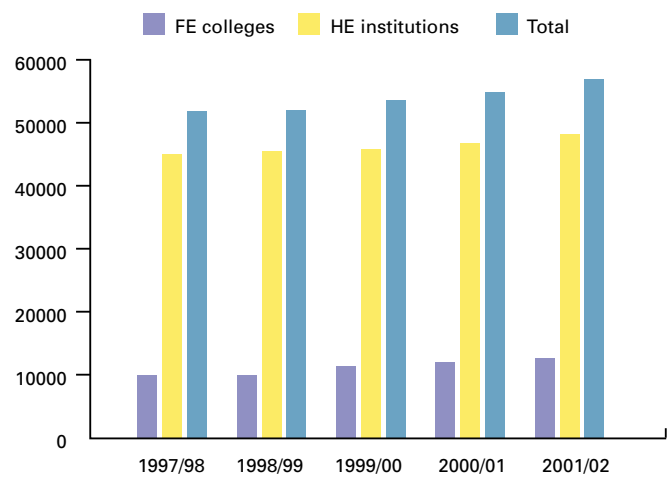
Within NI there are four locally established HE institutions: Queen's University Belfast, the University of Ulster, Stranmillis University College and St Mary's University College, collectively providing places for 44,426 students. There are also 3,786 NI students enrolled on Open University courses.

In addition to the institutions mentioned above, HE places are also provided by the 16 Further Education (FE) colleges within NI. In 2001/02 12,549 students were enrolled on HE courses at NI FE colleges.

PARTICIPATION AT NI INSTITUTIONS[1]

In 2001/02, 56,975 students were enrolled on HE courses at NI institutions, an increase of 10% from 1997/98, with 60% enrolled on a full-time basis. Between 1997/98 and 2001/02, full-time undergraduate enrolments increased by 10%, and part-time undergraduate enrolments increased by 19%. These figures include students enrolling on HE

Figure 1: Students enrolled on HE courses at NI Institutions 1997/98 – 2001/02



Source: Higher Education Statistics Agency (HESA) & Further Education Statistical Record (FESR)

1 Excludes enrolments at the Open University

NI Compendium of Higher Education Statistics

Tertiary Education Analytical Services Branch, DEL

courses in NI FE colleges. HE enrolments at NI FE colleges have increased by 26% in the past five years, rising from 9,948 students in 1997/98 to 12,549 in 2001/02.

In 2001/02 females accounted for 61% of undergraduate enrolments and 58% of postgraduate enrolments at NI HE institutions. This shows an increase from 1997/98, when 59% of undergraduates and 52% of postgraduates were female.

DOMICILE OF STUDENTS AT NI HE INSTITUTIONS

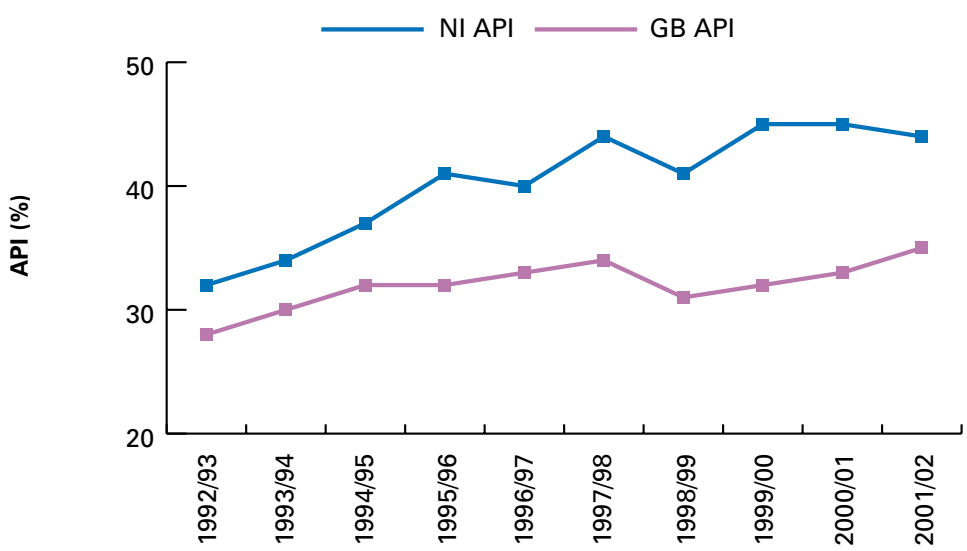
The proportion of students enrolled on HE courses at NI HE institutions who were from NI increased from 85% in 1997/98 to 88% in 2001/02. There was a corresponding decrease in the proportion of students from the Republic of Ireland (RoI) studying at NI HE institutions, dropping from 10% in 1997/98 to 7% in 2001/02. The proportion of students from Great Britain (GB) remained the same in 2001/02 (2%) as in 1997/98.

SUBJECT AREAS AT NI HE INSTITUTIONS

The most popular subject areas for full-time undergraduate students at NI HE institutions in 2001/02 were Subjects Allied to Medicine (13%), Business & Administrative Studies (11%), Computer Science (9%) and Engineering & Technology (7%). Some 11% of students undertook courses in combined subject areas.

In 2001/02, of the total enrolments on HE courses at NI Institutions, females accounted for 84% of students studying Subjects Allied to Medicine, 73% of those studying Social, Economic and Political Studies and 71% of those studying both Biological Sciences and Education. Males accounted for 85% of students studying

Figure 2: Age Participation Index (NI & GB)



Source: HESA, FESR, Higher Education Authority (HEA) & Department for Education and Skills (DfES)
NB. The 2001/02 NI figure is based on provisional data.

NI Compendium of Higher Education Statistics

Tertiary Education Analytical Services Branch, DEL

Engineering & Technology, 74% of those studying Architecture, Building & Planning and 66% of those studying Computer Science.

PARTICIPATION OF NI DOMICILED STUDENTS AT UK AND ROI INSTITUTIONS [2,3]

In 2001/02, 73% of NI domiciled students studied at NI institutions, an increase from 70% in 1997/98. In 2001/02, 25% of NI domiciled students studied in GB and 2% in RoI.

SUBJECT AREAS

The most popular subject areas for NI domiciled full-time undergraduates studying in the UK and RoI in 2001/02 were Business & Administrative studies (15%), Subjects Allied to Medicine (11%), Computer Science (9%) and Engineering & Technology (7%). Some 10% of students undertook courses in combined subject areas.

PROPORTION OF THE NI POPULATION IN HE

The Age Participation Index (API) expresses the number of NI domiciled initial entrants to full-time higher education (in the UK or RoI) aged under 21 as a percentage of the 18 year old home population.

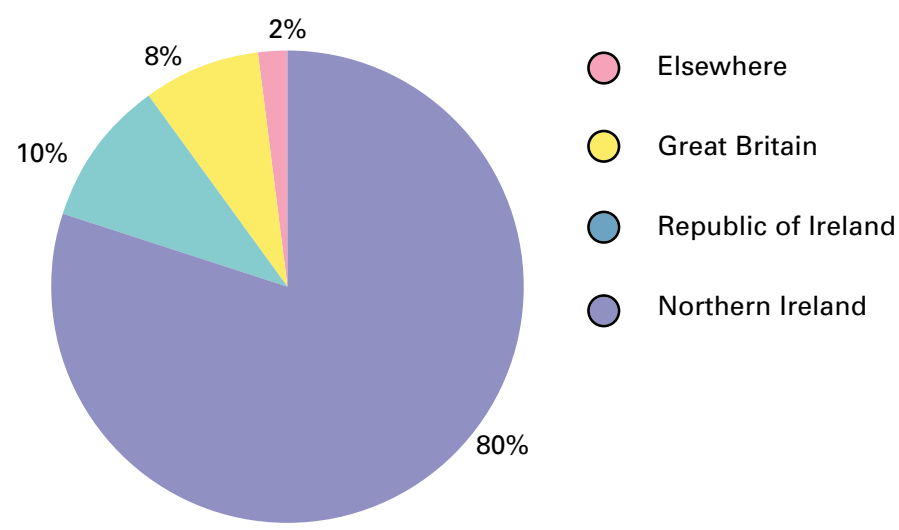
The API has increased steadily over the past 10 years, from 32% in 1992/93 to 44% in 2001/02. The figure for NI domiciled students has been consistently higher than the GB domiciled student figure, which stood at around 35% in 2001/02[4].

FIRST DESTINATIONS OF STUDENTS GAINING QUALIFICATIONS FROM NI HE INSTITUTIONS

Information on the first destination of students is collected by the Higher Education Statistics Agency (HESA) six months after graduation and only considers full-time students obtaining a qualification from a UK university.

In 2000/01 there were 7,060 students who had attained qualifications at NI HE institutions and had first destinations data returned to HESA. Of those students gaining undergraduate qualifications[5], 81% remained in NI to take up their first activity (an increase from the 1997/98 figure of 73%), 8% went to GB, 8% went to RoI and 2% elsewhere. Of students gaining postgraduate qualifications, 69% took up

Figure 3: Location of first activity of students gaining qualifications at NI HE institutions 2000/01



Source: HESA

2 Figures relating to students enrolled at RoI institutions and GB FE colleges for the 2001/02 year were not available at time of publication and have been held constant at 2000/01 values.
3 Includes students enrolled on HE courses at the Open University.
4 The GB Age Participation Index expresses the number of GB domiciled initial entrants to full-time HE in GB aged under 21 expressed as a proportion of the averaged 18 to 19 year old GB population.
5 Of those whose location of activity was known.

NI Compendium of Higher Education Statistics

Tertiary Education Analytical Services Branch, DEL

their first activity in NI, (an increase from the 1997/98 figure of 63%), 9% in GB, 18% in RoI and 4% elsewhere.

Of those undergraduate students graduating from NI HE institutions in 2000/01, 58% entered employment, 29% embarked on further study or training and 7% were assumed to be unemployed. Of postgraduate qualifiers, 81% entered employment, 9% went on to further study or training and 4% were assumed to be unemployed.

FIRST DESTINATIONS OF NI STUDENTS GAINING QUALIFICATIONS FROM UK HE INSTITUTIONS

There were 8,742 NI domiciled students who had First Destinations data returned to HESA in 2000/01. Of those whose location of activity was known, 70% of undergraduates took up their first activity in NI (an increase from the 1997/98 figure of 66%), 24% in GB, 4% in RoI, and 2% elsewhere.

Of students gaining postgraduate qualifications in 2000/01, 66% took up their first activity in NI (64% in 1997/98), over 25% in GB, over 6% in RoI, and 2% elsewhere.

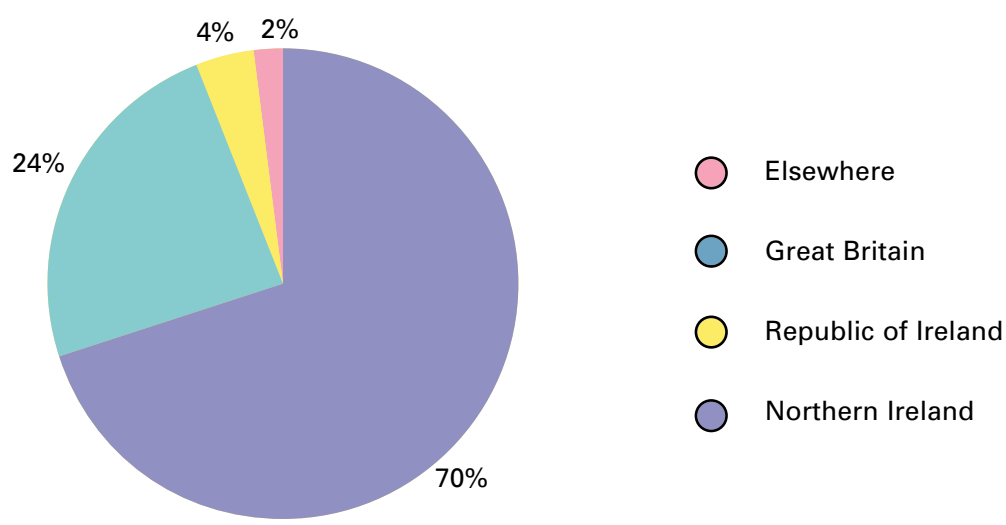
NI DOMICILED STUDENTS STUDYING AT INSTITUTIONS IN GB

Of NI domiciled undergraduates who attained qualifications at HE institutions in GB in 2000/01, 29%[6] returned to NI (same proportion as 1997/98), whilst 3% went to RoI. Of those undergraduate students 28% of males and 30% of females returned.

Of NI domiciled postgraduates who studied in GB, 32% returned to NI (28% in 1997/98) whilst 3% went to RoI. Of those postgraduate students, 23% of males and 36% of females returned..

The full document can be accessed at the following web address:
www.delni.gov.uk/statistics

Figure 4 Location of first activity of NI domiciled students gaining qualifications at UK HE institutions 2000/01



Source: HESA

6 Of those whose location of activity was known

Call Centre Employment – An Update

Terry Morahan, Research and Evaluation Branch, DEL

One of the most rapidly growing sectors in terms of employment are call centres (aka contact centres, customer service centres).

Table 1 gives our latest information on present and planned growth in call centre employment.

It represents an update of **Table 1** in the article by the author, "Call Centre Capacity in NI" – see Chapter 13 LMB No 14.

Table 1

Organisation	Location	Current Employees	Projected Employees	Description
Greater Belfast				
Abbey National	Belfast	620	770	Teleservices centre for Abbey National's UK customer base.
ACER	Belfast	20	140	Multi-Lingual Mobility and Technical support
AMA	Bangor	170	350	Telemarketing Bureau
BA	Belfast	120	120	Customer Care and Information
BBC	Belfast	110	110	Customer Service Centre for viewers and listeners
BT	Belfast	100	100	Customer Service Centre
First Choice	Belfast	20	20	Direct Sales Fulcon Holidays
GEM	Belfast	300	700	Technical Customer Support Centre
Halifax	Belfast	1400	1500	Teleservices and online banking centre
HCL	Belfast	750	750	Telemarketing/Technical Support
IAS	Belfast	210	250	Insurance products for the over 50's
MM Group	Bangor	460	590	Teleservices/Direct Marketing Bureau
Northern Bank	Belfast	60	60	Provides the entire NAB Group's UK debt factoring service.
NTL	Belfast	340	340	Customer Service Centre for UK Network
Open and Direct	Belfast	280	280	Financial Services
Prudential	Belfast	440	440	UK-wide life insurance claims
P&O	Larne	50	50	UK customer booking service
Regus	Belfast	60	300	Shared Services Centre
Seatem UK	Belfast	40	70	Ticket Booking
Segue Software	Belfast	30	50	Technical Support
SX3	N'Abbey	70	100	Part of the Viridian Group-provides a range of services
Synstar	Belfast	0	50	Technical Support
Teletech	Belfast	170	960	Customer interaction centre for telephone and e-commerce
Ulster Bank	Belfast	390	390	Account Management Centre Internet Banking
	Sub Total	**6210**	**8490**	
L'Derry				
BT	L'Derry	160	160	Call Billing
GEM	L'Derry	20	200	Technical Customer Service Centre
Stream	L'Derry	450	650	On-line tech support to customers of major US IT companies
	Sub Total	**630**	**1010**	
Elsewhere				
BT	Portadown	130	130	Directory Enquiries for BT's UK network including London
BT	Enniskillen	300	300	Customer Service Centre for BT's UK network
Quinn Direct	Enniskillen	50	350	Direct Line Insurance Services
Answer Call Direct	Armagh	280	500	Customer Contact Centre
IDS	Newry	30	120	Telemarketing Bureau
SX3	Ballymena	20	20	Part of the Viridian Group-provides a range of services
SX3	Omagh	20	20	Part of the Viridian Group-provides a range of services
	Sub Total	**830**	**1440**	
	Total for NI	**7670**	**10940**	

Call Centre Employment – An Update

Terry Morahan, Research and Evaluation Branch, DEL

Table 2:

year	2000	2003	Projected
Greater Belfast	3090	6210	8490
L'Derry	500	630	1010
Elsewhere in NI	550	830	1440
Total	**4140**	**7670**	**10940**

It can be seen from **Table 2** that the sector has undergone a dramatic expansion almost doubling in just 3 years – and this is projected to continue with over 3000 jobs "in the pipeline" and more under active negotiation.

Table 1 represents our best estimates – including recent press announcements. This sector is undergoing rapid changes and accordingly not all the data will be entirely up-to-date.

However if it is incorrect in any way please contact christopher.lawless @delni.gov.uk
Tel: 028 90 257686

Note: only centres with over 20 employees are included and figures are rounded to the nearest 10.

The Northern Ireland Labour Market - Results from the 2001 Census

James Gillan Statistics Research Branch Department of Enterprise, Trade and Investment, Jane Campbell Research and Library Services, Northern Ireland Assembly

This article provides a profile of the NI labour market using information principally from the 2001 Census of Population. It looks at labour force participation within the context of population dynamics, changes over time in economic activity and inactivity rates and the characteristics of the economically inactive. Current working patterns, industrial structure and the role of rising educational attainment in the context of high levels of employment are examined as well as the characteristics of the unemployed.

- Mid year population estimates based on the Census indicate that there has been an increase of some 9% in the working age population in Northern Ireland between 1991 and 2001. Young entrants coming into the labour force are out numbering those leaving and represent increased potential for economic growth in Northern Ireland. The working age population is projected to grow by a further 50,000 by 2011.

- Northern Ireland's economic activity rate was 70.2% compared to 75.8% for the United Kingdom - due in part to Northern Ireland's younger age structure. While between Census comparability is limited by definitional differences and the treatment of under enumeration, there is some evidence that overall there have been declining rates of labour market participation over the decade.

- Labour market participation rates decreased for men but increased for women between 1971 and 2001. The large difference in participation (of 46 percentage points) between women and men that existed thirty years ago has steadily lessened over time, to a gap of 15 percentage points in 2001.

- Men and women differ in the reasons for their non-participation. Men who are economically inactive are most likely to be so due to permanent sickness or disability whilst for women, the majority are looking after the home or family.

- Reasons for inactivity also vary by age. The proportion of men economically inactive due to sickness or disability is especially high for those aged 35-49, with almost six out of ten inactive for this reason in 2001. Permanent sickness or disability also affects nearly half (46%) of men aged 25-34. Among economically inactive females aged 25-34 a very high proportion (62%) are inactive due to home and family responsibilities, while for men of this age it is 13%. In the youngest age group (aged 16-24) the majority are students.

- The likelihood of being economically inactive is related to a person's level of educational attainment. The proportion economically inactive is highest for those with no formal qualifications and decreases as level of qualification increases.

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- The rate of economic inactivity varies by geographical area. The inactivity rate for those aged 16-74 was highest in Belfast, Derry and Strabane District Council areas at over 45% compared with an average of 40% for Northern Ireland as a whole. These are also areas of higher than average unemployment.

- The Census shows the proportion of people in employment has been decreasing for men and increasing for women. A gap of 39 percentage points between women and men's employment rates in 1971 has decreased to 12 percentage points in 2001. In 2001 69% of men and 57% of women of working age were in employment.

- The Census confirms the trend towards decreasing unemployment in Northern Ireland observed in official unemployment figures and shows that overall, unemployment more than halved over the period from 1991 to 2001. The Census found 13,600 or 1.7% of people in 2001 were out of work for over a year and that long-term unemployment is higher for males than females and unevenly distributed by region of Northern Ireland.

- The Census gives an indication of how the industrial profile of employment in Northern Ireland is changing over time. Traditional industries such as manufacturing and agriculture have been declining in importance and service industries have been expanding their share of total employment. The service sector contains over 486,000 employees and self-employed in 2001 and accounts for 73% of all employment.

- Part time working and self-employment have been increasing in importance over time. In 2001 about a fifth of people in employment are working part time (30 or less hours a week) and women are more likely than men to be working on this basis. In 2001, 14% of people of working age in employment are self-employed. Men (21%) are more likely than females (6%) to be self-employed. Self-employment is more common in the construction, agricultural, and wholesale and retail sectors.

- The level of educational attainment in Northern Ireland has been increasing over time and the proportion of people without any formal qualifications has fallen dramatically. In 2001 36% of people had no formal qualifications compared to 58% ten years previously. In 2001 17% of people had a third level qualification compared to 10% in 1991.

INTRODUCTION

The 2001 Census asked people to answer a number of questions about different aspects of their working lives. This allows a more in depth analysis of the characteristics of Northern Ireland's labour force than would be otherwise available, enables area comparisons to be made from the national to the local level, and importantly provides a standard against which Labour Force Survey population estimates can be benchmarked. The questions asked in the 2001 Census were developed to approximate those used in the Northern Ireland Labour Force Survey (LFS), which follows the internationally standard definitions set out in the guidelines of the International Labour Organisation (ILO). However, the self-completion aspect of the Census means data from this source can be classified only approximately to the ILO definitions. Comparisons with previous Censuses are limited by definitional differences, and differences in the way in which adjustment for under-

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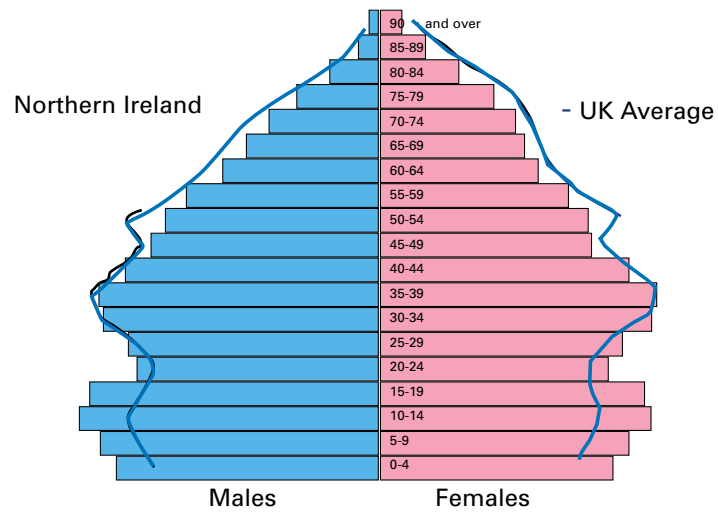
enumeration was undertaken and as such cannot provide an exact basis for comparison. However, the effects of these differences can be mitigated by comparing differences between percentages calculated from the respective bases in each Census rather than measuring the difference between the actual counts at each Census. The definitional differences for the key labour market indicators are outlined in the notes[1] at the end of this article.

Some three quarters of a million tables are now available from the Northern Ireland Census of Population carried out on 29th April 2001 and these include a wealth of detailed information on the economic status of the usually resident population. This information is more accessible than ever before and is available both online www.nisra.gov.uk/Census and on CD at Northern Ireland, District Council, Ward (1992 basis) and at Census Output Area (average size 125 households). This article aims to provide an introduction to the information available in respect of the NI Labour market. Travel to work area (TTWA) Tables are not available at the time of writing. An article in next years Labour Market Bulletin will provide further analysis using this information.

Figure 1 Age profile, NI and UK compared, 2001 Census:



Northern Ireland-Histogram. UK linegraph. Source ONS

WORKING AGE POPULATION GROWTH.

Change in the size of the Labour force, that is the employed and unemployed populations or those currently economically active, is the combined result of the growth of the working age population and change in labour force participation rates. The population of working age (16-59 for females and 16-64 for males) in Northern Ireland grew between 1991 and 2001 by about 85,000[2] (9%) mainly due to young entrants outnumbering those exiting at the age of retirement. By 2001 the working age population made up about 2% more of total population than in 1991. Population projections estimate that the Northern Ireland population aged 16-59/64 will grow from 2001 by 50,000 to some 1,080,000 in 2011[3]. Northern Ireland's younger age profile compared to that of the United Kingdom can be seen from **Figure 1** reflecting the potential for increased economic activity as the working age population share of the population increases in relative terms.

CHANGE IN LABOUR FORCE PARTICIPATION.

Figure 2 presents the changes in economic activity rates for people of working age since 1971. The definitions of economic activity used in earlier Censuses were less restrictive than the ILO consistent criteria used in the 2001 Census classification. In 2001, those who were seeking work were required to indicate that they were actively doing

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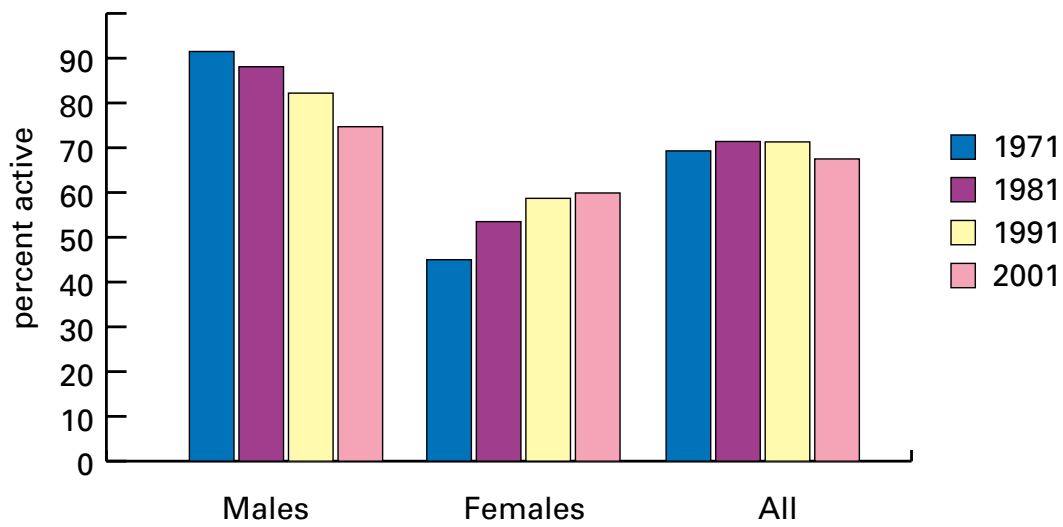
Figure 2: Economic activity rates 1971- 2001[4]



Note: The 2001 Census figures are adjusted for greater comparability with earlier years by treating working students as economically inactive.

so within the previous four weeks and those who reported themselves available to start work were asked whether they could do so within the next two weeks. This more restrictive definition likely acts to deflate the numbers and levels of those economically active in the 2001 Census compared to previous Censuses. The apparent decrease in economic activity rates between Censuses evident in **Figure 2** is therefore combined with changes that are due to the form of the questions used. That said, it is possible to look at the relative position of different groups over time and a comparison of economic participation rates for males and females shows a narrowing of the gender differential over this period. The very high differential between male and female participation rates of some 46 percentage points in 1971 decreased by about 10 percentage points between each Census to a 35 percentage point difference in 1981, 25 in 1991 and 15 in 2001. Whereas females comprised 31.8% of the economically active population in 1971 they accounted for 43.8% in 2001, reflecting their increased role in the Northern Ireland economy.

The total number of economically active (working age) persons in 2001 was 720,258 giving an economic activity rate of 70.2%, compared to a United Kingdom rate of 75.8%. However, when full-time students who were working part time in the 2001 Census are reclassified as economically inactive to improve comparability with 1991, the number of economically active persons in 2001 decreases to 692,227. When activity rates are compared on this basis it is evident that there has been a decrease in overall economic participation rates between 1991 (71%) and 2001 (67%). Men's activity rates underwent a substantial decrease compared to women's activity rates, which showed a small increase **(see Table 1)**.

As noted, the difference in reference periods between the questions used in the 1991 and 2001 Censuses limit their comparability. However,

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Labour Force Survey (LFS) estimates of economic activity rates are on a consistent basis and provide a point of comparison once full-time students are redefined as inactive in the LFS. When this adjustment is made, the LFS estimates of economic activity rates are seen to be similar both in 1991 (LFS 72% Census 71.3%) and 2001 (LFS 69.5%, Census 67.5%). We can thus use LFS to examine the change in the absolute numbers of economically active.

The LFS is particularly useful in that it allows an estimate of the relative size of the change in levels, which is not possible using the Censuses because of the lack of adjustment for non enumeration in 1991. At Spring 2001 the number of economically active people found by the LFS (adjusted to exclude full-time students) was 713,000 an increase of 47,000 (7%) over the ten year period from 1991. Despite the fall in the activity rate found by LFS (72.0% to 69.5%), this increase of 7% in the number of inactive people was due to a rise of about 9% over the decade in the number of people of working age as shown by mid-year population estimates. Since the LFS is a sample survey, results are subject to sampling error and the 2001 economically active estimate of 713,000 has an associated 95% confidence interval of +/- 16,000. Other confounding factors such as the LFS's lack of full coverage of people living in institutions (such as soldiers' barracks) and data collection by interview further limit the degree of comparability between the two sources. However, both the LFS and Census data indicate changes of similar direction and relative magnitude indicating decreased economic activity rates over the ten-year period.

Further analysis of the Census figures allows more detailed examination of the characteristics of those who have contributed to the growth in the economically inactive population between Censuses. In terms of age most (41%) of the growth in the inactive population was accounted for by a rise in the 50-59/64 age group, followed by the 16-24 age group (31%). In terms of status the permanently sick and disabled accounted for 38% of the growth in the economically inactive followed by 'others inactive' (37%) and students accounting for 20%. Males also accounted for most of the growth in the economically inactive (79%).

As can be seen from **Table 1**, the most significant change in the working age population over the period was the decline in the male activity rate, which fell from 83% to 75%. Economic activity rates remain higher for males than females and in 1991 over eight out of ten men of working age in Northern Ireland were

Table 1 Labour force participation and economic activity rates (working age)

Economic Activity[4]	1991	2001 (adjusted)
All (16-59/64)		
Economically active	71.3%	67.5%
Economically inactive	28.7%	32.5%
Males (16-64)		
Economically active	83.2%	74.7%
Economically inactive	16.8%	25.3%
Females (16-59)		
Economically active	58.7%	59.9%
Economically inactive	41.3%	40.1%

Note: The 2001 Census figures are adjusted for greater comparability with 1991 by treating working students as economically inactive.

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economically active compared with almost six out of ten women. However, the gap of 24 percentage points between male and female activity rates in 1991 closed by almost ten percentage points over the decade.

Some 11,800 male and 16,200 female full time students described themselves as having undertaken some paid activity in 2001 and have been classified as economically inactive to make the above comparisons. When these are reclassified as economically active to match the ILO definitions they continue to reflect the narrowing gap between female (63%) and male (77%) participation in the labour market.

ECONOMIC INACTIVITY

The economic inactivity rate in 2001 was 29.8% (305,442 persons inactive). However, when all full time students are classified as inactive in 2001 as in 1991, the economically inactive population of working age increases to 333,474. The Census showed an increase from 20% (1991) to 28% (2001) of those inactive due to permanent sickness or disability, a large decrease in the share of those looking after the home (47% to 25%), a very slight increase in the percentage of students (28% to 29%) and retired (4% to 5%) and a marked increase of those in the "other" category (1% to 13%).

Table 2 shows the composition of the male and female inactive group and how it has shifted over time. While the overall levels have grown for males, there are proportionately fewer of the economically inactive classified as permanently sick or disabled in 2001 (38%) compared to 1991 (40%). Similarly, students (44%) had been the largest group among inactive males in 1991, whereas in 2001 this group represents 32% of all those inactive in 2001. Perhaps the most notable change has occurred among those who classified themselves as "other" when responding to the labour force status question. This group represent some 14% of the male inactive population compared to 2% in 1991.

The inactivity rate for women decreased slightly over the last ten years (see Table 1), and this group now comprise 60.1% of the inactive population compared to 69.9% in 1991.The make-up of the inactive group among working age women has also changed as **Table 2** shows. There was a dramatic decrease in the proportions looking after the

Table 2 The economically inactive (working age), and reason for inactivity, 1991 and 2001

	1991	2001 (adjusted)
Males	%	%
Permanently sick or disabled	39.9	38.3
Looking after the home/ family	3.9	6.2
Students	43.8	32.1
Retired	10.3	9.2
Other	2.2	14.1
Total	**100**	**100**
Females		
Permanently sick or disabled	11.1	21.3
Looking after the home/ family	65.1	37.3
Students	21.1	26.4
Retired	1.6	2.5
Other	1.1	12.6
Total	**100**	**100**

Note: The 2001 Census figures are adjusted for greater comparability with 1991 by treating working students as economically inactive.

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Table 3: Economic Inactivity by age and sex

	16-24	25-34	35-49	50-59/64
	%	%	%	%
Males				
Permanently sick or disabled	5.8	45.9	59.4	58.2
Looking after the home/family	1.1	12.7	14.7	5.2
Students	84.1	8.4	1.5	0.1
Retired	0.0	0.4	2.4	24.5
Other	9.0	32.7	22.0	12.1
Total	**100**	**100**	**100**	**100**
Females				
Permanently sick or disabled	3.6	16.9	29.3	39.7
Looking after the home/ family	13.3	61.5	53.3	36.2
Students	75.0	4.0	1.3	0.1
Retired	0.0	0.1	0.9	9.5
Other	8.1	17.5	15.2	14.4
Total	**100**	**100**	**100**	**100**

home or family accompanied by large increases in the sick and disabled group. In 1991 11% of those in inactivity were permanently sick or disabled compared with 21% in 2001. As with males, the proportion of the 'other' inactive group increased making up 13% of the inactive in 2001.

Labour Force Survey estimates adjusted to reclassify full time students as inactive, allows LFS inactivity rates to be compared with the 1991 and adjusted 2001 Census figures and the level of changes over the ten-year period to be estimated. LFS inactivity rates were 28% in 1991 compared to 28.7% in the Census (30.5% versus 32.5% respectively for 2001). There was an estimated increase over the ten-year period of 54,000 (21%) in the economically inactive population (including full-time students as inactive), reflecting a male increase of 34,000 (40%) and a female increase of 20,000 (11%). While these LFS estimates are subject to sampling error and not consistent with the Census for the stated reasons it provides an indication of the order of magnitude of the changes on a consistent basis.
Table 3 looks at the composition of the economically inactive by age in the 2001 Census, (economically active students are not included). In the youngest age group students are in the majority, they make up 84% of males and 75% of females of this age. There are striking differences by sex in relation to home and family responsibilities with 62% of females aged 25-34 inactive due to looking after the home or family compared with 13% of males of the same age. Over half of women aged 35-49 were also inactive for this reason. Another notable feature of **Table 3** is the proportions of people who were inactive due to permanent sickness or disability. Nearly half (46%)

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of males aged 25-34 and 59% of males aged 35-49 were inactive for this reason. Eighty five per cent of the economically inactive in 2001 who described themselves as permanently sick or disabled indicated that they had previously worked compared to 45% in the 1991 Census. Seventy seven percent of the economically inactive who were permanently sick and disabled said it had been over 1 year since their last employment [5].

Figure 3 shows that inactivity rates vary considerably by levels of educational attainment [6]. Inactivity is most likely amongst those with no qualifications and there are marked gender differences. Nearly six in ten working age women with no qualifications are classified as inactive and almost a third of men. The proportion inactive and the extent of the gender differential decreases as level of qualification increases. For those with qualifications at a lower level the proportions inactive are 17% for males and 31% for females. Only 10 per cent of males and 14 per cent of females with a higher qualification are economically inactive.

There are also geographical variations in economic inactivity as **Figure 4** shows. Looking at the population aged 16-74, Belfast DC has the highest inactivity rate of 46.8% compared to an average of 40.1 for the whole of Northern Ireland. Higher inactivity rates tend to be found in areas to the west and the north of the province. In Derry and Strabane 45% of the population are inactive. Higher rates of inactivity tend to exist in areas with above average unemployment and this is true for Belfast, Derry and Strabane which have some of the highest unemployment rates in Northern Ireland. Antrim, Banbridge, Carrickfergus and Ballymena have the lowest inactivity rates of around 35% and below and are clustered in the east of Northern Ireland. These are also areas of lower than average unemployment.

Figure 3: Inactivity rates by level of educational attainment[5], 2001

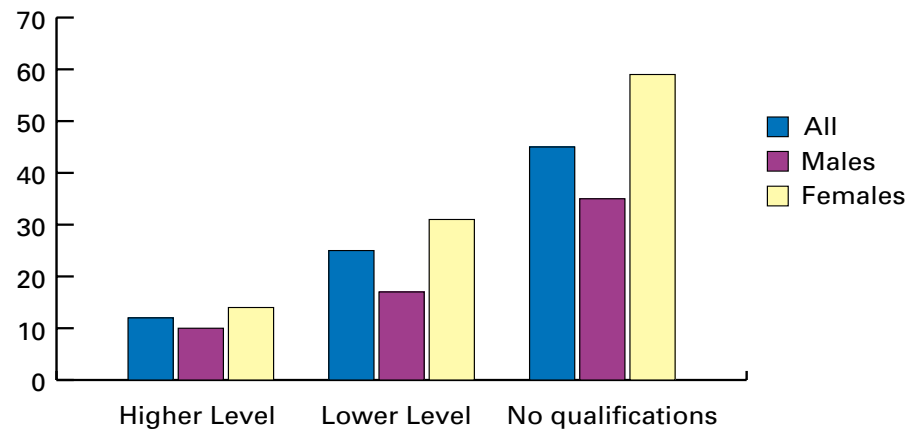
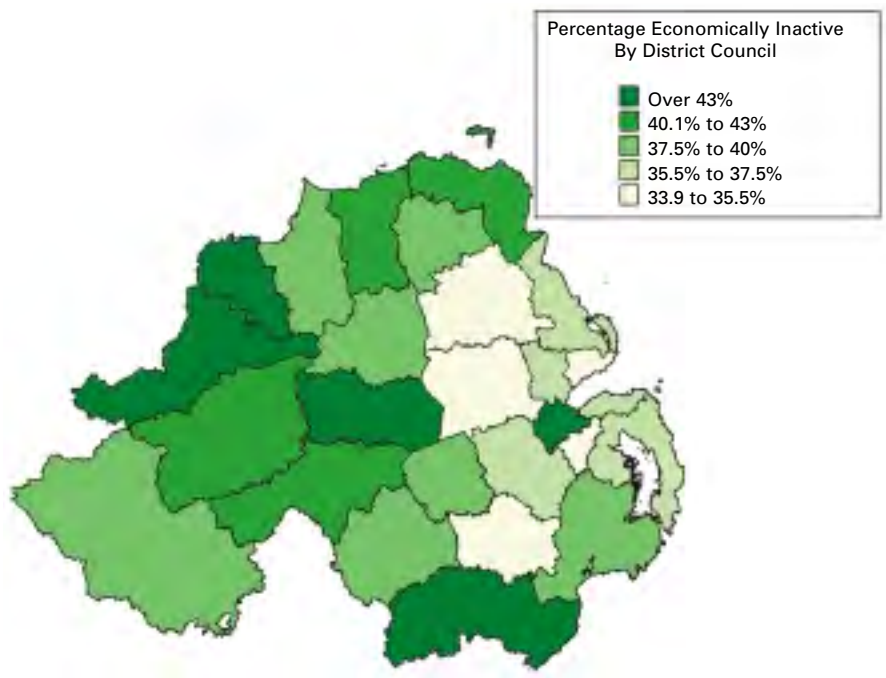


Figure 4: Economic Inactivity rates by area, 2001 (persons aged 16-74).



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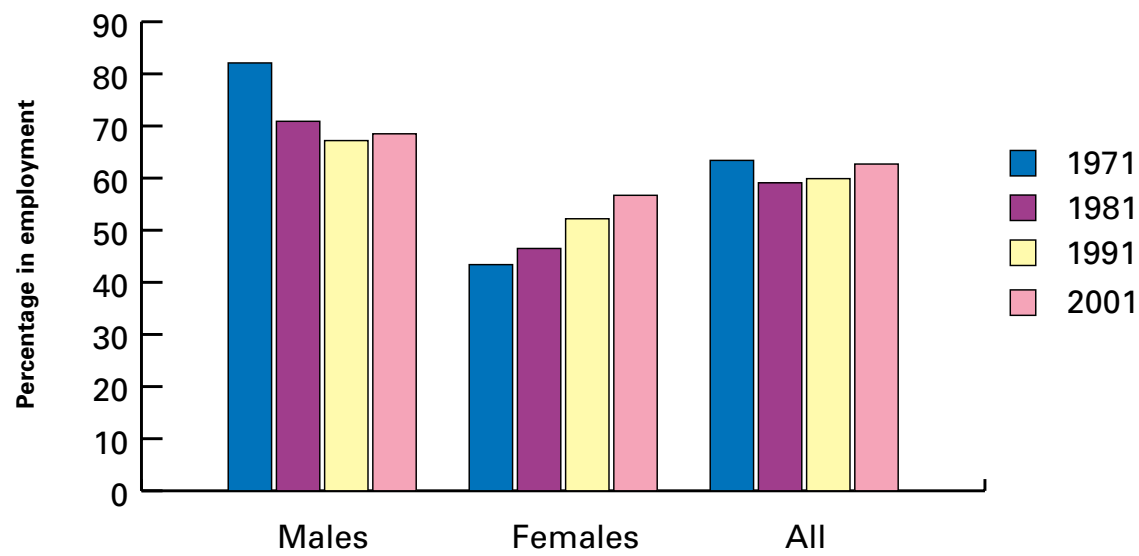
EMPLOYMENT

Sources such as the Labour Force Survey and the Census of Employment have reported historically high levels of employment in Northern Ireland and this was reflected in the April 2001 Census figures which recorded just over 690,000 persons (aged 16-74) in employment of whom 81.7% were employees, 14.2% were self employed and 4.1% were full time students who worked in the reference week.

When students are excluded and the working age population is used as the base it can be seen that 88% of those working in 1991 were employees (treating all those in government employment or training schemes in 1991 as employees) compared to 86% in 2001. Twelve per cent were self-employed in 1991 (compared to 14% in 2001) reflecting the increased role of self-employment. The Census 2001 employment rate was 62.7%, (68.5% for males and 56.7% for females). **Figure 5** presents the Census employment rates from 1971 to 2001 and shows the pattern of change for males, females and the working age population overall. For males the rate has fallen over the period from a position of high employment (over 8 in ten) in the 1970s to below 7 in ten in 2001. For females the pattern is very different. The rate was much lower than for males in the 1970s, with just over 4 in ten women in employment. Over the decades this has risen steadily, with an overall increase of 13 percentage points. For males the decrease over this period was 14 percentage points. In 1971 the gap in the employment rates between males and females was 39%, in 2001 it was 12%.

Figure 5: Employment rates (working age) 1971-2001



Note: The 2001 Census figures are adjusted for greater comparability with earlier years by treating working students as economically inactive.

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Table 4: Proportion of working age in employment 1991 and 2001 Census

Males		Females		All	
1991	2001 (adjusted)	1991	2001 (adjusted)	1991	2001 (adjusted)
67.2%	68.5%	52.2%	56.7%	59.9%	62.7%

Note: The 2001 Census figures are adjusted for greater comparability with 1991 by excluding working students from the employed.

Table 4 focuses on the Census figures for 1991 and 2001[4] for persons of working age and again, excluding students from the employed to improve comparability with 1991. The numbers and proportions in employment increased over the ten-year period. There was a 2.8 percentage point increase in the overall employment rate. The increase for females, 4.5 percentage points, was greater than that for males (1.3 percentage points).

On Census Day 2001 there were 360,021 males in employment aged 16-64 and 283,519 females in employment aged 16-59. Overall, there were 643,540 persons of working age in employment.

UNEMPLOYMENT

Prior to the 1980s the unemployment rate in the United Kingdom was low. Economic recessions in the early 1980s and 1990s marked a decline in employment rates and very large increases in unemployment. In Northern Ireland the unemployment rate was also very high in the mid 1980s and particularly for males. Official data show a gradual reduction since then.

Table 5: Unemployment rates (working age), 1991 and 2001

Males		Females		All	
1991	2001 (adjusted)	1991	2001 (adjusted)	1991	2001 (adjusted)
19.3%	8.3%	11.1%	5.3%	16.0%	7.0%

Note: The 2001 Census figures are adjusted for greater comparability with earlier years by excluding working students from the economically active.

Table 5 looks at the Census[4] unemployment rates for 1991 and 2001 for those of working age. Caution is advised with interpretation because of changes in the Census definition[1] of unemployment. Official unemployment figures provided from Labour Force Survey estimates for Spring 1991 and 2001, show that the overall unemployment rate fell from 12.2% to 6.2% during this period. Unlike the official definition, the figures below have been adjusted to exclude full time students working part-time from the economically active to improve comparability with 1991. The Census figures show that the overall rate of unemployment (16%) more than halved over the period to 7% in 2001. For males the rate decreased from 19.3% to 8.3% and for females from 11.1% to 5.3%.

LONG TERM UNEMPLOYMENT

Compared with the United Kingdom as a whole Northern Ireland has always had a higher proportion of unemployed people who are defined as long-term unemployed (out of work for over a year). Long-term unemployment tends to be concentrated amongst men and older members of the workforce and is unevenly distributed with higher than average rates in areas in the north and west of the

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Table 6: Long-term Unemployed 2001

	Long term unemployed:	
	as % of all aged 16-59/64	as % of all unemployed
Males	2.6	41.5
Females	1.2	37.8
All	1.7	40.3

province and parts of Belfast. In Derry District Council area 3.1% of people of working age were long term unemployed compared a Northern Ireland average of 1.7%. In Strabane and Belfast DCs it was 2.5% and 2.3%.

Looking at males aged 16-64 the Census found 13,600 or 2.6% were out of work for over a year. 41.5% of unemployed males were unemployed for over a year. The rate of long-term unemployment is lower for females, 6,013 were long-term unemployed on Census day which represented 1.2% of all females aged 16-59. 37.8% of unemployed females were long term unemployed, Table 6.

There is variation by age with people in older age groups more likely be long term unemployed. Table 7 shows that males aged 35-49 were most likely to be long term unemployed with 3.2% having a period of unemployment lasting over a year. The next most likely age group to experience long-term unemployment was the oldest age group (50-64) with 3% defined as such. For females, as for males it is the 35-49 age group which has the highest rate of long-term unemployment (1.5%). Long-term unemployment was next highest at 1.4% in the 25-35 age-group.

Table 7 also shows the percentage of unemployed people who are long term unemployed by age group. Unemployed people aged 50-64 are most likely to be long term unemployed. This is true for males and females. Six out of ten (62%) unemployed males of this age were unemployed for over a year. For those aged 35-49 it was 55%. Over half of unemployed females aged over 35 were long term unemployed.

EMPLOYMENT BY INDUSTRY

Direct comparisons by industrial structure between the two Censuses are problematic due to changes in the classification of industry [7]. The information presented in this section must therefore be regarded as approximate in nature, as it only takes account of the broad group reclassifications used for comparison between SIC (92) and SIC

Table 7: Long-term Unemployed by Age Group (working age) 2001

	LTU as % of age group	LTU as % of all unemployed
Males		
16-24	1.0	13.8
25-34	2.6	37.8
35-49	3.2	55.2
50-64	3.0	61.8
Total	**2.6**	**41.5**
Females		
16-24	0.7	15.2
25-34	1.4	39.6
35-49	1.5	52.0
50-59	1.1	53.0
Total	**1.2**	**37.8**

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(80) as in the LFS. The most appropriate source for detailed industrial comparisons over time is the Quarterly Employment Survey[7] which is the official source of statistics on employee jobs.

Figure 6 looks at the distribution of employment across the major industry groups and the broad changes that have occurred between 1991 and 2001[1]. The manufacturing sector has traditionally been a major employer in Northern Ireland but has been declining in importance over recent decades with the demise of long established industries such as shipbuilding, clothing and textiles. The manufacturing sector experienced a decrease of about 4 percentage points in its share of all employment over the ten-year period, to 14% in 2001. The Census found over 95,000 people working in the manufacturing sector in 2001.

The services sector covers about 73% of all employment, and its overall share has grown from 70% in 1991 to contain over 486,000 employees and self-employed. The largest component of services is the wholesale and retail trade which accounts for over 110,000 people. The number of employees in wholesale and retail rose over ten years and more than half of these were women. Its overall share of employment was 17% in 2001 up from 15% in 1991. Employment in another service industry, hotels and restaurants also expanded over the period from 3% in 1991 to 5% in 2001, and again, more than half of these jobs were filled by females. Real estate, renting and business activities also expanded substantially over the period increasing this sectors share to 8%. Over 52,000 people now work within this industry.

The group comprising employment in public administration and defence contains over 63,000 workers in 2001. This sectors share of total employment decreased over the decade, however it is important to note that this group does not cover all public sector employment.

Figure 6: Distribution of employment by industry groups[7] (Working age population (16-59/64))1991-2001

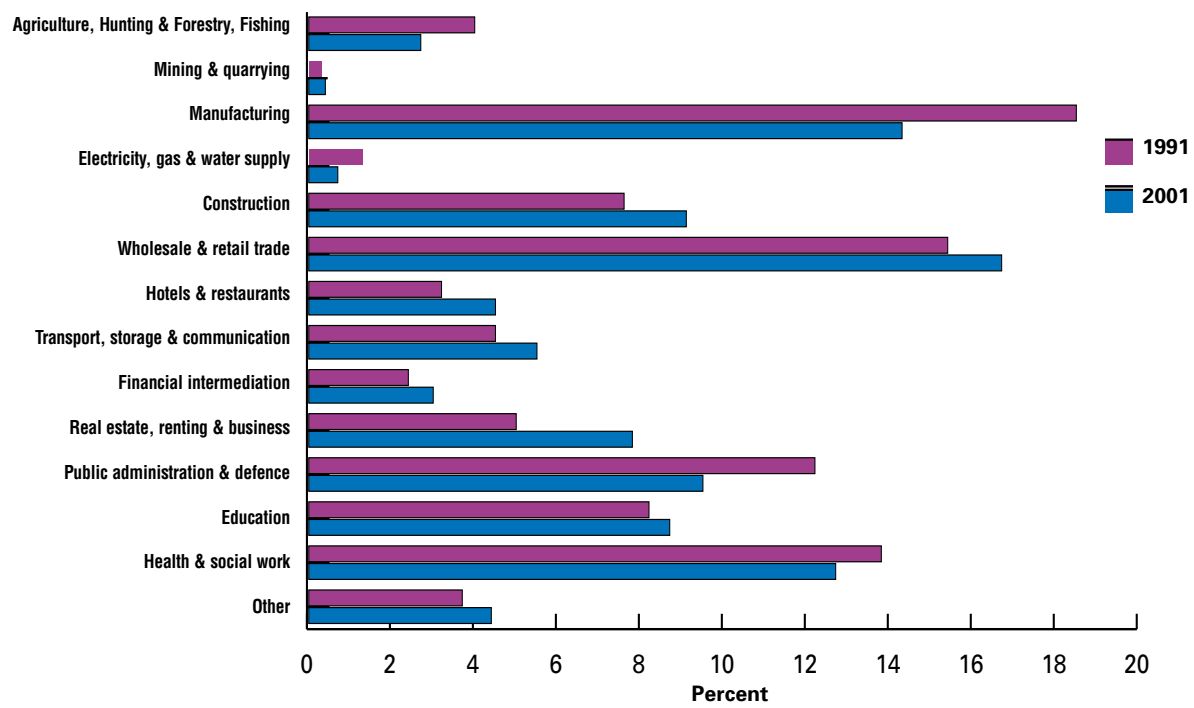

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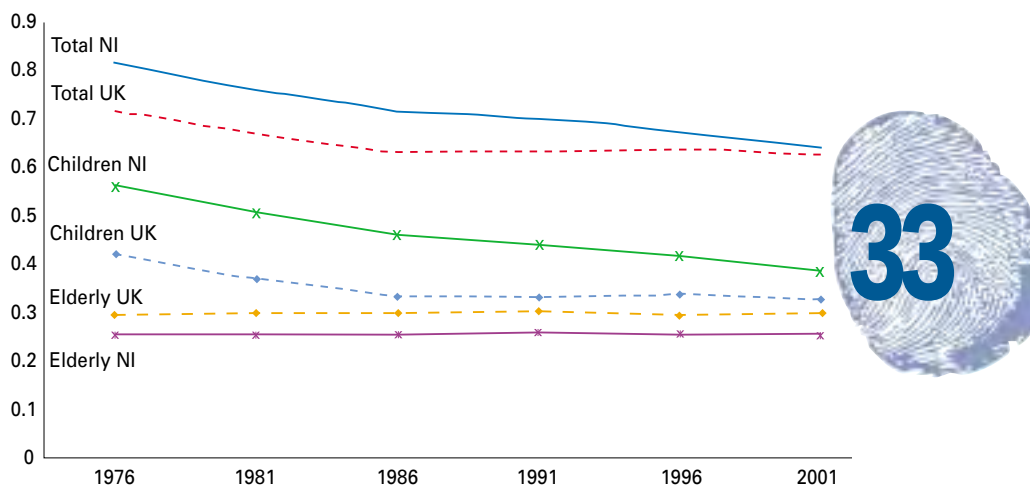
Table 8: Percentage in part-time employment, (persons aged 16-74) 2001

Industry	number employed	% Part-time	% Males Part-time	% Females Part-time
Hotels & restaurants	31,033	43	23	57
Health & social work	87,502	38	10	44
Education	60,490	33	14	41
Hotel & Retail Trade	114,721	32	15	51
Other	30,253	28	15	40
Real estate renting	53,842	18	8	31
Financial intermedaries	20,386	17	5	26
Agriculture, hunting & forestry	20,066	15	11	37
Transport, storage	37,206	13	8	27
Public admin. defence	64,025	10	3	21
Fishing	656	10	9	35
Construction	61,751	9	7	35
Manufacturing	97,365	8	4	19
Mining & quarrying	2,571	6	4	22
Elec, gas, water supply	4,775	5	3	13
Total	**686,642**	**22**	**9**	**39**

Other sectors such as education and health and social work contain a large number of public sector jobs and these groups all showed large increases since 1991. About one in ten people are employed in public administration and defence overall in 2001, a tenth of males and 9% of females according to the Census.

The health and social work category accounts for nearly 85,000 employees in 2001. This sector is a major employer for women with nearly 70,000 or 23% having a job in this field. Only 4% of males work in this sector. Employment increased

Figure 7: Dependency ratios – children under 16 and persons of pensionable age and Total, UK and NI, 1976-2001



Source: ONS

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for females though this sectors share declined from 14% to 13%.

About 9% of people work in the education sector which is another major employer of women – seven out of ten jobs are held by females. The education sectors's share of overall employment increased from 8% to 9% over the ten-year period to contain over 58,000 employees in 2001 according to the Census.

WORKING PATTERNS

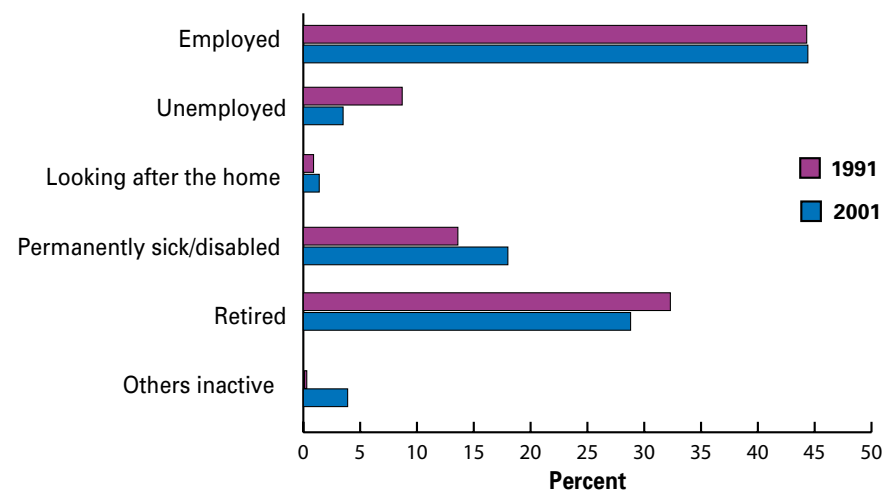
The advent of flexible working, in particular part-time working has had greatest impact upon women's labour market participation. Full-time jobs have been diminishing in importance in favour of part-time jobs over recent decades. The 2001 Census found that about a fifth (22%) of persons in employment (employees and self-employed) in Northern Ireland are working part-time (30 or less hours a week) with women more likely than males to be working on this basis. Part time work accounts for 39% of all employed women, for 42% of women in their forties and for half of employed mothers.

The gradual change from full-time to part-time employment is partly due to a shift from employment in agriculture and industry towards services. As Table 8 demonstrates, part-time employment is less common in industry and agriculture. Part-time work is most prevalent in the hotel and restaurant, health and social work and education sectors with a much higher proportion of females working part time compared with males.
The 2001 Census found that that 14% of those (aged 16-74) in employment were self-employed. A fifth of males (21%) were self-employed compared with only 6% of females. Most self-employed people worked in the construction, agricultural, wholesale and retail sectors, and the majority of these were males. Four in ten males in skilled trade occupations were self-employed. A quarter of managers and senior officials were self-employed as were a fifth of males in professional occupations.

THE DEPENDENCY RATIO

The ratio between the number of inactive and active people is known as the dependency ratio. It is a gauge of the pressure put upon the labour force by that part of the population that is currently not working: children, the elderly and to a lesser extent, persons of prime working ages such as students, disabled persons and early retired people who do not participate in the labour force. A ratio of 0.9 would mean that there are 9 dependants for every 10 working people. A rising dependency ratio is a concern in many countries

Figure 8: Labour market characteristics of Males aged 50-74, 1991 and 2001



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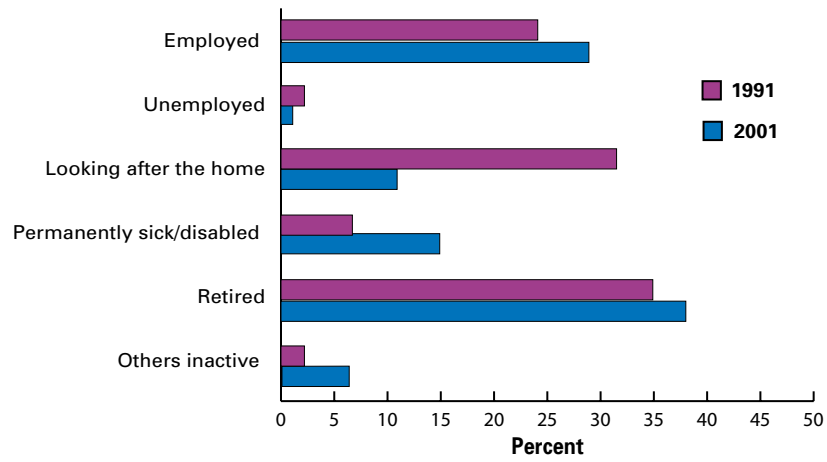
that are facing an ageing population since it becomes difficult for pension and social security systems to provide for a significantly older, non-working population.

Figure 7 shows change in the overall dependency ratios for Northern Ireland and the United Kingdom and separately for children and the population of pensionable age. To date it is children that comprise the majority of dependents. This is particularly true in Northern Ireland. The United Kingdom dependency ratio was 0.6 (or 627 dependents per 1,000 persons of working age) in 2001. This may fall gradually to just under 600 per 1,000 in 2020 (when the increase in women's state pension age is complete). The rate is then predicted to increase rapidly as the 1960s baby boomers who were children during the 1970s become pensioners. Long-term projections suggest a levelling off at around 0.7 (700 per 1,000) in the United Kingdom from the mid 2030s [8]. The Northern Ireland dependency ratio was 0.64 in 2001 and reflects growing convergence between the Northern Ireland and United Kingdom dependency ratios where Northern Ireland's higher than average but decreasing share of child dependents is beginning to be counterbalanced by Great Britain's higher rates of elderly dependents.

Figure 9: Labour Market Characteristics of Females aged 50-74, 1991 and 2001.



OLDER WORKERS

The labour force is ageing. The share of older workers (aged 50 to 74) in the total labour force is increasing significantly while the number of newcomers in the labour market is continuing to decrease. Raising labour market participation among older people is likely to become an increasing priority for government in order to prevent problems in sustaining the social security and public health systems.

The 50-74 population in Northern Ireland increased from 340,000 to 380,000 between 1991 and 2001[9]. Economic activity is low in this age group at just below 4 out of ten people according to the Census. 147,000 people aged 50-74 were economically active in 2001.

There was a fall in labour market participation amongst males of this age and very nearly half (48%) were economically active in 2001, a fall of five percentage points since 1991. The biggest change over the decade was a 4.4 percentage point rise in those with permanent sickness or disability. The second notable change was a 3.5 percentage point reduction in the proportion retired. This was counterbalanced by a 3.7 percentage point rise in the "other inactive" category. In 2001 29% of men of this age were retired, and 3.9% were in the "other" inactive category **Figure 8**. Although the proportion in employment was 44% for

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both years there were 81,000 persons in employment in 2001. In addition, the proportion unemployed more than halved in this age group, from 8.7% to 3.5%.

Labour market participation was much lower for females than males in 1991 however participation increased considerably over the period from two and a half out of ten to three out of ten females. In 2001 this amounted to over 60,000 women being economically active. Characteristics of females aged 50-74 are presented in Figure 9. A substantial increase in employment brought the number of females in employment to some 58,000 in 2001. The key change for women in this age group was the decrease in the proportion looking after the home or family, which dropped from three in ten to one in ten. As with males, permanent sickness or disability increased considerably in this age group, in 2001 it was 15% of women of this age. The proportion who were retired increased for this age age-group, and was 38% in 2001.

CHANGES IN EDUCATIONAL ATTAINMENT

The level of education among young people has increased steadily since the 1970s. This is partly a reflection of structural changes in the economy, which demands a highly educated workforce, though a downturn in economic conditions may also encourage young people to remain in education. Higher education in Northern Ireland has extended greatly over recent years. More than one in three young people now pursue a higher education compared to one in eight a couple of decades ago. The levels of education for men and women have been converging and this change has been reflected in their labour market participation rates. Changes to the Census question on educational attainment makes direct comparisons of the figures for 1991 and 2001 problematic, however broad comparisons about the level of educational attainment in the population can be drawn which give a general indication of changes over time.

Table 9: Level of educational attainment (working age population), 1991 and 2001

	Higher level[6]		Lower level		None	
	1991	2001	1991	2001	1991	2001
Males	11.1	17.1	28.6	42.8	60.2	40.1
Females	7.9	17.1	36.8	51.6	55.3	31.3
All	9.6	17.1	32.6	47.1	57.8	35.8

Looking at the working age population, in 1991 a higher proportion (11%) of males had a Higher level[6] qualification compared to females (8%). A higher proportion of females (37%) than males (29%) held Lower level qualifications. This group contains a very wide range of qualifications from A level down to CSE level and equivalent. A higher proportion of males (60%) than females (55%) did not possess any formal qualifications in 1991.

The 2001 Census found that the proportion of people without any formal qualifications has fallen dramatically, Table 9. In 1991 almost six out of ten people (58%) of working age had no educational qualifications. In 2001 it was just over a third, (36%). For males the proportion decreased from 60% to 40% whilst for females the proportion also decreased dramatically from 55% to 31%. Attainment of Higher qualifications has increased in the working age population, in 1991 10% had a third level qualification, in 2001 it was 17%.

Attainment of Lower level qualifications has also increased considerably over the period. In 1991 a third (32.6%) had a qualification within this (wide) range, whereas by 2001 it was nearly half of the population of working age (47.1%).

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[1] 1971 Census: Economically Active includes those: in a job or self employed (employing others/without employees) at some time during the week ending 24th April 1971; those not in a job but seeking work or waiting to take up a job or those prevented from seeking work by temporary sickness.

Economically inactive includes those: wholly retired; those not seeking work for some other reason (such as housewife, student, permanently sick). Respondents were advised that paid work performed by full time students in their spare time or during holidays did not count as a job.

1981 Census: Economically Active includes those: in a full time or part-time job at any time last week; self employed (employing others/not employing others); not in a job and seeking work or waiting to take up a job already accepted or prevented by temporary sickness from seeking work.

Economically Inactive includes those: permanently sick or disabled; wholly retired from employment; students in full time attendance at an educational establishment irrespective of whether or not they have part-time or seasonal employment; other including housewives.

Respondents were advised to tick all boxes appropriate to the person's activity last week.

1991 Census: Economically Active includes those: working for an employer full time (more than 30 hours a week); working for an employer part-time (one hour or more a week); self employed (employing other people/not employing other people); on a government employment or training scheme; unemployed and looking for a job; waiting to start a job he or she had already accepted.

. Economically Inactive includes those: at school or in other full time education; unable to work because of long-term sickness or disability; retired from paid work; looking after the home or family; other.

Respondents were advised to tick all boxes appropriate to the person's activity last week.

2001 Census: Economically Active includes all those: working last week as an employee or on a Government sponsored training scheme; self employed with/without employees; unemployed and looking for work in the last 4 weeks or waiting to start a job already obtained. Full time students who are economically active are included.

Economically Inactive includes those: unable to work because of permanent sickness or disability; retired from paid work; looking after the home or family; students (excluding those students who were working or in some other way were economically active); other.

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2 Uses the Mid Year Estimates (MYE) of Population as the basis for 1991 –2001 comparisons. It should be noted that for MYE purposes, unlike the Census, HM Forces who are on a tour of duty exceeding 6 months with a domestic address outside Northern Ireland (just over 1,300) are counted in the Northern Ireland MYE of population

3 2001- based population projections, Annual Report of the Registrar General, 2002. www.nisra.gov.uk/registrar/index.html).

4 These rates differ from the published Census figures as economically active full time students in 2001 are reclassified as economically inactive to enable greater comparability with 1991 results.

5 Results obtained from ad-hoc analysis commissioned from NISRA Census Office.

6 The term 'Higher level qualifications' relates to Level 4 and Level 5 qualifications in the 2001 Census which includes First and Higher Degree, HND, HNC level qualifications or equivalents. In the 1991 Census 'Higher level qualifications' relates to Level 1 and Level 2 qualifications which includes Degree level or higher, BTEC (Higher), BEC (Higher), TEC (Higher), HNC, HND or equivalents.

In the 2001 Census 'Lower level qualifications' relates to Levels 1 to 3.
Level 1: GCSE (grades D-G), CSE (grades 2-5), 1-4 CSEs (grade 1), 1-4 GCSEs (grades A-C), 1-4 'O' level passes, NVQ level 1, GNVQ Foundation or equivalents.
Level 2: 5+ CSEs (grade 1), 5+ GCSEs (grades A-C), 5+ 'O' level passes, Senior Certificate, 1 'A' level, 1-3 AS levels, Advanced Senior Certificate, NVQ level 2, GNVQ Intermediate or equivalents.
Level 3: 2+ A levels, 4+ AS levels, NVQ level 3, GNVQ Advanced or equivalents.

In the 1991 Census 'Lower level qualifications' relates to all qualifications from Level 3 to Level 6.
Level 3: GCE 'A' level, Advanced Senior Certificate
Level 4: BTEC (National), TEC (National), BEC (National, ONC, OND
Level 5: GCSE, GCE 'O' level (including CSE grade 1), Senior Certificate, BTEC (General), BEC (General)
Level 6: CSE (other than grade 1).

7 The 2001 Census asks for a description of the business or main activity of each person's employer. The variable uses a modified version of the UK Standard Industrial Classification of Economic Activities – UK SIC(92) classification. In the 1991 Census industries were classified using the revised SIC 1980 and as a result it is not possible to make exact comparisons of the figures for 1991 and 2001. The information presented in this article employs high-level reclassification used by LFS. The reclassification of the 1991 categories leaves some 22,000 who cannot be assigned to an industry – these consist of those on Government schemes and those whose industry was not stated on the Census form.

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Census figures by industry for 2001 are broadly consistent with the Quarterly Employment Survey (QES) estimates however disparities can be accounted for by differences in how the respective figures are collected. The QES is a survey of businesses where the industry classification of employees is based on the description provided by the employer whereas the Census is a self-completion return made by individuals.

8 Interim 2001-based national population projections for the UK and constituent countries. Population Trends. Spring 2003. Office for National Statistics.

9 Mid-Year Estimates of Population. NISRA www.nisra.gov.uk/statistics/financeandpersonnel/dmb/datavault

Information on NI Businesses from the Inter Departmental Business Register

Ian Gallagher and Helen Shilliday
Statistics Research Branch, Department of Enterprise, Trade and Investment

The Inter Departmental Business Register (IDBR) contains information on VAT based traders and PAYE employers in a UK wide statistical register comprising approximately two million businesses. It is maintained by the Office for National Statistics (ONS) for the UK as a whole, and in Northern Ireland by the Department of Enterprise, Trade and Investment. Used primarily to select samples of businesses that are surveyed to provide the detailed information necessary to inform economic policy, the IDBR itself also provides valuable information on the number and structure of businesses and how this changes over time. This report brings together information from a number of sources that use the IDBR.

BUSINESSES AND EMPLOYEES IN NORTHERN IRELAND AT JANUARY 2003

At January 2003, the IDBR estimated that there were 64,230 businesses in Northern Ireland that were either VAT registered or operated a PAYE scheme. These businesses employed an estimated 663,410 employees. These figures cover most of the economy, including the agriculture, production, service and public sectors in Northern Ireland. However, they do not include very small businesses that fall below the VAT and PAYE thresholds. The DTI's Small Business Service provides estimates of the overall number of businesses,

Table 1: VAT and PAYE businesses and employees[1] in NI at January 2003

(a) Private and public sector

Sizeband	0+	1-9	10-19	20-49	50-99	100-199	200-249	250-499	500+	Total
Businesses	24,855	31,720	3,945	2,255	730	375	65	145	145	64,230
Employees	0	96,440	52,520	67,980	48,815	51,760	14,205	48,855	282,835	663,410

• This sizeband includes sole proprietors and partnerships, holding companies and those companies that are not yet trading, for example, if a factory is under construction. Figures have been rounded to the nearest 5 and thus may not add to totals.

(b) Private sector

Sizeband	0+	1-9	10-19	20-49	50-99	100-199	200-249	250-499	500+	Total
Businesses	24,855	31,695	3,920	2,205	695	345	55	115	85	63,970
Employees	0	96,350	52,180	66,250	46,525	47,690	12,460	37,945	104,105	463,500

Figures have been rounded to the nearest 5 and thus may not add to totals.

(c) Public sector

Sizeband	0+	1-9	10-19	20-49	50-99	100-199	200-249	250-499	500+	Total
Businesses	0	20	25	50	35	30	10	30	60	255
Employees	0	90	340	1,735	2,290	4,070	1,745	10,910	178,735	199,910

Figures have been rounded to the nearest 5 and thus may not add to totals.

1 Employee job figures are based on the September 2001 Census of Employment and are only updated to include changes in employment related to business births and deaths

Information on NI Businesses from the Inter Departmental Business Register

Ian Gallagher and Helen Shilliday
Statistics Research Branch, Department of Enterprise, Trade and Investment

Table 2: VAT registered businesses, employees and employment in NI by broad industry group, February 2002

SIC(92) Section		Businesses	% of total	Employees	% of total	Employment	% of total
A	Agriculture, Hunting and Forestry	17,045	31.9	4,695	1.3	25,695	6.2
B	Fishing	215	0.4	130	0.0	415	0.1
C	Mining and Quarrying	90	0.2	1,390	0.4	1,445	0.3
D	Manufacturing	3,850	7.2	90,380	25.0	93,500	22.4
E	Electricity, Gas and Water Supply	20	0.0	2,245	0.6	2,250	0.5
F	Construction	7,265	13.6	32,780	9.1	40,155	9.6
G	Wholesale and Retail Trade; and Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	11,665	21.8	81,025	22.4	93,160	22.3
H	Hotels and Restaurants	2,910	5.4	32,920	9.1	36,105	8.7
I	Transport, Storage and Communication	2,115	4.0	13,945	3.9	15,905	3.8
J	Financial Intermediation	135	0.3	6,645	1.8	6,720	1.6
K	Real Estate, Renting and Business Activities	6,105	11.4	40,045	11.1	45,175	10.8
L	Public Administration and Defence; Compulsory Social Security	15	0.0	*	*	*	*
M	Education	135	0.3	11,575	3.2	11,650	2.8
N	Health and Social Work	245	0.5	7,465	2.1	7,660	1.8
O	Other Community Services, Social and Personal Service Activities	1,680	3.1	18,490	5.1	19,690	4.7
	Total	**53,515**		**361,420**		**417,210**	

Figures have been rounded to the nearest 5 and thus may not add to totals

including the latter (see **Table 1**.
At January 2003, the IDBR estimated that there were 64,230 (VAT and PAYE) private and public sector businesses in Northern Ireland, with 663,410 employees (Table 1(a) While 63,970 private sector businesses in Northern Ireland, had 463,500 employees (Table 1(b)) the public sector however had 255 'businesses' with 199,910 employees (Table 1 (c)) - almost one out of three employees, reflecting its importance in Northern Ireland. 22% of private sector employees work in a business with 500 or more employees, compared with 89% of public sector employees.

Almost one third of all VAT registered businesses in Northern Ireland in February 2002 were in the Agricultural (including fishing) sector. This compared with 8.8% in the UK as a whole.

A further 21.8% of VAT registered businesses were in wholesale and retail trades and almost 14% were in construction, compared with 22.6% and 10.8% respectively in the UK as a whole.

7.2% of VAT registered businesses were in the manufacturing sector, compared with 9.0% in the UK as a whole.

Information on NI Businesses from the Inter Departmental Business Register

Ian Gallagher and Helen Shilliday
Statistics Research Branch, Department of Enterprise, Trade and Investment

Table 3 VAT registered enterprises by broad industry group and District Councils, July 2003

District Council	Agriculture (incl. fishing)	Production	Construction	Motor Trades	Wholesale	Retail	Hotel & Catering	Transport	Post & Telecom	Finance	Property & Business	Education	Health	Public Admin & other services	Total
Antrim	515	125	250	80	90	135	75	115	20	0	150	5	10	45	1,620
Ards	565	190	330	95	155	290	130	65	10	5	240	5	5	80	2,170
Armagh	1,200	185	300	105	155	220	115	160	10	0	145	0	5	50	2,650
Ballymena	900	135	335	110	110	235	110	70	5	5	195	5	5	50	2,265
Ballymoney	530	65	180	60	45	105	40	50	0	0	70	0	5	15	1,165
Banbridge	760	110	300	65	85	140	70	70	5	0	115	0	10	40	1,775
Belfast	25	435	510	185	530	1,100	530	185	40	60	1,995	40	65	400	6,090
Carrickfergus	75	65	85	30	40	90	50	20	10	0	80	0	5	25	575
Castlereagh	90	100	200	55	120	145	50	35	5	5	190	5	10	55	1,070
Coleraine	575	120	220	90	90	230	135	50	5	0	205	5	10	60	1,805
Cookstown	860	145	250	95	85	135	70	65	0	0	90	0	5	25	1,835
Craigavon	435	220	330	115	140	290	115	90	10	5	255	5	10	80	2,100
Derry	345	170	335	70	125	310	155	60	5	5	305	5	5	75	1,975
Down	740	130	465	95	110	270	145	35	5	5	210	5	10	70	2,290
Dungannon	1,240	255	310	100	120	230	100	90	5	5	175	5	10	45	2,690
Fermanagh	1,790	135	330	115	80	300	135	65	10	5	160	5	20	65	3,210
Larne	380	50	100	35	40	110	55	65	5	0	75	5	5	30	945
Limavady	395	70	220	40	40	105	60	25	0	0	75	5	0	20	1,045
Lisburn	600	290	480	155	275	290	140	125	10	5	440	10	15	140	2,970
Magherafelt	800	175	480	75	70	155	65	80	15	0	130	0	5	20	2,080
Moyle	375	20	100	20	30	75	55	15	0	0	30	0	5	10	730
Newry & Mourne	1,120	280	565	140	195	350	185	195	10	5	270	5	15	90	3,425
Newtownabbey	190	140	210	115	175	200	95	95	15	5	255	5	5	60	1,560
North Down	70	115	175	55	130	220	115	35	5	10	395	10	10	110	1,455
Omagh	1,410	145	355	90	85	215	80	45	5	0	165	0	5	40	2,650
Strabane	825	90	220	55	50	165	75	50	0	0	60	0	5	30	1,625
Northern Ireland	**16,800**	**3,965**	**7,630**	**2,250**	**3,175**	**6,105**	**2,945**	**1,955**	**215**	**125**	**6,475**	**145**	**260**	**1,725**	**53,770**

Source: Size Analysis of UK Businesses (Business Monitor PA1003), 2003 Figures have been rounded to the nearest 5 and thus may not add to totals.

Information on NI Businesses from the Inter Departmental Business Register

Ian Gallagher and Helen Shilliday
Statistics Research Branch, Department of Enterprise, Trade and Investment

Table 4: VAT registration and de-registration rates by UK region, 1998-2001

Region[1]	1998		1999		2000		2001	
	Reg.	De-reg.	Reg.	De-reg.	Reg.	De-reg.	Reg.	De-reg.
North East	20	20	21	21	21	20	20	20
North West	34	30	33	32	34	32	32	30
Yorks & The Humber	30	28	29	31	30	32	29	29
East Midlands	36	32	34	35	36	35	34	32
West Midlands	36	32	34	34	34	34	33	31
East of England	42	36	40	39	43	40	40	38
London	70	50	66	58	65	61	59	55
South East	47	36	45	41	45	42	44	38
South West	40	35	38	38	39	39	36	34
England	42	35	40	38	41	39	39	36
Wales	26	27	26	29	26	27	26	25
Scotland	29	27	28	29	28	28	28	26
Northern Ireland	29	22	28	29	27	24	28	27
United Kingdom	40	33	38	37	39	37	37	34

1 Rates are per 10,000 resident adults aged 16+ at the middle of each year.
Source: Small Business Service, DTI

Table 3 shows the number of businesses by broad industry group in each of the District Council Areas (DCA) in Northern Ireland. Agriculture dominates the economy in rural and boarder DCAs with services and retail business predominant in urban DCAs such as Belfast and Derry.

Note: Each business is allocated to a DCA based on the address where it is registered for VAT (normally the head office, if the business has a number of work sites). Thus a business with its head office in Belfast is included in the figures for Belfast, even though it may have work sites in other District Council areas – for example, banks. Similarly, businesses that have their UK headquarters in Great Britain will be included only in the region where their head office is based. Therefore many multi-national businesses are excluded from these tables.

Table 4 shows that in 2001, 28 businesses registered for VAT and 27 deregistered for VAT for every 10,000 people aged over 16 in Northern Ireland. Only Wales and the North East region of England had a lower registration rate.
The DTI's Small Business Service estimates provide regional comparisons over a longer time period though the information available is not as recent. These indicate that during the period 1997-2001, only London, the North West, South East and East regions of England experienced a larger rise (in percentage terms) in their VAT registered business stock than Northern Ireland. (The stock of VAT registered

Information on NI Businesses from the Inter Departmental Business Register

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Table 5: Business Survival Rates

	Year of registration						
Region	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**Change 1993-1998**
North East	55.9	55.5	59.5	62.2	63.5	64.0	8.1
North West	56.8	56.9	60.1	61.0	61.0	62.8	6.0
Yorks & The Humber	58.1	58.3	61.7	61.7	63.7	62.4	4.3
East Midlands	60.3	59.0	62.3	62.5	63.8	63.7	3.4
West Midlands	58.8	58.8	60.4	62.1	62.9	63.7	4.9
East of England	61.4	61.5	64.7	66.2	66.8	66.6	5.2
London	59.4	57.9	59.9	60.8	61.3	60.3	0.9
South East	61.2	61.7	65.9	67.2	68.0	67.5	6.3
South West	60.8	61.9	65.7	66.2	67.4	66.5	5.6
England	59.6	59.4	62.5	63.5	64.3	64.0	4.4
Wales	58.6	60.7	63.0	63.9	64.3	63.9	5.2
Scotland	60.6	59.3	62.5	61.5	63.6	62.6	2.0
Northern Ireland	66.0	71.4	73.8	72.9	72.4	70.8	4.7
United Kingdom	**59.8**	**59.7**	**62.7**	**63.6**	**64.4**	**64.0**	**4.2**

Source: Small Business Service, DTI

Table 6: Small and medium-sized enterprise (SME) statistics at the start of 2001

Size (number of employees)	Businesses	%	UK %	Employment (000s)	%	UK %	Turnover (£m)	%	UK %
0	57,805	64.3	69.3	67	15.1	12.8	2,485	7.1	7.2
1-4	19,695	21.9	20.0	62	14.0	9.9	4,509	12.8	8.2
5-9	6,335	7.0	5.3	47	10.7	6.3	3,512	10.0	5.8
10-19	3,370	3.7	3.0	48	10.8	6.9	3,848	10.9	7.0
20-49	1,735	1.9	1.5	53	12.0	7.4	4,604	13.1	8.0
50-99	525	0.6	0.5	35	8.0	5.5	2,928	8.3	6.7
100-199	240	0.3	0.2	33	7.4	4.9	3,219	9.1	6.4
200-249	40	0.0	0.0	9	1.9	1.6	1,126	3.2	2.0
250-499	70	0.1	0.1	23	5.2	5.0	2,686	7.6	7.4
500+	50	0.1	0.1	66	14.9	39.6	6,291	17.9	41.2
Total	**89,870**	**100.0**	**100.0**	**442**	**100.0**	**100.0**	**35,208**	**100.0**	**100.0**
1+ employees	32,060	35.7	30.7	376	84.9	87.2	32,724	92.9	92.8

1 excluding VAT. Finance sector turnover excluded from turnover totals.
Figures have been rounded to the nearest 5 and thus may not add to totals.
Source: Small and Medium Enterprise (SME) Statistics for the Regions, 2001

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Table 7: Foreign owned Businesses operating in Northern Ireland in 2002

	1999		2000		2001		2002	
Country[1]	Businesses	Employees	Businesses	Employees	Businesses	Employees	Businesses	Employees
RoI	139	15,135	165	16,505	199	16,280	232	16,560
USA	124	15,875	146	22,220	161	21,805	160	22,305
France	27	4,035	36	5,580	45	6,155	45	6,380
Germany	24	1,000	26	1,205	41	2,035	36	1,955
Netherlands (incl. Netherlands Antilles)	29	1,600	26	1,265	36	1,665	34	1,835
Channel Islands	4	*	5	*	18	460	18	560
of which, Jersey	*3*	*	*4*	*	*6*	*320*	*6*	*385*
of which, Guernsey	*1*	*	*1*	*	*12*	*140*	*12*	*175*
Japan	15	2,855	14	2,630	14	2,625	14	2,900
Switzerland	10	880	7	605	11	520	12	480
Canada	9	*	10	*	13	*	11	*
Denmark	5	*	12	1,480	13	1,270	11	1,185
Australia	4	*	5	*	7	*	8	*
Sweden	2	*	3	*	10	520	8	375
South Korea	8	1,415	7	1,290	7	1,290	8	1,125
Finland	4	*	5	610	6	645	7	575
Norway	2	*	9	*	5	*	5	*
Belgium	6	*	3	*	4	*	4	*
Bermuda	2	*	0	*	5	*	4	*
Isle of Man	3	*	3	*	2	*	4	*
South Africa	3	*	3	*	4	*	4	*
Taiwan	1	*	1	*	2	*	3	*
Luxembourg	0	*	1	*	1	*	2	*
Cayman Islands	0	*	0	*	0	*	1	*
India	0	*	0	*	1	*	1	*
Italy	2	*	0	*	1	*	1	*
Liechtenstein	0	*	0	*	1	*	1	*
Portugal	1	*	4	*	2	*	1	*
Spain	0	*	0	*	0	*	1	*
Virgin Islands	0	*	0	*	1	*	1	*
Austria	1	*	1	*	0	*	0	*
Bahamas	1	*	1	*	0	*	0	*
Malaysia	1	*	0	*	0	*	0	*
Total	**427**	**57,835**	**497**	**69,170**	**610**	**69,580**	**637**	**74,175**

1 Figures are not directly comparable as there is a time lag for Statistics Research Branch, DETI to become aware of the country of ownership of businesses on the IDBR.

Information on NI Businesses from the Inter Departmental Business Register

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Table 8: Foreign owned businesses by broad industry group, 2002

SIC (92) Section	Businesses	%	Employees	%
A Agriculture, hunting and forestry	3	0.5	*	*
C Mining and quarrying	4	0.6	*	*
D Manufacturing	171	26.8	39,210	52.9
E Electricity, gas and water supply	7	1.1	*	*
F Construction	27	4.4	1,600	2.2
G Wholesale and retail trade	196	30.5	10,825	14.6
H Hotels and restaurants	15	2.5	2,930	4.0
I Transport, storage and communication	44	6.9	2,510	3.4
J Financial intermediation	38	6.0	6,605	8.9
K Real estate, renting and business activities	114	17.9	5,690	7.7
M Education	4	0.6	*	*
N Health and social work	4	0.6	*	*
O Other community, social and personal service activities	10	1.6	250	0.3
Total	**637**		**74,175**	

Figures have been rounded to the nearest 5 and thus may not add to totals.

businesses in Northern Ireland increased by 2.6% during the period.) While the rate of VAT registrations is comparatively low (see table 5), Northern Ireland has consistently been the best performing region of the UK in terms of businesses surviving three years from their initial registration for VAT since 1993. 70.8% of businesses that registered for VAT in Northern Ireland during 1998 were still trading three years later, compared with 64.0% in the UK as a whole.

Statistics from DTI's Small Business Service (table 6 refers) showed that, at the start of 2001, there were an estimated 89,870 businesses in Northern Ireland and 3.75 million in the UK as a whole. At the start of 2001, SMEs accounted for over 99% of businesses in all regions of the UK. 64.3% of businesses in Northern Ireland were 'size class zero' businesses – those made up of sole traders or partners without employees, compared with 69.3% in the UK as a whole.

Table 8 above shows that in 2002, there were approximately 640 foreign owned businesses operating in Northern Ireland, which had 74,175 employees. 30 countries had businesses operating in Northern Ireland, with the RoI and USA owning more than 150 businesses. These two countries accounted for 52% of employees in foreign owned businesses. In 2002 foreign owned businesses employed approximately 11.1% of all employees in Northern Ireland.
In 2002, 30% of foreign owned businesses in Northern Ireland were in the wholesale and retail sector, with 27% in the manufacturing sector and 18% in the real estate, renting and business activities sector. Foreign owned businesses operated in every District Council

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throughout Northern Ireland. Belfast District Council had the largest number, with 48% of all foreign owned businesses located there.

NOTES TO ALL TABLES:

Figures in the tables have been rounded to the nearest five and thus may not add to totals. Similarly, percentages may not always add to 100 due to rounding.

Where there are *less than 20 businesses* in a particular table cell, the employee figure has been suppressed to avoid disclosure (this is the ONS suppression criteria). An asterisk (*) denotes that the figure is not shown due to there being either no businesses or employees in that particular cell or due to confidentiality constraints. A confidentiality constraint is where measures are taken such as rounding and suppression of figures (as outlined above) to avoid disclosure of information on individual businesses.

Information on other aspects of the Northern Ireland economy is available at www. detini.gov.uk

Information on the UK IDBR can be found at **www.statistics.gov.uk/cci/nugget.asp?id=195.**

Book Reviews

YOUNG PEOPLE'S CHANGING ROUTES TO INDEPENDENCE

By John Bynner, Peter Elias, Abigail McKnight, Huiqi Pan and Gaëlle Pierre

A comparative analyses of longitudinal data from two large-scale birth cohort studies in GB, this report was undertaken as part of the Joseph Rowntree Foundation's Initiative on Youth in Transition.

The report compared information collected from around 10,000 children born during one week in 1958 (the 1958 cohort) and a further cohort of similar size born during 1970 (the 1970 cohort). For the first cohort, the researchers examined their progression from the end of compulsory education in 1974 through to their middle twenties. The second cohort was followed from the end of compulsory education in 1986, also until their middle twenties. Comparisons between the cohorts reflected a number of significant changes observed in the labour market over the past 25 years, including changes in demographic and employment patterns, and changing participation of young people in education and training. More specifically, the findings explored how such changes in working and living conditions impacted upon opportunities and life experiences among young people, and who has gained or lost over time.

Among their conclusions, the researchers report that employment opportunities for 16-year old school leavers are diminishing, and a gap is widening between those who gain good educational qualifications and those who do not. High-level qualifications continue to be associated with improved earnings, although the differential is not as great as before. Conversely, poverty in childhood is reported to be strongly associated with lower educational achievement, higher unemployment and lower earnings in adulthood - and evidence is presented to suggest that the impact of these factors has increased over time. Social factors were also observed to be strongly associated with educational attainment, with a higher rate of teenage pregnancy among those with poorest qualification levels. The researchers argue that these factors continue to contribute to an increasing polarisation in the youth labour market, and fresh approaches are needed to engage young people who fail to benefit from recent policy initiatives (including New Deal) that aim to widen educational opportunities.

York Publishing Services, Price £16.95
ISBN 1-902633-74-1

NOMIS WEBSITE

Nomis is a web-based database of labour market statistics run by the University of Durham on behalf of the Office for National Statistics. The site can be used to view or download an extensive range of official statistics from sources including the Labour Force Survey, Claimant Count, New Earnings Survey, Jobcentre Vacancies and Annual Business Inquiry.

While not all of the data sets have a full UK coverage the Claimant Count does. Therefore this site is a very useful source for advanced regional claimant count queries. The user can download data on a range of variables including age, duration, flows and, in terms of geographical area, the data can be broken down to ward level.

The site can be accessed as a guest, however more advanced functions are available to registered users including saving queries and creating user-

defined selections. The site is relatively easy to use with a step by step guide for beginners and additional options for advanced users.

Nomis can be accessed at http://www.nomisweb.co.uk

THE NI CENSUS 2001 STANDARD TABLES REPORT

A useful and up to date census report can be accessed on the NI Statistics and Research Agency (NISRA) web site. This report consists of a range of cross-tabular outputs at various geographical levels covering a wide variety of census variables. The outputs give a Census breakdown at the NI Level, Health & Social Services Board Level, Education & Library Board Level, Parliamentary Constituency Level, NUTS Level III Regions and Local Government District Level & Electoral Wards.

A number of the tables have a common UK format while others are specific or unique to NI. Various links are provided on the site to allow easy navigation to other Census items.

This introductory report is available in PDF format, as is a complete list of the Standard Tables by number and name and an Alphabetical Index listing all the tables relating to particular census variables or topics. A full printed report (NI Level) can also be purchased from The Stationary Office.

To access the web site go to: www.nisra.gov.uk/census/Census2001Output/standard_tables1.html

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THE GREEN BOOK : APPRAISAL AND EVALUATION IN CENTRAL GOVERNMENT

THE NEW 'Green Book' was published in 2003 and its guidance on appraisal and evaluation issues came into effect on 1 April 2003. It replaced the 1997 edition and is the result of a Treasury-led inter-Departmental review.

The main changes from the 1997 edition are:

- The discount rate has been reduced from 6% to 3.5% in real terms (i.e. after adjusting for inflation).
- This new 3.5% rate will also be the Resource Accounting and Budgeting Cost of Capital Charge.
- New cost adjustment factors will be applied to counteract appraisal optimism.
- New adjustments will be made to reflect the differing tax liabilities of options in PFI cases.
- There will be more emphasis on the identification, management and realisation of benefits, as well as on assessing the distributional impact of proposals.

The new 'Green Book' procedures are to be followed by all in the public sector. Whilst it is primarily of interest to economists, it will also be invaluable to those with responsibilities regarding value for money issues.

The Stationery Office Price £19.95
ISBN 0 11 5601074 4

For more details see:

http//www.hm-treasury.gov.uk/Economic Data and Tools/Greenbook/data greenbook index.cfm

Book Reviews

RECRUITMENT AND EMPLOYMENT CONFEDERATION (REC)

REPORT ON JOBS

The REC is the Association for the £23 billion private recruitment and staffing industry in the UK with over 6,000 recruitment agencies and 8,000 recruitment consultants in membership. There are 1.3 million temporary workers registered with UK agencies and up to one million temps employed in the private and public sectors.

Each month their **Report on Jobs** gives a detailed analysis of UK and regional labour market data.

As well as 'the usual suspects' the Report includes an analysis of recruitment advertising in the national press. The Press Recruitment Advertising Index combines the **number** of jobs advertised and **revenues** received for recruitment advertising by newspapers.

Another unique indicator monitors the demand for staff notified to the recruitment agencies. Unlike the Press Ads Index, there is a useful summary breakdown of industrial/occupational demand.

This Report is compiled for the REC by the business research company NTC Research. E-mail: ukresearch@ntc.co.uk. The annual subscription is £695 + VAT. For subscription enquiries e-mail: charlotte.shand@ntc.co.uk or Tel: 01491 418 662.

There is also an Annual Recruitment Industry Survey published by REC which summarises major developments in the private recruitment sector and gives details on such issues as sales and staffing employed. – see www.rec.uk.com.

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Issue No 13 October 1999
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NOTE: FOR DETAILS OF ISSUES NOS 1-11 SEE PREVIOUS BULLETINS OR CONTACT:

Department for Employment and Learning
Research and Evaluation Branch
Adelaide House
39-49 Adelaide Street
BELFAST BT2 8FD
Tel: 02890 257683/983
e-mail:reb@delni.gov.uk

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