



Northern Ireland  
Assembly

Committee for Employment and Learning

# OFFICIAL REPORT (Hansard)

Labour Mobility: DEL and DFP Officials

8 October 2014

# NORTHERN IRELAND ASSEMBLY

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**Members present for all or part of the proceedings:**

Mr Robin Swann (Chairperson)  
Mr Thomas Buchanan (Deputy Chairperson)  
Mr Phil Flanagan  
Mr William Irwin  
Ms Anna Lo  
Mr Fra McCann  
Ms Bronwyn McGahan  
Mr Pat Ramsey  
Ms Claire Sugden

**Witnesses:**

Mr Victor Dukelow	Department for Employment and Learning
Mr Colin Jack	Department for Employment and Learning
Dr Tracy Power	Department of Finance and Personnel

**The Chairperson (Mr Swann):** I welcome Mr Colin Jack, director of strategy of the European employment relations division; Mr Victor Dukelow, senior principal economist at the Department for Employment and Learning; and Dr Tracy Power, director of analysis at the Department of Finance and Personnel. Good morning, folks, you are very welcome. Colin, over to you.

**Mr Colin Jack (Department for Employment and Learning):** Tracy is with us not really in her new role as director of analysis in NISRA. She was our chief statistician during the period when this research was carried out.

I will briefly explain the background to DEL commissioning this research on labour mobility. Labour mobility is an important issue, and we commissioned it as part of our three-year research agenda. It is an important issue for individuals because it helps them get the best return on the skills they develop. In turn, that will encourage them to invest time and effort in skills development. It is important to businesses because it creates a wider pool from which they can recruit, and it means that growth can be sustained with less risk of meeting skills and labour bottlenecks and shortages. So, it helps firms to remain competitive.

Labour mobility is also important to society, because it can broaden our outlook and, in turn, help to develop a more cohesive, inclusive workplace and a broader society because of the impact spilling out from the workplace. Indeed, it is important for addressing deep-seated pockets of worklessness in that there are opportunities elsewhere, and we need to make those accessible to people from as wide a pool as we can.

It is also important to the economy in helping match demand and supply more effectively. If we look to the experience in the USA, we see that economic analysis suggests that much of the economic growth in the past there has been facilitated by the mobility of its labour.

It is some time since any research has been done on the issue of labour mobility in Northern Ireland specifically. That work, which is somewhat dated now, shows that, while many of the barriers to mobility that exist elsewhere, including transport links, childcare and job opportunities, also exist here, we do have some specific barriers, including, I suppose, community-related chill factors. We have looked at that as part of the study.

The research was conducted by Oxford Economics and updates and expands the picture we had before and seeks to identify what remains to be done to address those barriers. Tracy will take members through the detail of the findings of the research. Victor is our chief economist, and I am the director of strategy of the European employment relations division and can talk about any policy responses.

**Dr Tracy Power (Department of Finance and Personnel):** I believe members are looking at this on their screens, so, if I am saying something that you are not currently looking at, please stop me.

I will talk a bit about the rationale, a lot of which Colin covered, the qualitative and quantitative methodology and the key findings, which we will summarise at the end.

The next slide shows you the importance of labour mobility, and Colin covered a lot of those issues in his introduction. We have talked about individuals, the benefit to employers and the economy of Northern Ireland as a whole.

We are on the definition of labour mobility. It is as wide as you want to make it, so we had to find a remit within which the researchers could realistically work. We asked them to look at geographic mobility within Northern Ireland. That is about whether people travel to work or how far they are prepared to travel to work, whether that is commuting or whether they are prepared to move house. The other aspect that we looked at was status mobility. That means moving people from being out of work into work, and it can also mean moving economically inactive people into the labour market. We deliberately did not include occupational mobility, which means mobility within work, such as promotion, wage increases, upskilling within work etc, nor did we look at labour mobility in an international context — people moving in and out of Northern Ireland. We had to put some parameters around it, so that is what we did.

Oxford Economics was employed, and the research methodology was as follows. There was a literature review by Ian Shuttleworth and Anne Green, who are experts in the area and have done work in it before. I do not know whether you have had a chance to look at the report which was published, but the literature review is at the back of it and is worth a read. We also did quantitative work through a telephone survey with non-employed people. I will give you more details about that later. The qualitative aspects entailed focus groups with non-employed people in case study areas, as well as interviews with advisers in the jobs and benefits offices (JBOs) or jobcentre advisers' offices. We also talked to a few employers and stakeholders, which are listed there, as you can see. Oxford also did some analysis of currently available data for us, including the labour force survey and the census and other relevant data in this context of labour mobility.

The literature review identified the accepted wisdom around geographical mobility. There are two types of moving to work. There is either the permanent house move type or there is the daily commute. Research has shown — this research was no different — that the people who are most likely to commute tend to be younger and tend to be in higher-skilled jobs, so they are earning money. They probably have cars, and I will talk a bit more about that later. They have commuted before, so it is not a big deal to them. House movers tend to be people who do not have children, so their children are already in school and are involved in the community. They are younger people as well. This was reflected in our findings. That was the context in the literature review.

I will go on to the qualitative research. I mentioned the stakeholder interviews, and there was a steering group in DEL that was very much involved in chatting to Oxford as we went through the process. There were employer interviews with three big employers. There were interviews with personal advisers in the JBOs, because they come into contact with people trying to find work daily, and they were very clued in to the kinds of barriers to getting back into work, including mobility barriers. We had focus groups with unemployed people, and we took a case study approach. By that I mean that we had areas within which we had our focus groups with unemployed people and our

personal adviser interviews as well, so we got a good rounded view of what was happening in particular areas.

On the next slide, you will see how we chose those. You will see that we plotted the proportion of vacancies against the working-age population. We thought that areas where there a lot of vacancies and a high claimant count were good areas to concentrate on. The thinking behind that was that, if there are lots of jobs and lots of unemployed people, what are the reasons why we are not getting a match? As you can see, we chose our case study areas to be in Ballymena/Coleraine; a few in Belfast, east and west; Derry/Londonderry; and Strabane. The focus groups were held with non-employed people who were in jobs clubs. There was a bit of discussion around whether that was representative because, of course, people who are going to jobs clubs are motivated to find work and are already doing something about it. We figured that they were the most likely to turn up to our focus groups, and, even at that, we had about a third who did not turn up, so I think that that was the right approach.

The next map is interesting because, during the focus groups, we had a discussion with them where we looked at maps of Northern Ireland and where they were prepared to travel. People put pins on the maps and so on, and that is summarised on this map, which shows the areas where, indicatively, people would be prepared to search for work. In Belfast and Derry/Londonderry, people are very much constrained to their cities, and I guess that that is a reflection of good transport in those areas. In Coleraine, they have a wide search area; some are even prepared to come to Belfast. We think that that is because of the good rail links with Coleraine; they open people's minds perceptually, in terms of the areas where they will search for work. The Strabane group had a circle between Derry city and Omagh, and also reflected on whether they might look for work in Donegal. Although it was not a lot of people, it was a good reflection of the kinds of areas where people look for work.

I move on to the quantitative research. There are various subsets within that. There was data analysis of current sources; a look at how we might compare to GB on various indicators; and a comparison of what the future might look like, in terms of Oxford Economics's projections of employment. Finally, there was the telephone survey of non-employed people, which I will give you more detail on in a minute.

In respect of the secondary analysis of current sources, Oxford Economics looked at the census of employment as compared to the census. We are on the slide with the two maps, and you can see quite clearly the mismatch between where the jobs currently are and where the working-age population is. That summarises the problem up front. The rural areas, particularly in the west, are not the job-rich areas. The jobs are in the east and in the cities in the west.

Just to set the context, the other problem that we have is that Northern Ireland is extremely car-dependent. It is a reflection of our rurality, as compared to the rest of GB. Even when you compare it to other rural areas in GB, you can see that we still have a very high dependency on cars, and a low percentage of people travel to work on public transport. In the second column on the first slide, the little red box represents 6% of the population at the census travelling to work by public transport. Obviously, as you can see, it is concentrated in Belfast and Derry city. That is despite the average journey time being around 23 minutes, which is similar to GB. So there is a difference here as to how we get to work.

The next slide shows projected figures that Oxford Economics produced. It tells you that the Oxford Economics projections of where the jobs are likely to be, as compared to where the people are likely to be — the official population projections — show that Antrim, Belfast and Derry local government districts will have more jobs than people, so they will be importing areas. This projection is up to 2024. The tighter-shaded areas are those that will have more people than jobs. You can see that there is going to have to be some kind of increased movement of people around Northern Ireland if we want to make sure that they take on the jobs.

I come now to the telephone survey. This was the particularly innovative part of this research, in that we did not have this data before about what people thought about the barriers to employment that they currently face. The telephone survey represented all the jobseeker's allowance, income support and disability benefit recipients. They were asked to fill in quite a lengthy questionnaire. We had some worries that we were not going to get the response rates that we wanted but, as it turned out, we got 1,100, which is a good sample survey. Keep in mind, when you are looking at the results, that that represents about plus or minus 3% on the results, in terms of the confidence interval. Therefore, it is a good survey.

The survey company reported that people were very willing to talk to them, and wanted to talk about the barriers and difficulties that they faced in getting back into work. I have listed the main barriers, in order of importance that people reported them. Obviously, because we have disabled people in there as well, if someone is ill, it is a big barrier to work. However, after that, it is not the salary: salary comes right at the bottom, which might surprise people. It is the lack of jobs in the local area. Childcare is a big issue, and then it moves on to personal skills, experience, qualifications, transport, age and salary.

I have picked out some high-level results. There is more information in the full report, but some of these might be interesting to you. In terms of geographical mobility, some 64% are not prepared to move house. That is two thirds, which is an interesting statistic in itself.

We will now talk about the chill factor, which Colin referenced, which makes us in Northern Ireland perhaps different to the rest of the UK. We asked specifically whether people had concerns about working anywhere within a reasonable distance of their home. It did not seem to be much of an issue. In Northern Ireland as a whole, 11% answered positively to that question. You can see that in Belfast it is 20%. When we probed a little further, we found that, of that 11% in Northern Ireland, about half said that it was because of religious or political reasons that they would not be prepared to travel to another area that was within reasonable distance of their home. The focus groups also talked about that. It is a bit of a slippery issue to get a handle on, because the focus group people mixed up what we would call the chill factor with a general fear of crime, rather than religious or political fears. Also, there was just a feeling that, if they were going into a different part of the community, there might well be people who were known better and who would be more favoured for jobs. There was that kind of feeling and, for that reason, they would not apply. So the chill factor is still a little bit of an issue, but perhaps not as much as we might have thought.

I put on the next one about average times since last employment just to show you that qualifications matter in that. The people who are unemployed for longest tend to be those with the fewest qualifications, yet when we probed people about what they had done to meet employers' expectations, nearly half of people — over 40% — said that they had not actually done anything to improve their skills, so there might be pointers there for policy implications. Happily, a lot have also done training and extra courses to boost the offer that they can make to employers.

We also interviewed employers, and some of them made the point to the interviewers that soft skills, not necessarily hard qualifications, are very important to them. They talked about enthusiasm for the business, or an ability to deal with people, as things that they also value in potential employees.

The key findings from the geographical mobility aspect are that there is a difference between urban and rural areas, and there are different things going on in terms of people trying to travel long distances to work, as opposed to those who live quite near to where the jobs are but face other barriers. House moves have not worked in Belfast, and certainly have not worked in the last few years. We have had a very dampened housing market generally. Our dependence on cars is high. Lastly, in terms of geographical mobility, the main barriers for people are travel costs relative to salary — there was feedback on that; an unwillingness to move from the local area, especially if they had children; lack of access to cars if they did not have a job; and availability of public transport in rural areas.

In terms of the second type of mobility that we determined at the beginning of the project, labour status mobility, we have talked about chill factors, and you have a sense of the magnitude of those. Compared to GB, we have more people who are unemployed for longer. What I mean by "longer" is from six to 24 months. We have fewer unemployed over two years, but we have people sitting in the six-to-24-months category. Oxford Economics made a statement that, compared to GB, it is more difficult to get into the labour market if you find yourself in that category, particularly if you are disabled, older and male.

There is evidence of a perceived benefits trap and labour market queue, and that evidence comes from focus group work where people were asked specifically what salary they consider would make it worthwhile their going back into the labour market. The most common response was around £300 a week. Income support is less than £100 a week for a single person, so it gives you an idea of the magnitude of change that they want in their lives to be able to go back to work. Young people are less likely than older people to engage with JBO support, and generally the telephone survey gives us a large amount of rich evidence to inform the future policy direction in the Department. It mentions there that young people did not use JBOs, but I want to put that into context in the penultimate slide, which

shows you that Northern Ireland generally is very clued-in to using JBOs and jobcentres as sources of information compared to the other regions of the UK.

Finally, I will talk about the next steps. The report was published on 12 September. It is on the website and is publicly available. An article has been prepared for the labour market bulletin and will go on to the DEL Internet site. The Department is considering its policy response, which will obviously, from the findings, require some work with other Departments in terms of transport, childcare and other issues, and the database that was derived from the research allows a lot of potential research in the future and drilling down to get to the bottom of what drives people in terms of the labour market.

**The Chairperson (Mr Swann):** Thanks, Tracy.

**Mr Jack:** We are happy to take any questions that members have.

**The Chairperson (Mr Swann):** You said that the chill factor was not as significant as you thought, yet in your pie chart, asked to identify why they would not be willing to take up employment in certain areas, up to 55% of people stated that it is because of religious or political reasons.

**Dr Power:** To make it clear, that 55% relates to the proportion that found it to be a factor that they would not work close to their home. Belfast was 20%. That is, 55% of that is about 10% or 11% of the whole population. Does that make it clearer? It is a subset. The pie chart is a subset of the people who answered yes to the question.

**The Chairperson (Mr Swann):** So it is 55% of 11%.

**Dr Power:** Of 20% in Belfast and 11% in Northern Ireland.

**The Chairperson (Mr Swann):** When you talk about chill factor, you reference Belfast and Londonderry, but the report says that jobs and benefits staff in Ballymena reported that individuals in the town were not reluctant to travel to particular areas but were reluctant to take a job in a workplace dominated by workers from the opposite religious background. How hard and fast is that evidence? You referred to this as a rich, large amount of evidence. A reference from a jobs and benefits staff officer in Ballymena with no hard facts behind it —

**Dr Power:** I said that the rich source of data for future analysis is definitely the telephone survey. That was the innovative part of this work on the quantitative side. There are 1,100 people's responses to quite a substantial questionnaire. It is quite thick. That is what I referred to as the rich source of data for the future. The qualitative side, as you know, is about kind of informing the quantitative aspects. So, you could never use the qualitative side to say that it would be generalisable to either the population or even the local area, but it gives a sense, from people's perspectives on their daily work, of what kind of issues are coming across. Does that answer it? You would not rely on that.

**The Chairperson (Mr Swann):** You would not just go on that. OK.

**Mr P Ramsey:** Good morning. It is certainly very valuable and good work. I am trying to home in on the terminology of "non-employed people". What does it mean?

**Dr Power:** As you know, we have people on jobseeker's allowance (JSA) who are non-employed. They are unemployed, and those people are defined within the economically active category. That means that they are actively seeking work. When you see numbers on the economically active, it includes those people. Then we have the economically inactive people here, and you will be aware from the Department's work on that strategy that nearly 30% of the Northern Ireland working-age population is economically inactive. That will include people at home looking after the family or people on income support, and those people were also included in the sample, because part of the labour status mobility movement and the strategy that is in play is to try to get those economically inactive people, where it is appropriate to do so, to move into the economically active category and then on to work. So the 1,100 includes all those people, which is why we used the term "non-employed" to distinguish it from simply "unemployed".

**Mr P Ramsey:** I appreciate that, and I thank you for that response. Can you, not now but at a later date, break it down further for me? For example, the east-west divide; those who are economically

inactive in the east and those who are economically in the west. Can the numbers for those seeking employment in the east and those seeking employment in the west also be broken down?

**Dr Power:** Yes. The sample was derived from the benefits system and included those in receipt of JSA, income support or disability benefit. Those numbers are certainly available in terms of the population.

**Mr P Ramsey:** Some of your earlier comments suggested that, in future, there needs to be increased mobility and movement, but I would say to you that there would need to be more decentralisation of jobs to the west to help the barrier groups. Would that not be fair?

**Dr Power:** That is a very fair comment. The literature review goes through many instances where that has actually been the policy — to move jobs to the people. It has found that it is not an effective way of reducing non-employment in the areas to which jobs have moved, and there are a number of case studies that the literature review feeds on. The accepted view nowadays is that it is better to try to get the barriers removed for the people to be able to get them to the work.

**Mr P Ramsey:** That leads me on to the barriers. I do not want to miss this point: it is fine to refer to decentralisation, and, as someone who represents an area in the north-west, it pains me that, every other day, there are these big announcements of good-quality jobs in Belfast. I do not have any objection to the jobs coming to Belfast, but there is no equal playing field or proper distribution of those good jobs to the north-west. PwC announced 800 new jobs last week. I wanted to make that point, because it is relevant. I have to go back to some of my own.

Affordable childcare is one barrier to employment. Page 152 refers to persons with a disability facing additional pressures and barriers. What is the Department doing to ease those pressures?

**Mr Jack:** We have a range of programmes for people with disabilities. Obviously, we are developing the economic inactivity strategy, and people with disabilities are a key group within that. We also have a review under way of the disability employment service and, as part of the development of the new European social fund programme, we have a strand of funding specifically to support people with disabilities to get into work. We have a range of initiatives that we are tackling, and we are trying, as we move towards the new ESF programme, to promote greater coherence between the different initiatives that the Department has to target people with disabilities.

**Mr P Ramsey:** Focusing on disability, what discussions has the Department had with other Departments, businesses and the community about the perception of people with disabilities? It was highlighted in the report. What discussions have you had, given that it was one of the main themes?

**Mr Jack:** We are developing our policy response to the report, and there are different business areas in the Department that would be —

**Mr P Ramsey:** You have not done anything. You have not done anything.

**Mr Jack:** Specifically on the disability issue, we have started discussions with other Departments on some of the other issues. We are involved in interdepartmental work on the childcare strategy. We have had a meeting with the Department for Regional Development to discuss some of the transport issues that have come out of the report. We are bringing the report to the Committee now, when it is relatively fresh off the press, but we have more work to do in talking to other Departments about the full range of issues. We have certainly started those discussions.

**Mr P Ramsey:** I declare an interest in that I chair the all-party group on disability, and this is always the subject matter of concern to so many people. I will finish with this: what role has the Department played in ensuring that the disability strategy, through OFMDFM, will be delivered?

**Mr Jack:** DEL contributes to any interdepartmental groups that there are on disability, but we are doing our own work in terms of tackling disability through DEL's responsibilities and are leading interdepartmental work on, for example, the issue of transitions for those who are reaching the end of schooling. We are proactively involved in that work.

**Mr P Ramsey:** Can you share that information with the Committee?

**Mr Jack:** We are working on an action plan at the moment, and we will share it as soon as it is ready.

**Ms McGahan:** Thank you for your presentation and your work and effort in terms of informing policy. I have started to read the report and have jotted down some notes. You emphasise that labour mobility is crucial to the North's economic future. Then we have the context that the North has been hit the hardest by recession, and youth and long-term unemployment are particular problems. It is estimated that, between 2008 and 2013, we lost a net total of 50,000 jobs. There are structural challenges. There is a greater reliance on public services as a source of employment and the forecast for job creation is low. I am not quite sure how labour mobility is crucial to the North's economic future when you have that sort of backdrop. Can you comment on that?

You also state in the report that information gathered from the focus groups is less likely to be representative of the long-term unemployed/less engaged. That is a massive issue here in the North. How do we tackle that problem to allow us to inform policy development? We do not have that information in the report.

**Mr Jack:** We will take an economic perspective on the first part of the question from Victor first and then come to the second part.

**Mr Victor Dukelow (Department for Employment and Learning):** The labour mobility piece — I know Colin started this with his opening remarks — is crucial to the economic context in terms of making sure that people can have a wider spectrum when they are seeking to get the best value for the skill set that they have developed. In that context, it can encourage people to develop their skill sets if they think, "There may not be an opportunity for the kind of skills that I am keen to develop in my local area, but if I broaden my job search there is a way that I can apply those skills if I develop them". So, there is a positive virtuous circle in all this if you can expand people's areas of reference when they are hunting for jobs.

You make a very important point about the downturn and the impact that it has had on Northern Ireland. Look at labour mobility in other parts of the world, particularly the US, which has really built its economy on labour mobility. Labour mobility acts as an economic valve at times of economic shocks and downturns when there are not that many instruments available, particularly if you cannot let your currency float as a local area, and we do not have that ability in a Northern Ireland context. That was not an ability that the people south of the border had either, and there are only so many tools that you can use in an economic context like that. One is that you take a major cut in wages and try to become more competitive as a region because you are lowering your cost base. The other way is through labour mobility and migration so that there is a valve in that it equalises demand and supply. Labour mobility is not just important for the longer-term rebalancing of the Northern Ireland economy; it is important that we recognise it as a valve during the economic downturn to address some of the immediate issues that we have.

**Ms McGahan:** I also note from your report that those who are unemployed were previously engaged in unskilled or semi-skilled jobs but were made redundant, the contracts ended, they had kids, illness prevailed and they were not willing to work unsociable hours. Apart from people having kids, the other problems of being made redundant, contracts ending and not being willing to work unsociable hours are not of their making. That would obviously apply to anyone with kids.

**Dr Power:** I will pick up on the long-term unemployed, which fits in with another issue. The focus groups did not concentrate on the long-term unemployed. I mentioned targeting people who go to jobs clubs. There is some evidence that the longer that people are unemployed, the more disenchanted they get with the help that is being offered to them. So there is a window of opportunity to get people back into work, and it is earlier on. The telephone survey covered everybody, and the following question was asked: "How long have you been unemployed?" That enabled us to analyse the data and say why the barriers are maybe different for the long-term unemployed as opposed to the more recently unemployed.

Your second question was about the reasons why people have been made unemployed. Oxford Economics found evidence that, compared with GB, one of the problems that we have is not simply the fact that people tend to have been unemployed for longer when trying to get back into work but the fact that they are going for skilled manual jobs as opposed to service industry or IT jobs. There is an element of people not taking new training, and you saw that. There is an element of trying to encourage people to change the skills that they used to use and to go for the different kinds of jobs that are now coming up.

**Ms McGahan:** I appreciate that you recognise that there is an urban/rural dimension. In the last figures that I saw, there is no foreign direct investment in my constituency of Fermanagh and South Tyrone or in West Tyrone and little or nothing in Mid Ulster.

**Ms Lo:** It is very interesting work, but we all know a lot of it already. It is good to have evidence-based research so that we can go to Departments. You mentioned the need for a cross-departmental approach to address the issue, which is absolutely right because so many things are involved. You mentioned transport and childcare, but what about public housing? What about the T: BUC policy? So many policies tie in with this. Will you set up an interdepartmental group to address that specifically or send it to the Executive to look at?

**Mr Jack:** We will look first to our own Department to lead the development of the response. We recently established a research steering group, which is responsible for this research and for further cross-cutting research that we are carrying out. We will look at the issues with DEL and will be in contact with other Departments to get their angles on the issues that the research raises for them. As I said, we have started that process with the Department for Regional Development through the childcare work. We can take up the issue of housing.

**Ms Lo:** A lot of people in the west think that they can get public housing more quickly and easily. They think that if they move to Belfast, they will be in a queue for relocation.

**Mr Dukelow:** I am sorry to interrupt, Chair, but it will be important to engage with DETI on all this. One of the critical points — it comes back to Bronwyn's point — is to do with the demand side. Some of the barriers are when people say, "If I earned enough money, it would be worth my while to take a job". It is about finding ways of working through the economic strategy, particularly to raise the demand side and the earning potential, and to make sure that people have the skills to avail themselves of those opportunities when they emerge. That is an important dimension as well as the others that you referred to.

**Mr Jack:** Another issue is the difficulty in attracting investment to the west and to places outside Belfast, and a number of the questions related to that. In a lot of the feedback from globally based companies, particularly those that are involved in the knowledge economy, there is a big emphasis on the quality of life and the range of cultural and other activities that are available for the staff whom they might bring in from abroad and, indeed, if you want to get employees from outside the region. Work such as that in the north-west to build on the City of Culture is supporting the efforts to attract investment to Derry, and anything in that area is helpful for Belfast as well.

**Mr Flanagan:** Thanks for the presentation. This is a fascinating report. Is there any chance of getting the data tables as opposed to just the graphs and pie charts to see the empirical evidence behind them? They do not seem to be in the report.

**Dr Power:** Yes. There are charts and so on, but you are right that there is no data. I do not see that as being a problem. We will have to do a little more analysis. I am not in the Department at the moment.

**Mr Dukelow:** We will need to make sure about data protection so there is not the potential to reveal identities.

**Mr Flanagan:** Instead of just looking at the graphs — I will come to that later — I want to look at the map that states that between 0% and 5% of people use public transport. What exactly does that mean? I would like that to be broken down into better terms, so I will leave it with you.

This is more to do with your previous presentation, but I want to put it on the record. Page 112 of the report states:

*"Staff at one JBO/JC suggested Steps to Work is proving ineffective. They felt employers often took on individuals under the scheme as a form of cheap labour, and that [there] was very little prospect of a permanent position."*

If that is what staff in the jobs and benefits offices and job centres think, it is hardly worthwhile.

In terms of the urban/rural split, I am a bit concerned about your level of engagement in rural communities. You told us that you engaged with three main employers, but I see that one is IKEA in east Belfast, one is a hotel in Belfast city centre, and one is a technology company in Derry. Why did you not find employers in rural areas to talk to?

**Dr Power:** We found nearly 10 employers whom we wanted to speak to.

**Mr Flanagan:** Right.

**Dr Power:** Despite our best efforts on behalf of the Department and the researchers, we just did not get to talk to those employers for whatever reason, but we certainly had a long list.

**Mr Flanagan:** Did you go looking for them and then approached them?

**Dr Power:** Yes, absolutely.

**Mr Flanagan:** Page 103 of the report states:

*"To what extent do you agree or disagree with the following statements?"*

Sixty per cent of people agreed with the statement:

*"There are no jobs in my area".*

That is certainly the sentiment that I am getting from rural dwellers, given that 80% of all jobs supported by Invest NI were in the greater Belfast area. Was there much of a response from people saying that the big problem was job availability as opposed to their willingness to take up jobs?

**Dr Power:** When I listed the barriers in order of importance, "no jobs" was fairly important. That is in the presentation; I am not sure what page it is on. It was the second most important barrier after "illness". What this points up is the definition of "my area". That gets to the root of this research in that people will have psychological and different interpretations of "my area". It is important to make people think that their area is slightly wider than perhaps they might have thought and that there might be other job opportunities that open themselves up to them.

**Mr Flanagan:** I appreciate that you are coming at this from a purely statistical and not a policy point of view, but the barriers that you have been told about are travel costs relative to salary, people's unwillingness to move house, lack of access to a car and the availability of public transport. The issue does not seem to be that people are unwilling to travel but that travelling does not pay for the jobs they are going for. There should be a policy response to that.

The report states that one individual from Strabane had looked for a job in the South. Is there only one case of that in the whole report?

**Dr Power:** It was not a question in the quantitative survey, so we cannot quantify it. At the Strabane focus group, there were five individuals. When we did our little exercise around the maps, one person said that they had actively looked for work in Donegal. Others on the day thought that they would expand their job search based on his experiences, so it was a small number.

**Mr Flanagan:** Is this one part of a number of reports that you are going to do?

**Dr Power:** This is the Oxford Economics report; it was produced by the consultants.

**Mr Jack:** This is the report that we have produced on the issue of labour mobility. It is part of a broader research agenda. We have an ongoing three-year rolling programme of research across the whole area of DEL's policy responsibilities.

**Mr Flanagan:** Will this research be carried out again in a couple of years' time to see whether attitudes have changed?

**Mr Jack:** We do not have an immediate plan to review it, but we intend to draw up an action plan on how we will respond to it. We will clearly want to monitor that and report on how we have carried that forward.

**Mr Flanagan:** My final question is about the map that shows employee numbers versus employee jobs between 2008 and 2024. Will you explain how that works? Is that the information as at 2024?

**Dr Power:** Yes. That is the information at that point in time, but the projections have been done by Oxford Economics. I have not been personally involved in the methodology.

**Mr Dukelow:** Maybe I could take that question. Oxford Economics has an economic model that has been used in a range of different aspects and is pretty well established. To break it down to local level, it looks at trends in sectoral growth, so if there are high growth sectors predicted over the next decade — ICT, advanced manufacturing, whatever it might be that is expected to grow significantly — it looks at local areas to see to what extent those areas have those high-growth jobs and to what extent it should concentrate on sectors that are lower growth. It uses that to enhance its ability to make projections for those local areas. Against that, it maps what the growth of the working age population is likely to be, given current trajectories in those areas, and identifies whether there will be balance or otherwise in the growth of the working age population with the growth of jobs. In some areas, there would be a net need to import labour, particularly in urban areas. That is what the analysis shows us. In some rural areas, there could be unemployment if there was not labour mobility to the greater extent that there is —

**Mr Flanagan:** Was that work carried out in 2008, or is it continuous work?

**Mr Dukelow:** It was conducted using the latest available evidence at the time that the research was carried out. The report was stretched back to 2008 because Oxford Economics wanted to include the impact of the downturn within the scope.

**Mr Flanagan:** What I read into that map is that, the way things are going, unless there is a radical change in government policy, and unless government adopts the policy that it is committed to in the Programme for Government to tackle regional imbalance, anybody who wants a job should become a software programmer or move to Belfast.

**Mr Jack:** More than government policy feeds into job locations because decisions are made by indigenous companies and inward investors. Inward investors have certainly made a number of announcements of investments in Belfast and the east of the Province. The growth of indigenous companies is also an important part of the strategy. I was recently speaking to an economist who is based in the South, and he was contrasting the situation there, where there has been a lot of inward investment, with the situation here, where a number of large companies have grown indigenously. He said that the South would love to be in that position.

It is a complex picture, and it is only part of the picture, but what government does in this field is not everything. However, we need to do things to support people and individuals in making decisions about where they work. We have to make sure that there is an infrastructure for transport, and we need to talk to the Department for Regional Development about that. That Department has things in place already and has told me that the findings of this research will broadly support its longer-term investment strategy, for example, and the measures that it has to encourage people to use public transport to travel to work.

**Mr Irwin:** Thank you for your report, which is detailed and interesting. When people were asked what they had done to increase their skills to meet employers' expectations, about 40% had not done anything. Is the Department concerned about that, and what can it do to encourage people to increase their skills to meet employers' expectations?

**Mr Jack:** We are developing our economic inactivity strategy, and work is being done on benefits and people's obligations to demonstrate that they are looking for work so that they are entitled to continue to claim benefits. There are a number of policy responses to that issue. Did that come from the telephone survey?

**Dr Power:** Yes, that came from the telephone survey.

**Mr Jack:** So that would have been people who were not claiming benefit.

**Dr Power:** Yes.

**Mr Irwin:** Last year, a large food processor in Dungannon announced 130-odd new jobs. I was told that, out of those 130 jobs, it could get only 15 local people and had to employ eastern Europeans. That is an interesting mix, and we are talking about a rural area. What is the Department's take on that?

**Mr Jack:** We are trying to match the skills mix, the population and the availability of labour to the opportunities that are there. As part of the research agenda, we have commissioned the development of a skills barometer that seeks to project the skills that the economy will need. Maybe Victor will say a bit more about how that breaks down at subregional level. Again, a range of issues can come into play: the pay being offered; how that matches up with what people receive on benefits and so on; and the incentives for them to take work. Victor, do you want to add a bit more about the skills barometer?

**Mr Dukelow:** This recommendation emerged from the review of apprenticeships, and a huge amount is relevant to the careers strategy review. There is a huge amount of labour market information out there at the minute, and that comes through in this report because people are not bemoaning the lack of labour market information but rather making sense of it all in a way that can help day-to-day decisions about what skills to acquire as an individual, where the jobs are, how to match skills sets to available jobs and what people might need to do to avail themselves of those. We commissioned the skills barometer recently with the Northern Ireland Centre for Economic Policy and the University of Ulster. They are considering how best to make use of the available labour market information both to identify the current demand mismatches for skills sets to the demand of the economy, where skills gaps emerge, how they are likely to emerge going forward, the longer-term demands and changes to the structure of industry and what we need to do as a Department and as an Executive to address those issues. That will be really crucial evidence for us when the barometer is made available. The first iteration is due to be published next summer. We wait with bated breath for that.

**Mr Buchanan:** The report states that, compared with other UK regions, there is a greater reliance on the state to move people out of unemployment in Northern Ireland. What is the reason for that?

**Dr Power:** It is simply because our level of unemployment, especially long-term unemployment, is much higher than the rest of the UK. Oxford Economics made that statement as a result of its analysis of labour market information.

**Mr Buchanan:** Dare I say this — I want to be clear that I do not apply this to everyone — is it the case that people are too comfortable on the benefits system, which is why they do not want to move into employment?

**Dr Power:** There is no evidence of that in this research.

**Mr Buchanan:** Fair enough.

**Mr F McCann:** How anybody can be comfortable on £57 or £60 a week is beyond me. That is a ridiculous statement to make. Most people on benefits want to get into work rather than stay out of work.

I do not disagree with my colleagues to my left or with Pat to my right about the importance and urgency of trying to move employment to areas where there are serious problems, whether that is to rural areas, the north-west or wherever. However, there is an impression that Belfast basks in a sea of employment, yet most of the areas of high unemployment are in Belfast. There is a huge difference between greater Belfast and the Belfast City Council area. There are huge unemployment problems. I know that people talk about moving industry or relocating Departments, but very few people or Departments will consider moving anywhere. There needs to be a balance to ensure that that happens. The area that I live in and represent is sandwiched between two of the biggest employers in the North, yet it has the highest unemployment rate, the worst health rate and one of the worst education rates, so that also needs to be taken into consideration.

PricewaterhouseCoopers recently announced a number of jobs, but they will be high-quality jobs that my constituents will not be trained in. Most of the people who will go for those jobs will travel from greater Belfast or from outside that boundary. I just wanted to make that point.

**The Chairperson (Mr Swann):** Folks, thank you very much for your time.