Phase 2: Poverty, economic inequality and the labour market in Northern Ireland – a policy review

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1. Introduction

Good policy is fundamental to economic and social progress. Since the Northern Ireland Act in 1998, the Northern Ireland (NI) Assembly has been charged with formulating and delivering policy in a number of areas, including education, social services, and economic development. This draft paper considers if and how relevant policies introduced in NI since 1998 have addressed labour market drivers of poverty and inequality, including low wages and high levels of economic inactivity.

This policy review follows the first phase of the project, *Tackling poverty and inequality at its root: Developing evidence-based policy to address labour market dynamics*, which detailed the challenges related to the labour market in NI. Key emerging themes included weak labour demand, a paucity of good jobs paying decent wages and offering opportunities for career progression, high and persistent levels of economic inactivity, low qualifications among the older age group, and limited access to and poor quality of complementary public services such as employment advice and childcare. Phase 1 made the case that these sticking points in the labour market need to be tackled, if poverty and inequality in NI are to be addressed sustainably. The questions for policymakers are: Have these themes and challenges already been explicitly included in strategies and policies? How far has policy to date (by design or otherwise) been able to address these challenges? Where are the policy gaps? And, taken together, have economic and social policies worked collectively to secure a more prosperous future for the majority of the population? And, if not, why not?

In relation to these questions, this draft paper considers distinctive policies designed for NI by the NI administration as well as relevant policies devised by the UK central government to address labour market challenges, such as the New Deals for job seekers. We also explore other relevant policy issues where Westminster has retained primary influence, including the macro-economic policy and the structure of the benefits system. This paper is presented in draft form because we seek input from relevant NI government departments on individual policies and our conclusions before we finalise the document. In particular, we are keen to encourage discussion among steering group members on:
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- The key policy challenges for the labour market.
- The criteria we have chosen to judge policy.
- Whether we have considered the most relevant policies and strategies.
- Our conclusions regarding the impact and the longevity of impact of different policies.
- Overall conclusions on policy gaps and policy areas in need of further interventions.
- Implications of conclusions for future policy focus and design.

The final report, which will reflect this input from steering group members, will identify gaps, strengths, and failings in policy to date, laying the groundwork for a new policy design in Phase 3 of this project.
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2. The policy context in NI

Policy formulation and its impact depend on the capacity of government to manage the policy-making processes and policy delivery. Before moving on to look at specific policies, in this section we consider both the broad policy task and the governance structure and responsibilities in NI.

2.1 The policy task

Policymakers in NI have, arguably, had a more demanding task relative to other devolved UK regions. Public expectations ran high in the aftermath of the Good Friday Agreement as leading politicians, including President Bill Clinton,1 prophesied that the country—now more able to focus on its economy—would deliver a ‘peace dividend’. However, fuelling the motors of economic prosperity in a relatively depressed region, while also addressing deep-seated community tensions is a tall order. Poverty levels were also higher and more severe in NI compared to the rest of the UK.

Alongside the breadth and depth of policy action needed in NI, policy formulation and implementation have experienced a number of twists and turns since 1998. First, the suspension of the NI Assembly between 2002 and 2007 resulted in policy inertia and disrupted the decision-making processes.2 Secondly, greater devolution of policy control from Westminster to the NI Assembly over time has shifted the policy goalposts, giving the Assembly new policy areas to consider. Thirdly, the recession in the UK in 2008 and its aftermath changed the nature of the economic challenge that NI policy had to contend with and further added to the policy tasks. Finally, public spending cuts across the UK will result in an 8% decline in real terms in the NI Assembly’s budget up 2018,3 meaning that NI will now have to deliver more for less.

Given this policy context, the social and economic progress that has been made in NI, for instance on education, community-building, and greater equality of outcomes between the Protestant and Catholic communities, is impressive. However, a number of challenges remain and yet more have emerged in the past 15 years. The Phase 1 report highlighted a sluggish economy and labour market; increasing poverty, in particular among those of working-age; economic inactivity; relatively high numbers of young people not in employment, education, or training (NEET); a high and growing prevalence
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of low-paid jobs; and, increasing polarisation in the labour market. To respond to these challenges, the NI Assembly may well need to consider how a different governance structure or new powers at the NI level may strengthen its position to act.

It is important to note that the nature of the poverty and inequality challenge that NI faces is similar to other parts of the UK and indeed similar to what many high-income countries are experiencing. This highlights that many drivers of inequality exist beyond regional or country borders. Despite these similarities, the variation in the degree to which poverty and inequality are features of different countries suggests that policy can help to mitigate the global drivers of poverty and inequality.⁴

2.2 Devolution and NI Assembly responsibilities

We consider the extent to which (a) the NI Assembly has had autonomy on issues related to the labour market and poverty amelioration, (b) the role of local government in policy formulation in NI. Both (a) and (b) are relevant to the ability of policy to address place-specific labour-market challenges.

The pros and cons of devolution for policy-making

There is some debate about whether devolution in itself helps or hinders policy responses to poverty and inequality. Studies have found that devolution creates more room for experimentation and that devolution makes policymakers more directly accountable to the electorate – hence increasing the incentive to tackle disadvantage. On the other hand, there is the threat that the additional administration and loss of policy ‘economies of scale’ when policy functions are devolved means fewer resources for social programmes. In the case of NI, there has been some debate over the merits of devolution for policy,⁵ although some argue that more devolution would be beneficial for NI.⁶ For example, there has been a long-running discussion in favour of the NI Assembly being able to set corporation tax levels.⁷

Policy devolution to the NI Assembly

NI has had control over a number of functions, theoretically meaning that it does have the levers to address poverty and inequality. A large share of transferred matters can directly or indirectly impact this ability to address drivers of poverty and inequality within the labour market. For example, easily accessible and affordable transport can facilitate employment. The full list of relevant transferred matters include:
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- Health and social services
- Education
- Employment and skills
- Agriculture
- Social security
- Pensions and child support
- Housing
- Economic development
- Local government
- Environmental issues, including planning
- Transport
- Equal opportunities

When this list is compared with Scotland and Wales, NI has autonomy over a relatively wide range of policy issues. In reality, however, the way in which budgets are devised through the Barnett formula places parameters on policy decisions in NI. For example, the block grant from the Treasury is calculated on the basis of the English benefit levels and eligibility criteria – so ultimately results in a similar system.

It is worth noting that until 2007, NI did not have the ability to set employment policy and instead applied policies designed by Westminster.

In terms of poverty alleviation, there have been fundamental overlaps with tax policies in England. The UK as a whole has relied heavily on tax and tax credits as a tool by which to redistribute incomes.\(^8\) We consider these cash transfer programmes within the policy matrix in Section 6.

### 2.3 Local government policy remit

Devolution to UK regions has sometimes come at the expense of powers at the local authority levels. This has certainly been true of NI where, up until now, local authorities have had limited functions in terms of economic development and regeneration. However, this is likely to change once the Local Government Bill is approved.\(^9\) The Bill will involve a transfer of planning and regeneration powers, and community planning.\(^10\) This should bolster the

\(^1\) Ibid. p.8.
position of local authorities and make them prominent actors in addressing poverty and deprivation at the local level.

2.4 Summary
On the whole, devolution has allowed NI to design policies specifically to meet the needs of its population in the areas that have been transferred from Westminster. In reality, however, many areas of NI policy, including the benefits system and economic policy, are still tied to Westminster. This has and will limit the ability of the NI Assembly has to address the root causes of poverty and inequality. We will return to consider this observation in line with our policy review findings in Section 7.
3. Methodology for policy review

There is a long history of policy evaluation and a rich literature that sits alongside evaluation practice. Policy evaluation often involves the selection of quantitative or qualitative techniques, and sometimes a combination of the two, to judge policy success. Success is frequently defined by the ability to meet a set of objectives and targets set for that particular policy (a point that we consider for each strategy and policy in the appendices).

The analysis presented here takes a different approach in two key ways. First, it looks across a number of relevant policy frameworks and initiatives rather than just one particular policy. Secondly, it does not evaluate policy according to its original objectives, apart from where they overlap with the criteria chosen in this study. Instead, it takes a step back and considers how labour market and related policy have been able to deliver against broader objectives to tackle poverty and inequality. To achieve this goal we use a form of meta-evaluation. This allows us to bring findings together in a way that allows policymakers to assess relevant economic and social policies against a list of criteria reflecting the problems in the labour market, as highlighted in the first phase of this project, that need to be tackled to build a more inclusive economy.

The term ‘meta-evaluation’ was coined by Michael Scriven in 1969 and is often considered as an evaluation of evaluations, although there is some ambiguity about what it actually entails. In reality, there are different interpretations and multiple practices that fall under the banner of meta-evaluation. The first, and most common interpretation, involves interrogating the methodology of evaluations and the reliability of their findings. Secondly, meta-evaluation can be seen as the aggregation of data and findings of existing evaluations to consider broader issues of policy and practice. It is this second interpretation that we employ in this analysis.

This meta-evaluation used in this study involved four key stages:

- Stage 1: Identifying relevant strategies and policy.
- Stage 2: Drawing together criteria by which to judge strategies and initiatives.
- Stage 3: Carrying out individual reviews against these criteria.
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- Stage 4: Considering overlap, co-ordination, complementarities, and contradictions across policy areas.

Sections 4 to 7 detail the outcomes of the four stages outlined.

In many cases, detailed evaluations of the programmes considered here have been conducted and we use this existing research to help draw conclusions on impacts and performance against our selected criteria (Appendices).
4. Policy selection

Policies included in this analysis were chosen through a two-stage process. First, relevant NI government department websites (such as those of the OFMDFM, the Department for Employment and Learning, and the NI Executive) were probed to create a long-list of relevant policy initiatives that aimed to address poverty and/or inequality directly, or indirectly through the labour market. This process made clear that it was not only specific policy initiatives that are relevant to this exercise, but broader economic and poverty strategies that set the headline objectives for policies in that area (i.e., the economy, poverty reduction, etc.) and the general sense of direction. In addition, there are a number of relevant funding streams that had a series of policies attached but which also had broader objectives, similar to policy strategies. This created three types of initiatives worth considering in this analysis of policy impact: strategies, funding streams (including Invest NI), and specific policies.

In the second stage, all initiatives (including strategies, funding streams, and policies) with a gross budget of less than £3 million each or that were not designed to affect the target group, i.e., the poorest in society, were omitted. We also only selected regeneration initiatives that aligned to our case study research areas in Phase 1 of the research, namely Belfast, Derry/Londonderry, and Strabane. This approach allowed us to consider the impacts of the regeneration schemes in conjunction with our earlier findings.

We made a conscious decision to explore initiatives across both economic and social policy spheres (Table 2). Economic and social initiatives are not ordinarily brought together side-by-side, and this is perhaps why poverty and inequality have not been sustainably addressed across the UK.13 An increasing number of academics and practitioners are recognising that economic policy must do more than blindly focus on economic growth (typically measured by Gross Domestic Product (GDP)).14 This backlash is, at least in part, spurred on by evidence showing that growth alone will not address poverty, and that poverty reduction and high levels of economic inequality undermine growth.15 If we accept that there are feedback effects between the two policy spheres, a close read-across between economic and social initiatives is critical.
Full details of strategies, funding streams, and policies can be found in the appendices. Due to limited resources, the decision was taken not to include other policy areas, such housing, health, and family support. We recognise that these are complementary policy areas and so reference relevant strategies, such as those related to childcare and child poverty, in Section 6.
5. Criteria for reviewing policy

In Phase 1 of this project, we looked at economic and social indicators, at both national and local levels, and highlighted a number of labour market challenges that are impeding NI’s ability to reduce poverty and inequality. These labour market challenges are related to three broader over-arching policy aims: inclusive growth, economic resilience, and addressing spatial inequalities.

Over-arching policy aims and specific labour market policy challenges are summarised in Table 1, alongside the associated questions to consider when reviewing strategies, funding steams and policies. Together these aims and challenges provide the criteria by which to judge policy.

5.1 Over-arching policy aims

Over-arching policy aims summarise the broad policy outcomes needed to tackle poverty and inequality sustainably. Two of the three over-arching policy aims chosen require further explanation – inclusive growth and economic resilience. The third over-arching policy aim – addressing spatial inequalities – encompasses the need for policies to aim to produce a more regionally balanced economy and for policies to be place-specific. This was thought to be particularly relevant because of the high spatial concentrations of deprivation in NI and the significant differences in economic prosperity across regions in NI.16

Inclusive growth

The term ‘inclusive growth’ is now common currency in the development field. It is often used interchangeably with a suite of other terms, including ‘equitable growth’, ‘broad-based growth’, ‘shared growth’, and ‘pro-poor growth’. Put simply, it refers to the distribution of returns to growth, positing that societal and economic structures should allow people to both contribute to and benefit from economic growth. It is a concept that encompasses equity, equality of opportunity, and protection in market and employment transitions. It was born from the recognition that while some countries were growing quickly, poverty reduction was faster in some economies versus others, and that income and wealth disparities have grown considerably in high-growth countries such as China and India. 17 The Commission on Growth and Development in 2008 outlined how inclusiveness is an essential ingredient of
any successful growth strategy, concluding that poverty and inequality can stunt economic growth.\textsuperscript{18}

In this analysis, we borrow the ‘inclusive growth’ concept as a summary term to refer to the need to adopt a growth model that has progressive distributional impacts. In addition, there are valuable in-built characteristics related to inclusive growth that make it particularly relevant to these discussions. Inclusive growth usefully

- makes the links between macro and micro policies needed to facilitate better socio-economic outcomes.
- builds in distributional issues into the very fabric of economic policy and decision-making. This is a real break from the traditional viewpoint which has been that economic growth is the first step which then enables redistribution.
- considers cross-policy coherence and shared aims to deliver economic growth that is inclusive.
- focuses on productive employment rather than on direct income redistribution, as a means of increasing incomes for excluded groups. According to a recent OECD study, even in developed countries, redistribution schemes cannot be the only response to rising poverty rates in certain segments of the population.\textsuperscript{19}
- goes beyond a focus on the poor, which is important in the context of polarising wages and stagnating median incomes.

While inclusive growth offers a neat way to capture our focus on addressing poverty and inequality through a coherent ‘whole-system’ approach, it needs to be slightly adjusted to fit with the NI scenario and the objectives of this analysis. For example, in the development field the focus is still on the absolute definition of pro-poor growth, meaning that gains do not have to be greater at the bottom; rather that the poor just need to have a share, no matter how small, in growth.\textsuperscript{20} For the purposes of this analysis, which considers both poverty and inequality, we prefer the relative definition – i.e., growth is ‘pro-poor’ if and only if the incomes of poor people grow faster than those of the population as a whole, i.e., inequality declines.

Policies that have been considered to deliver inclusive growth include:

- Pro-poor public spending on essential and equality maximising public services such as health and education.
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- Policies that strengthen assets, technology and infrastructure available in the economy.
- A redistributive agenda including a progressive taxation system.
- Policies that widen the ownership of housing and commercial property.
- Policies conducive to pro-poor private investment, in particular the encouragement of new small and medium-sized enterprises (SMEs).
- Sectoral growth in more labour-intensive and/or non-graduate sectors.\(^{21}\)

This existing understanding of what leads to inclusive or equitable growth forms the basis on which we assess individual and collective policies explored in this study.

**Economic resilience**

NI suffered disproportionately from the downturn and has been last in line to experience recovery in comparison to other regions. This has raised questions about levels of economic resilience. The definition of ‘economic resilience’ used here incorporates the ability to withstand, adapt, and recover from shocks.\(^{22}\)

Obviously, building resilience in an increasingly interdependent and hyper-connected world is not an easy task, as most recently noted from the shock in the international financial system in 2007/2008. Nevertheless, given the impact that the financial crisis and its aftermath has had on economic prosperity and poverty reduction in NI, it is vital to address broader economic resilience in order to lower poverty risk. The challenge then, is to address the underlying drivers of poverty and inequality while also building economic resilience.

While difficult to pinpoint precisely, studies have shown that there are characteristics that can make a region more able to withstand and absorb shocks. A comprehensive report by the Centre for Local Economic Strategies (CLES) in 2010 found that a resilient economy was one that has:

- a thriving community and voluntary sector.
- a strong local civic engagement, which provides space for local people and businesses to get involved in local decision-making.
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- a strong public sector, in particular one that positively affects and supports local economies through procurement and employment, as well as delivers effective public services.
- a diverse finance sector, including credit unions and local currency schemes, that encourages local circulation of money.
- high levels of sectoral diversity in the economy.
- smart land-use planning, which delivers a high-quality environment that attracts people to live and/or work in an area;
- a strong provision for young people to nurture the development of a strong future labour market.  

Research by the consultancy Ekogen further identified high levels of employment, entrepreneurship, and skills, as well as transport and education infrastructure as features of resilience. In the USA, a recent report from the MacArthur Foundation Research Network identified the conditions in regions prior to the beginning of a downturn that are associated with resilience. They found a relationship between resilience and various measures of economic capacity. More precisely they show that:

- Regions focused on manufacturing and with a poorly educated population are both more likely to suffer from an economic downturn.
- Regions that have a number of export industries are more resilient to employment downturns.
- The greater the income gaps between rich and poor, the more likely the region is to lose jobs during economic shocks and the longer it will take to recover.
- Responding with new policies after a regional downturn is less effective than insulating a region against downturns. This finding provides further weight to the argument for building resilience within the NI economy now.

Environmental sustainability can also be captured within the concept of ‘resilience’. In particular, it is difficult to conceive how an economy can be resilient without addressing an over-reliance on fossil fuels or without mitigating the adverse affects of climate change.

In line with these factors, which helpfully dovetail with those associated with more inclusive growth, we consider how policies in NI since the Good Friday
Agreement have been able to build the features that will result in greater resilience in the future.

### 5.2 Policy challenges
Key policy challenges are listed in Table 1. They represent a series of demand and supply barriers to a better functioning labour market and so have to be understood in relation to each other. For example, increasing qualifications may well be beneficial in its own right, but its impact will only be maximised if there are more ‘good jobs’ (Box 1).

The ‘jobs gap’ and ‘good jobs’ challenges are overlapping, but increasing good jobs is not just about creating new jobs but also about renovating current ‘bad’ jobs, such as those frequently found in the hospitality and care sectors.

As well as the questions listed in the third column, we asked the following of each chosen policy:

- Was addressing this aim/challenge an explicit feature of this policy?
- How far has this policy been consistent with poverty reduction? If this policy had not had happened, would poverty and inequality have worsened?
- Have there been any unintended consequences? For example, did this policy inadvertently aid labour market conditions that encourage poverty and inequality?
- How long will the positive impacts of this policy on this aim/challenge last?

We encountered a number of methodological problems with existing evaluations including missing data; these are noted under the appropriate initiative in the appendices. In some places we had to draw our own conclusions, which is why we are keen to have direct feedback from relevant government departments on our findings (see questions in Section 7). Policy strategies were assessed slightly differently because they do not have testable aims in the same way that specific policies do and evaluations of strategies as a whole do not always exist. Instead, we looked more at the aims identified within strategy documents to decipher if they recognised the need to address the aims and challenges as outlined in Table 2, and considered if national level data had changed in the desired direction.
Box 1. What is a good job?
The New Economics Foundation (NEF) defines a good job as one that
1. provides a decent income: enough to participate actively in society and to pursue a fulfilling life;
2. provides reasonable levels of job satisfaction, and the opportunity for career progression;
3. is reasonably secure;
4. does not require you to leave your community to get it;
5. does not require long working hours; and
6. does not threaten environmental sustainability.

Researchers on job quality tend to prioritise Features 1–3 and 5, partly because these features are most strongly related to higher personal well-being. Feature 4 relates to spatial inequalities. Environmental sustainability (Feature 6) is most affected by the pattern of sectoral growth.

Table 1. Over-arching aims and policy challenges by which to judge policy, strategies and funding streams.

<table>
<thead>
<tr>
<th>Outline of aim/ challenge</th>
<th>Key considerations</th>
</tr>
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<tbody>
<tr>
<td>Building inclusive growth</td>
<td>Ensuring shared benefits of economic growth, Impact on those with low or medium incomes,</td>
</tr>
<tr>
<td>Building economic resilience</td>
<td>The ability to withstand, adapt and recover from shocks, Affect on the qualification profile, employment and entrepreneurship, infrastructure, and environmental sustainability and diversity of NI sectors and exports.</td>
</tr>
<tr>
<td>Labour market policy challenges</td>
<td></td>
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</tbody>
</table>
| **Addressing spatial inequalities** | NI has a notable uneven spread of economic prosperity across its geography. This reflects the different cocktails of labour market challenges which require place-specific policy. | At what spatial level was this policy applied?  
- Was the initiative developed in line with the needs of a specific place?  
- Did it help rebalance the economy geographically? |
| **Jobs gap** | High job seekers to vacancy ratios highlight the difference between the number of people searching for work and the number of jobs available. In order to get more people into work, more jobs need to be created. | - Number of jobs created (taking in to account deadweight and attribution),  
- How sustainable are the jobs created?  
- Distributional issues including job quality, the qualifications needed to get these jobs (e.g. accessible for graduates or non-graduates?)  
- The location of jobs, |
| **Good jobs** | One of the key findings of the first phase of research was the prevalence of low pay and how insecure contracts discourage people taking jobs and/or trap them on benefits. | Did this initiative promote jobs with:  
- Decent wages?  
- Opportunities to progress?  
- Opportunities for training?  
- Job security?  
Does it encourage the growth of ‘good’ sectors? (Box 1) |
| **Inactivity** | NI has the lowest economic activity rate of all UK regions. This has been linked to a high | If this policy did tackle inactivity, for which group (age, religion, qualifications, health status etc.)? |
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| Low qualifications | While the qualification profile of NI is improving, the likelihood of gaining qualifications once leaving education is still relatively low. As such, we focus on the opportunity to gain skills/qualifications beyond school years | - Did this strategy/policy address qualification levels for school leavers?  
- Did it equip participants with suitable skills in line with NI labour market needs? (i.e., does it address the skills mismatch?) |
<table>
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<tbody>
<tr>
<td>Employment and career advice support</td>
<td>A major complaint from interviewees in Phase 1 of this project was the lack of employment support.</td>
<td>Did this policy provide a wrap-around service, supporting people into work? Are these services tailored to the needs of individuals?</td>
</tr>
<tr>
<td>Complimentary services, such as childcare and transport</td>
<td>Case study research in Phase 1 highlighted the availability and costs of childcare and transport as barriers to work.</td>
<td>Did this policy enhance the complementary services which support employment?</td>
</tr>
</tbody>
</table>
6. Policy review outcomes

Table 2 presents the results of our meta-evaluation. Further detail is available in the appendices, where we describe each policy in more detail and assess their individual ability to meet the key aims and challenges outlined in (Table 1). Using the questions above (in section 5.2) along with the policy goals in Table 1, we provide a marker of whether each initiative directly addressed the challenge and resulted in additional activity (with a tick or a cross), and whether the level of impact was low (addresses none or few of the considerations listed in Table 1), medium (addresses only some of the considerations listed in Table 1), or high (addresses the majority or all of the considerations listed in Table 1). We also record the expected length of the positive benefits directly associated with this policy within the policy matrix (short-term (2–5 years), medium term (5–10 years), or long-term (10 years or more)). We focus on the impact on the challenge rather than the individual, for example, an individual may have gained a job for life but the policy will only have a positive impact on lowering employment for five years or while the policy is active.

Taking strategies, policy, and funding streams together, we consider the performance under the headings ‘economic policy’, ‘employment and skills’, ‘regeneration’, ‘equality’, and ‘direct action on incomes’ in the sub-sections below.

6.1 Economic policy

Several have noted that the NI economic approach has, at its heart, been a neo-liberal one that has focused on private sector investment; the need for low taxes; and a focus on skills, education and employment as a way to combat poverty. However, NI has had its own individual blend of economic and social policy, partly because of the emphasis it has placed on addressing social exclusion and equalities between religious groups.

As a devolved but not independent region, NI has no control over macro-economic decisions such as the level and nature of the quantitative easing (QE) programme (Section 2). However, it is responsible for economic development and creating the right conditions for job and investment growth. To this end, NI has received notable sums of money – from the UK
government as well as from European funds (from the European Social Fund (ESF) and the European Regional Development Fund (ERDF)).

Economic growth and re-balancing the economy are central features of the NI economic strategy reflecting the UK Coalition government’s strategy to rebalance the economy. In the economic pact signed with the parliament in Westminster, *Building a prosperous and united community*, economic growth is explicitly spoken of alongside the need to address social and community tensions. However, this is distinct to ‘inclusive growth’ (Section 5), which instead of separating the two aims, embeds equity into the growth model and approach.

There is a strong focus in the NI economic approach across several documents and plans on improving competitiveness and building a larger and more export-driven private sector. For instance, the new phase of ERDF investment will focus on strengthening research, technological development and innovation and enhancing the competitiveness of SMEs. The INTERREG VA Programme is likely to support activities, including research and innovation, actions to promote a low-carbon economy, and environmental protection.

The corporate tax rate is also considered a key part of increasing competitiveness. The devolution of responsibility for corporation tax, and further reduction below the prevailing UK rate, is still a key objective for the NI Executive. However, some question whether this change in taxes would really deliver a surge in foreign investment, and there is a question of what kind of investment this would attract. Already, there is relatively little action that has been taken on increasing the number of good jobs (Table 2). The focus for strategies in this area has instead been on economic growth, job growth (with little regard to job quality), and R&D and innovation investment, which tends to favour graduates.

**Job creation**

Up to 2008, net job creation by Invest NI was relatively poor and expensive. The Northern Ireland Audit Office (NIAO) calculates that over the period 2005 to 2008 Invest NI achieved an overall cost per job of £23,300, a cost per job of £17,500 for indigenous firms, and £25,900 for FDI. Compared to other economic development agencies, these costs were high. Overall cost per job achieved by North West Development Agency was £9,100, £12,800 by One
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North East, and £12,900 by Advantage West Midlands.\(^3^2\) However, without such support for new and particularly safeguarded jobs, it is likely the labour market would have fared considerably worse.

Invest NI started to measure the quality of job outcomes by recording median pay in 2008. Prior to 2008 there were no job quality targets; however, Invest NI did analyse the salary difference between FDI jobs promoted/safeguarded and the NI Private Sector Median (NIPSM). Between April 2002 and March 2008, 87% of safeguarded jobs had salaries above the NIPSM compared to only 50% of new jobs. Furthermore, 60% of the new jobs were in ‘contact centres’ and only 33% of these had wages above the NIPSM. After job quality targets were established in 2008, results improved: 75% of jobs promoted between 2008 and 2011 were above the NIPSM, a marked improvement from 50% over the previous Corporate Plans.\(^3^3\)

Other schemes, such the new United Youth Programme, offering young people in the NEETS category structured employment, work experience, and volunteer and leisure opportunities – will create one-year job placements. However, it is not clear whether the new jobs created will be jobs with decent pay and conditions. The OFMDFM must also be careful that the programme is not seen as a ‘make work’ programme, as the Youth Training Scheme (YTS) introduced in 1983 was. Evidence has found that instead of increasing the employability of young people, the YTS stigmatised them as those incapable of ‘real’ work – effectively marking them as the least attractive prospective employees.\(^3^4\) As short-term jobs that are designed as stepping stones into more formal employment, these schemes must link to the jobs available in the locality and be accompanied with longer term plans to address low labour demand.

*The role of the public sector*

Surprisingly, given its size, the role of the public sector in the economy does not feature in economic strategy documents. As the focus is on private sector growth, it is fair to assume that public sector contraction is desirable. This rebalancing may well be needed, but there are many ways in which the public sector can support growth and address poverty through procurement and wages.\(^3^5\) The *Programme for Government* (Appendix A) outlines the need to build in social clauses to public procurement contracts for supplies and services but it is not clear whether this will include a clause on pay and good
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Overall, it is not clear from the documents reviewed here if the public sector is considered as a tool to address poverty and inequality.

Taken together, headline economic policies, including Invest NI, have considered many of the aims and challenges identified in Table 2, although to different degrees. Inclusive growth and resilience have been by-products of certain policies, such as the ERDF, but have not been an explicit focus and have not been achieved to any notable extent. As the focus has, understandably, been on community cohesion and equality between religious groups, more economic equality overall has barely featured in any policies, including in the Together building a prosperous and united community. As a consequence, economic inequality has gone under the radar.

6.2 Employment, skills, and supporting services

Rising employment and skills sits at the centre of several of the strategies, including those focused on the economy, skills, regeneration, and poverty. New Targeting Social Need is based on the premise that unemployment is the most profound cause of poverty and that for most people of working age, a job with a decent wage is the best protection against poverty. The 2014–2020 European Social Fund (ESF) Investment for Growth & Jobs Programme aims to promote employment and supporting labour mobility; social inclusion and poverty reduction; and, education and life-long learning.

Looking across the policies, there have been clear attempts to address unemployment, inactivity, and skills. However, it is not clear how far this has been done with regard to changing labour market demand. Employment programmes, especially before the Steps to Work initiatives, focused almost entirely on supply-side features. As a consequence, their ability to increase employment in economically deprived areas was limited. In addition, the documents reviewed here did not mention the need to address labour market polarisation in NI. There was also a recurring assumption that by increasing qualifications low pay would be addressed. This assumption can be found in other relevant strategies not reviewed here, such as the new child poverty strategy Delivering social change for children and young people, currently under consultation, which states that a key target will be ‘reducing poorly paid, work and unemployment amongst adults with children’ but only points to training as a tool by which to rectify low pay.
Despite the ongoing challenges of labour demand and low pay, there has been policy evolution in the employment domain. Through recognising the failures and shortcomings of the New Deal programmes, the Department for Employment and Learning (DEL) has been better able to design programmes fit for purpose and targeted to the needs of NI. The *Steps to Work* initiative, which replaced the New Deal programmes in 2008, has had more success in securing sustainable employment outcomes, even in a more difficult economic climate. The *Pathways to Success* strategy and action plan, targeting NEETS, has also seen a relatively high percentage of participants move on to employment, further education, and advanced training (Appendix C).

**Childcare**

While the issue of childcare is either not considered or side-lined in many of the strategies and policies reviewed here, there is a very recent childcare strategy – *Bright Start: The NI Executive’s Programme for Affordable and Integrated Childcare* – which shows that the NI Executive is taking this issue seriously and is making positive changes. The strategy outlines how the NI Executive plans to deliver an improved childcare service based on six principles: affordability, accessibility, sustainability, an integrated approach, quality, and informed parental choice. The expansion of places outlined in the strategy will no doubt be welcomed by struggling parents; however there are other key problems with the childcare system that are not considered – in particular the issue of low pay within the sector. As an expanding sector with a high percentage of women employed, pay in the sector is an equality issue. Research elsewhere has considered how to increase training and pay while expanding provision, finding that while this will increase costs, the investment will deliver multiple benefits for children, parents, childcare workers, and society as a whole.

**6.3 Area regeneration**

The *People and Place: A Strategy for Neighbourhood Renewal* aimed to ‘close the gap between the quality of life for people in the most deprived neighbourhoods and the quality of life for the rest of society’ through improved access to services and opportunities; and by improving the environment. The strategy was heavily influenced by a sister strategy to the *National Strategy for Neighbourhood Renewal* (NSNR) which was applied in England.

Again EU funding has been vitally important in this area. The PEACE evaluation showed that it funded a wide range of activities, for example...
education, training and development, community development, economic development, and childcare provision; jobs created were estimated at 7–8,000 and between 60 and 70% of participants in training and development projects progressed either to employment, education, or further training.\textsuperscript{42}

Looking across Table 2, regeneration policies have been more comprehensive and score much better across the criteria. Regeneration programmes have consistently emphasised the importance of economic development, training, and education; job creation; and the social economy; and many regeneration programmes have produced outputs relating to job creation, access to training, and business support. However, regeneration initiatives in NI have been deemed fragmented because there has been a large number of initiatives, with several initiatives taking place in the same areas concurrently and areas receiving funding from different programmes, which raises questions about the extent of genuine additionality.\textsuperscript{43} Questions have also been raised about the way some projects have been managed, for example a Memorandum of Understanding with Belfast City Council in relation to funding for Titanic Belfast was intended to yield local jobs; however the results were disappointing – potentially because of poor drafting of the agreements with private sector contractors.\textsuperscript{44}

The emphasis on community development and projects such as childcare have focused on creating community resilience and social capital, which have helped to address social exclusion in poor areas. However, it is less clear that regeneration has contributed to the reduction of income poverty and unemployment. In the Phase 1 report of this study, we considered, using the NI Multiple Deprivation Measure (NIMDM), if and how deprived areas had become more or less income- and employment-deprived between 2005 and 2010, and found that the concentration of deprivation had grown in Derry, Strabane, and Limavady while staying stagnant in Belfast.\textsuperscript{45} Furthermore, as case study areas in Phase 1 overlap with the regeneration projects assessed here, we can conclude that areas close to the Crumin Road Goal and the Titanic Quarter in Belfast, Derry/Londonderry, and Strabane remain deprived with residents cut off from jobs, either because of a lack of support or –poor transport infrastructure, the benefits trap, and/or because of a skills mismatch.

Adamson concluded that there had been ‘a significant lack of impact of regeneration policy in Northern Ireland’\textsuperscript{46} – although it is worth noting that
similar conclusions have been made for other parts of the UK. As a new, more localised, phase of regeneration investment begins, it would be prudent to consider why regeneration has not alleviated poverty to date.

6.4 Direct action on household income
The minimum wage and working tax credits were the centerpiece of New Labour’s attempts to make work pay while addressing poverty. Whereas the minimum wage sought to increase employer responsibility for delivering decent wages, working tax credits are derived from public funds. As such some have deemed them a ‘subsidy to low-waged employers’.

The minimum wage has had mixed reviews. On the one hand, it has affectively established a wage floor and has increased the wages of thousands of people without costing jobs. On the other hand, it is still relatively low, and much lower than the living wage, which is set more in line with living costs. Some argue that the fact that the minimum wage did not result in higher unemployment shows that the Low Wage Commission, who set the minimum wage through consultation, has not been bold enough.

Tax credits, especially those going to families, have had a number of positive impacts. They have been key to lowering levels of child poverty and have had small but positive impacts on the employment rate, especially for women. While this has been a vital and beneficial policy, like the minimum wage it does little to address any of the root causes of poverty and inequality and so does not score well across the criteria in Table 2.

Overall, the policies that fall under this theme have made inroads into addressing poverty, but have only partly alleviated the symptoms of an economic system that is creating growing numbers of low-paid and insecure employment opportunities. Overall, poverty levels in NI remain high and the context for both regeneration and anti-poverty initiatives is becoming more difficult. The post-financial crisis economic weakness in NI will be exacerbated further by upcoming public sector restructuring and welfare reform. As such, there will be growing need to ‘pre-distribute’ – i.e., to address the under-lying drivers of poverty and inequality, rather than to rely heavily on the tax and redistribution to ‘correct’ for inequality.
6.5 Overall policy delivery against aims and challenges
Looking at Table 2, there are both ticks and crosses and all challenges (in columns) have six or more ticks. However, this engagement with challenges is not always to a high degree. We can deduce the following conclusions about how policy is addressing the different challenges:

- **Building inclusive growth**: Distributional impacts are a concern of all the initiatives considered here. However, not many score highly against this over-arching aim, mainly because not many address the good jobs challenge, which is central to achieving inclusive growth. None of the initiatives looked at in this analysis had any explicit aim to address the distribution in income.

- **Building economic resilience**: Poverty reduction and employment and skills initiatives are positive for building economic resilience, as is sectoral diversity and the promotion of a low-carbon economy. The multiple investments made in the social economy should also contribute to both economic resilience and building a more inclusive economy. Conversely, as initiatives together did little to address economic inequality, they had a limited impact on economic resilience. Again, building economic resilience was not an explicit feature of the policies reviewed here.

- **Addressing spatial inequalities**: Geographical rebalancing of economic prosperity is a consideration in many policies, and not only those under the regeneration theme. However, poor areas have remained poor and economic prosperity is yet to be diffused away from Belfast and surrounding areas.

- **Jobs gap**: Job creation is a central feature of a number of the initiatives listed in Table 2, most notably the Economic Strategy, Invest NI, and several of the regeneration schemes. Up until recently, however, the evidence pointed to a limited impact of job creation, with Invest NI often playing a safeguarding role rather than creating new jobs (Appendix B). The NI Economic Strategy places significant emphasis on growing exports, but as discussed in the Phase 1 report, many of the low-paid jobs are in non-traded sectors.

- **Good jobs**: The focus on good jobs is either non-existent or low across the initiatives considered here.

- **Inactivity**: There is a mixed picture of engagement with the issue of inactivity, and very little evidence to show that inactivity has been positively addressed either in individual initiatives or collectively across
the piece. There is currently a consultation on addressing inactivity in NI which is likely to result in more focused action.54

- **Low qualifications:** The majority of initiatives engage with the post-school education and several in a long-term and high-value-added manner. A common feature of these successful policies is that they have employer involvement and work placements.

- **Employment and career advice and support:** Few of the initiatives addressed this challenge, and where they did, for instance in New Deal programmes, they did so with little long-term impact on the quality of services available.

- **Complementary services such as childcare and transport:** Very few strategies or policies consider wider services that will lower barriers to work. However, the new childcare strategy does indicate that this is an area where action will be taken.55

### 6.6. Summary

Findings from this policy meta-evaluation can be summarised under five headings:

1. *Extensive action on equality but not economic inequality:* There has been extensive action on poverty and equality between groups through the labour market in NI. Equality has been a running theme in many of the policies and strategies, but inclusive growth, whereby economic growth models and economic equality are infused, has not been part of the narrative.

2. *A gap between rhetoric and action:* Strategies and policy documents explicitly mention many of the labour market policy challenges in Table 1. However, the policy actions associated with these challenges are relatively meek – insufficient in scale and/or not directly addressing the root causes of the problem. In other cases, policies can actually contradict overall policy aims to reduce poverty. For example, by encouraging growth in low-paid sectors, such as call centres and tourism.

3. *A failure to recognise broader trends:* Looking across policy documents, there is a strong emphasis on ameliorating current problems rather than addressing the broader trends. For instance, addressing growing labour market polarisation is not explicitly considered nor are there obvious plans to mitigate or adapt to the global and technological trends leading to declining employment in manufacturing.
4. A failure to break from the past: While some policy areas, such as employment, have experienced a degree of policy evolution, there has been little change in the overall economic aims since 1998. This is surprising given the extent to which NI suffered after the financial crash, current discussions on the need for new economic models, and the shift away from a pure focus on economic growth.

5. Measuring inputs and outputs, not outcomes: Measurement, both in terms of target setting and evaluation, are typically insufficient and/or unaligned with overall objectives. Attention is paid to narrow inputs (funding) and outputs such as the number of jobs created rather than outcomes (increased incomes, lower poverty, etc.) and broader impact.

6. A strong reliance on redistribution versus attempts to build equality issues into economic policy: Public services and redistribution will always be an important part of a modern capitalist system, but given the shrinking public purse and extra demands due to an ageing population, much more regard needs to be paid to pre-distributive policies such as increasing take-home pay.

Overall, while initiatives are tackling some of the root causes, such as in qualifications, they are often not paying enough attention to the demand-side factors that are critical for an inclusive and resilient economy. We find key gaps in policies tackling the paucity of good jobs and low pay and a missing narrative on the need to build an inclusive economic model as well as challenges in policy evolution and target setting.
Table 2. Strategy, funding stream, and policy matrix (Level of impact= Low/Medium/High. Duration/expected duration of positive impacts short-term (ST), medium-term (MT), long-term (LT))

<table>
<thead>
<tr>
<th>Years/ Lead Department</th>
<th>Key information</th>
<th>Labour market policy challenges</th>
<th>Over-arching policy aims</th>
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<td></td>
<td>Key focus</td>
<td>Jobs gap</td>
<td>Spatial inequalities</td>
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<td>Good jobs</td>
<td>Economic resilience</td>
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<td></td>
<td></td>
<td>Inactivity</td>
<td>Inclusive growth</td>
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<tr>
<td>NI Executive</td>
<td>Priorities for sustainable growth and prosperity</td>
<td>To improve the economic competitiveness of the NI economy by strengthening competitiveness through a focus on export-led economic growth. Key drivers are planned to be innovation, R&amp;D and the improving the skills of the NI workforce.</td>
<td>✓ Med MT</td>
</tr>
<tr>
<td>A. Economic</td>
<td>Building a Prosperous and United Community</td>
<td>Priorities: 1. Rebalancing the economy; 2. Tackling the long-term, entrenched divisions in society.</td>
<td>✓ Med / Hig MT</td>
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<table>
<thead>
<tr>
<th>Strategy</th>
<th>Period</th>
<th>Focus</th>
<th>Key Information</th>
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</table>
| **B. Regen**
  People and Place: A Strategy for Neighbourhood Renewal | 2003–2013/ Department for Social Development | Targeted areas suffering from the highest levels of deprivation. Sought to address area deprivation through multiple interventions including by improving physical infrastructure, employment support and investment in skills. | ✓ Med ST/MT ✓ Low ST/MT ✓ Med Hig MT ✓ Med MT ✓ Low ST/MT ✓ Low MT ✓ Med / Hig LT ✓ Low / Med MT ✓ Med LT |
| **C. Poverty**
  New Targeting Social Need | 1998–2006/ NI Executive | Focused on those in greatest need and on:
  1. Tackling unemployment and increasing employability;
  2. Tackling inequality in other policy areas such as health, housing and education;
| **C. Poverty**
  Lifetime Opportunities Strategy | 2006–present/ OFMDFM | Strategic objectives and goals for tackling poverty and inequality across rural areas, age groups, the labour market, health, and education across government departments. | ✓ ✓ ✓ ✓ ✓ ✓ ✓ Med MT ✓ Med MT ✓ Med MT |

#### Key information

- **Labour market policy challenges**
  - Over-arching policy aims
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<table>
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### E. Skills

**Success through Skills – Transforming Futures**


Based on the current skills base versus what is needed for NI to be competitive, highlights key skills goals and areas for action. Key aims include: 1. To raise the skills levels of the whole workforce; 2. Raise productivity; 3. Increase levels of social inclusion by enhancing the employability of those currently excluded from the labour market. 4. To secure NI’s future in a global marketplace.

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### F. Over-arching

**Programme for government 2011–2015**

**2011–2015/NI Executive**

Set priorities across government including:
1. Support job creation; 2. Encourage FDI; 3. Increase visitor numbers and the tourist sector; 4. Support young people into employment by providing skills and training; 5. Reform the delivery of health and social care.

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<tr>
<td>I</td>
<td>Invest NI</td>
<td>2002–present/ Department of Enterprise, Trade and Investment (DETI)</td>
<td>Primarily provides finance and business support to NI-based businesses with the over-arching aim of creating employment and increasing productivity, through attracting FDI, bolstering export performance and research and development, and creating higher value-added industries in NI.</td>
<td>✓ Med MT</td>
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<td>✓ Med LT</td>
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<td>II</td>
<td>European Regional Development Fund (ERDF)</td>
<td>Phase 2: 2012–2022/ DETI</td>
<td>Overall objective: Reducing the productivity gap with the rest of the UK. Priorities: 1. Sustainable competitiveness and innovation; 2. Sustainable enterprise and entrepreneurship; 3. Improving accessibility and protecting and enhancing the environment; 4. Financing the management and</td>
<td>✓ Med LT</td>
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### III European Social Fund (ESF) 2007–2013/Department for Employment and Learning (DEL)

Priorities: 1. Helping people into sustained employment; 2. Improving workforce skills, in particular through supporting access to and provision of apprenticeships and training; 3. Providing technical assistance to evaluate the programme.

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### IV Social Investment Fund 2012–2016/OFMDFM

Set up to deliver social change through reducing poverty, unemployment, and physical deterioration. Focused on supporting communities to tackle underachievement, mental health issues, and increasing and improving services.

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<th>Employment/career advice</th>
<th>Complementary services (e.g. childcare)</th>
<th>Spatial inequalities</th>
<th>Economic resilience</th>
<th>Inclusive growth</th>
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<tbody>
<tr>
<td><strong>1</strong> New Deal 25+</td>
<td>Aimed to help unemployed people aged 25 years old or over to find jobs and to stay and progress in employment.</td>
<td>☒</td>
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<td><strong>2</strong> New Deal 18–25</td>
<td>Aimed to help unemployed people aged 18 to 25 years old to find jobs and to help them stay and progress in employment.</td>
<td>☒</td>
<td>☒</td>
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<td><strong>3</strong> Pathways to Work</td>
<td>Aims to provide a comprehensive package of support to help sick and disabled clients consider work where this is possible.</td>
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<td>☑ Med LT</td>
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<td>2008–present</td>
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<td><strong>4</strong> Pathways to Success</td>
<td>Focuses on reducing the number of young people not in education, employment or training (NEET); includes funding for employment advice and the Community Family Support programme.</td>
<td>☑ Low ST</td>
<td>☒</td>
<td>☑ Med LT</td>
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<td>2012–present / DEL</td>
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<td>5</td>
<td><strong>Steps to Work</strong>&lt;br&gt;2008–present / DEL&lt;br&gt;Replaced the NDs, includes personalised support from a trained adviser to help those unemployed back into work through training and education, work placement, or self employment.</td>
<td>x</td>
<td>x</td>
<td>✓ Low / Med ST</td>
<td>✓ Med ST</td>
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<td>✓ Med ST</td>
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<td>6</td>
<td><strong>Bridge to Employment</strong>&lt;br&gt;2002–present / DEL&lt;br&gt;Building links between employers and those out of work by providing pre-employment training and an opportunity for an interview with a pre-agreed employer on completion of the training.</td>
<td>x</td>
<td>✓ Low MT</td>
<td>✓ Low MT</td>
<td>✓ Hig LT</td>
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<td>7</td>
<td><strong>Apprenticeships NI</strong>&lt;br&gt;2007–present / DEL&lt;br&gt;Open to anyone over the age of 16, provides on-the-job training as well as off-the-job training on one of the 140 Level 2 and Level 3 Frameworks in their chosen occupation.</td>
<td>x</td>
<td>x</td>
<td>✓ Low LT</td>
<td>✓ Hig LT</td>
<td>✓ Low LT</td>
<td>x</td>
<td>✓ Low LT</td>
<td>✓ Med LT</td>
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**Key information**<br>**Labour market policy challenges**<br>**Over-arching policy aims**
### Phase 2: Poverty, economic inequality and the labour market in Northern Ireland – a policy review

<table>
<thead>
<tr>
<th>Years/ Lead Department</th>
<th>Key focus</th>
<th>Jobs gap</th>
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<th>Employment/career advice and support</th>
<th>Complementary services (e.g. childcare)</th>
<th>Spatial Inequalities</th>
<th>Economic resilience</th>
<th>Inclusive growth</th>
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<tr>
<td><strong>1</strong> The One Plan in Derry/Londonderry (2012–2020) (Potential outcomes)/Department for Social Development (DSD)</td>
<td>Overall vision: to create a ‘competitive, connected, creative and caring city’ Objectives: 1. Job creation; 2. Additional wages and profits; 3. Improvements to the fiscal balance.</td>
<td>☑ Low MT</td>
<td>☑ Low MT</td>
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<td>☑ Low / Med LT</td>
</tr>
<tr>
<td><strong>2</strong> Titanic Quarter regeneration in Belfast</td>
<td>Single largest regeneration scheme in NI’s history. Includes new visitor attraction and conference centre, commercial offices, apartments, educational facilities, retail, entertainment district, and film studios.</td>
<td>☑ Med LT</td>
<td>☑ Med LT</td>
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<td><strong>3</strong> Strabane 2000 Phase 1,</td>
<td>Initiative has overseen environmental improvements,</td>
<td>☑ Low</td>
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<td>1998–2008/ DSD</td>
<td>Development of public spaces, the building and improvements of social housing, and urban regeneration aimed at economic development, such as road improvements and the development of commercial retail space.</td>
<td>Jobs gap</td>
<td>Complementary services</td>
</tr>
<tr>
<td>Development of the Crumlin Road Goal, Belfast</td>
<td>A visitor attraction and conference centre also soon to include a boutique Whiskey Distillery, restaurants, bar, tasting room, and corporate hospitality facility.</td>
<td>Good jobs</td>
<td>Spatial inequalities</td>
</tr>
<tr>
<td><strong>Key focus</strong></td>
<td></td>
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<td>Economic resilience</td>
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### Phase 2: Poverty, economic inequality and the labour market in Northern Ireland – a policy review

<table>
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<tr>
<th></th>
<th>National Minimum Wage</th>
<th>1999–present (ongoing)/ Low Pay Commission</th>
<th>Introduction of legal minimum wage to increase incomes at the bottom of the income scale.</th>
<th>□ ×</th>
<th>✓ Low LT</th>
<th>✓ Low LT</th>
<th>×</th>
<th>×</th>
<th>×</th>
<th>×</th>
<th>✓ Low LT</th>
<th>✓ Med LT</th>
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<tr>
<td>2</td>
<td>Working Tax Credits</td>
<td>2003–present, to be changed to Universal Credit by 2017/ HM Revenue and Customs</td>
<td>Tax credits aim to incentivise more people into work, in particular mothers, as well as to increase incomes for those households at the bottom of the income spectrum.</td>
<td>×</td>
<td>✓ Low LT</td>
<td>✓ Med LT</td>
<td>×</td>
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<td>✓ Med LT</td>
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7. Conclusions

Conclusions drawn from this study should have a direct bearing on efforts to improve the focus of policy if policymakers so wish in the future. We asked how far has policy been able to address the root causes of poverty and inequality in the labour market? And, to what extent poverty and economic policy have been knitted together to provide a coherent policy to address poverty and inequality in NI? We found an assortment of gaps – including the lack of good jobs and inactivity – alongside some positive engagement with some of the central challenges, most notably on qualifications and distributional impacts across religious communities.

According to the analysis presented here, policy should include a focus on stimulating growth in good jobs, a concerted and targeted effort to address inactivity and to introduce or strengthen public services, such as childcare, which will lower the barriers to work. A redistributive policy such as Universal Credit will remain critical to addressing poverty and inequality, so it is vital that any negative distributional impacts of its implementation should be addressed. However, new policies to ‘pre-distribute’ incomes and wealth will be increasingly important in an ageing society where public funds are scarcer.

As the economic and social challenges evolve, policy must ‘move with the times’ and reflect new needs and challenges. The NI Assembly has had a strong mandate to address socio-economic disadvantage since its inception in 1998. As we tentatively enter a new, post-stagnation era (although there are regional differences in the pace of economic recovery), it is prudent to consider where policy must focus next. Equality issues will and should continue to be at the forefront of economic and social policy in NI, but more of the same is unlikely to deliver different results. It is important that economic growth, as traditionally conceived through the measurement of GDP, does not take centre stage without the issue of equality being built into the chosen approach to economic development. Recent history and international evidence has demonstrated repeatedly that equality issues cannot be an after-thought – left to be addressed through social policies alone.
Appendix A: Strategies

Northern Ireland economic strategy

Priorities for sustainable growth and prosperity: building a better future

Years to be applied: 2013–2030 (with intermediary targets for 2015)

Summary of intervention:
The stated vision for 2030 is: ‘An economy characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all.’

The key priorities that sit under this strategy include:
1. Rebalancing the economy, in particular towards private sector growth.
2. Prioritising export-driven businesses and increasing the number of businesses working in telecommunications & ICT, agri-food, advanced materials, and advanced engineering.
3. Rebuilding the NI economy through:
   - Promoting accessible employment opportunities particularly in areas of economic disadvantage.
   - Providing training and re-skilling to those who are unemployed or inactive because of the downturn and address wider barriers to employment so that people do not become detached from the labour market.56

Impacts and performance against own objectives:
As the strategy was very recently introduced, measures of impact are limited. However, the NI Executive57 points to a number of early outcomes that have been achieved since the announcement of the strategy.

- Gross expenditure on R&D totalled around £568 million in 2011, an increase of £46.1 million (8.8%) compared to 2010.
- The percentage of those people in employment with Level 2 skills and above rose slightly from 74% to 74.2% between 2010 and 2013.
- The percentage of school leavers GCSE A*-C or equivalent (including English and Maths) also rose from 58.6% in 2009/2010 to 62% in 2011/2012.
Figures from the UK Innovation Survey show that during 2008–2010, 27% of firms in NI were innovation active (engaged in innovative activity), compared to 31% in 2006–2008.

Total visitor revenue was up from the baseline to £683 million.

It should be noted that there is no existing independent evaluation of the progress and there is a notable absence of measures of additionality within the available progress report. The performance indicators also show that business expenditure as a percentage of GVA has fallen since 2006–08, although the most recent figures are only up to 2008–2010. In addition, the percentage of electricity consumption from renewable sources is unlikely to meet its target of 20% by 2015 and the percentage of premises able to access broadband services of at least 2 mbps actually fell from 2009/10 to 2012 from 89% to 87.4%.

**Extent to which it addressed root challenges:**

**Jobs gap (low labour demand)**

The strategy aims to address low labour demand through a new investment strategy which includes objectives for Invest NI to deepen and strengthen its work to support and develop its key sector offers on ICT and creative industries; business and financial services; and renewables and agri-food. Jobs for non-graduates are also expected to increase through more support for construction, the social economy, and SMEs.

**Lack of ‘good’ jobs**

The need for quality and not just more jobs is noted within the strategy. The diverse sectoral focus may well result in the growth of decent jobs for both graduates and non-graduates but there are no details about the expected good jobs that are likely to be generated for those of different qualification levels. The strategy draws on evidence to suggest that exporting companies are larger, more productive, pay higher wages, and are more capital intensive than those which focus mainly on domestic markets, but there is no consideration of how to grow wages in non-traded sectors. A related pledge on growing the number jobs with decent pay is to ‘promote 5,900 jobs from inward investors with 75% paying salaries above the NI Private Sector average’.
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Inactivity
The strategy pays some attention to the long-term unemployed and inactive, with a focus on improving skills to address this challenge.

Low qualifications
Yes, there is an emphasis within the strategy to up-skill the population and lower the number of people without qualifications.

Employment support and career advice
The strategy does not feature proposals to strengthen employment and career advice in NI directly, but does point to the ‘Preparing for Success’ and ‘Working for Success’ strategies to highlight that employment services and careers advice are being considered elsewhere.

Complementary services (e.g. childcare and transport)
There is no explicit focus on services that would aid in increasing employment, but it may be a spin-off from investment in voluntary and community services. The strategy makes reference to the new Childcare Strategy.

Spatial inequalities
While the core focus of the strategy is to ‘rebalance’ the economy, this seems to be interpreted more as a shift towards the private sector than a spatial rebalancing. There is a short discussion of the introduction of Local Development Plans. Pledges to address regional inequalities include:

- Encouraging rural businesses through diversification into non-agricultural activities, by supporting 1,200 micro-enterprises.
- Supporting the implementation of the ‘One Plan’ in the regeneration of the North-West.62

Building economic resilience
Encouraging sectoral diversity and increasing employment should help build economic resilience.

Inclusive growth
The strategy explicitly mentions the need for economic growth to be shared, as captured in the ‘prosperity for all’ part of the vision outlined above. However, beyond a drive to increase qualification levels at the bottom, it is not
clear how economic growth will be made more inclusive. There is no explicit discussion of how jobs and investment could be progressively distributed across the population in NI.
Building a Prosperous and United Community

Years to be applied: 2013–2023

Summary of intervention:
There are two key priorities that sit under this strategy:
1. Rebalance the economy, in particular towards private sector growth to ‘meet the challenges of today’s global race for investment and jobs.’
2. Tackle the long-term, entrenched divisions in society.

This strategy links directly to the Together Building a Prosperous and United Community strategy. The NI Executive believes this over-arching economic strategy requires cross-departmental co-ordination and input in order to ‘move further towards a shared and prosperous society’.

The strategy includes plans for
- an £18 billion of capital funding over the period 2005–2017;
- a £300 million investment through enhanced capital borrowing powers, and government top-ups to PEACE IV and EU Structural Funding to support frontline projects;
- continuing NI’s Assisted Areas Status coverage in order to help the Executive provide the targeted support;
- a new way forward on Enterprise Zones and planning reform, as well as initiatives to drive investment in infrastructure, promote new businesses and boost tourism.

Impacts and performance against own objectives:
As the strategy was very recently introduced, measures of impact are limited. However, the NI Executive points to a number of early outcomes have been achieved since the announcement of the strategy in 2011.
- £204 million invested in R&D by business, 39% of this investment has come from NI’s SME base.
- Supported 347 businesses to undertake R&D for the first time.
- Supported almost 140,000 qualifications across a range of education and training providers at Level 2 and above.
- Promoted 3,816 new jobs with locally owned companies securing £101 million in annual wages and salaries for the NI economy.
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- Secured £304 million of investment resulting in the promotion of 3,364 new jobs from inward investors.
- Reduced Air Passenger Duty rates for long-haul flights from NI to zero.
- Launched a new Investment Strategy which will provide a £5 billion stimulus over four years to 2014/2015, supporting thousands of jobs in the construction sector and related supply chain.
- Successfully moved 92,139 working age benefit clients into employment.66

It should be noted that there is no existing independent evaluation of the progress and there is a notable absence of measures of additionality within the available progress report.

**Extent to which it addressed root challenges:**

*Jobs gap (low labour demand)*
The strategy aims to address low labour demand through a new investment strategy, which includes objectives for Invest NI to deepen and strengthen its work to support and develop its key sector offers on ICT and creative industries, business and financial services, renewables and agri-food.67 The time span of such initiatives depends on the proportion of new jobs created by foreign investment and how ‘footloose’ these firms are (see Invest NI outline in Appendix B).

*Lack of ‘good’ jobs*
There is nothing explicit on good job creation within the strategy. The diverse sectoral focus may well result in the growth of decent jobs for both graduates and non-graduates but there are no details about the expected good jobs that are likely to be generated.

*Inactivity*
While the strategy does include proposals to address unemployment, it is not clear if the focus will be on the long-term unemployed and inactivity.

*Low qualifications*
Yes, there is an emphasis within the strategy to up-skill the population and lower the numbers of people without qualifications.
Employment support and career advice
The strategy does not feature proposals to strengthen employment and career advice in NI.

Complementary services (e.g. childcare and transport)
There is not an explicit focus on services that would aid in increasing employment, but it may be a spin-off from investment in voluntary and community services.

Spatial inequalities
Yes, through Assisted Area status and Enterprise Zones (EZs) the strategy is seeking to address spatial inequalities. However, the National Audit Office published a report examining the impacts of EZs. It found that EZs can be damaging to attracting longer term investment and jobs because the short-term financial incentives can create uncertainty for businesses. The report also references figures released by the Department for Communities and Local Government, stating between 6,000 and 18,000 jobs could be secured by 2015 as a result of EZs, compared with an initial estimate of 54,000 published by the Treasury in 2011. At the end of 2012/2013, EZs in England had created 3,080 jobs.

Building economic resilience
Encouraging sectoral diversity, lowering spatial inequalities, and increasing employment should help build economic resilience. However, as there does not seem to be any clear break from past policies and initiatives, it is not clear that the strategy’s aims will be achieved.

Inclusive growth
The strategy explicitly links to the core equality strategy – Together Building a Prosperous and United Community, and its second objective is to address social divisions. However, this over-arching economic strategy does not discuss how to make economic growth more inclusive, or consider how jobs and investment could be progressively distributed across the population in NI. By annexing the second objective to the equality strategy, this document effectively makes addressing inequality the subject of social, rather than economic, policy.
People and Place: A Strategy for Neighbourhood Renewal

Years applied: 2003–2013

Summary of intervention:
The strategy aimed to ‘close the gap between the quality of life for people in the most deprived neighbourhoods and the quality of life for the rest of society’ through improved access to services and opportunities; and by improving the environment. There were four strategic objectives with associated targets: community renewal, economic renewal, social renewal, and physical renewal (although social housing was not included). The programme also intended to tackle community divisions through encouraging the integration of communities and ensure that areas which had ‘suffered the worst impact of the Troubles, must not lose out on the social and economic benefits that the ‘peace dividend’ has brought for many of our citizens.’ However, measures of these outcomes were not included in the targets.

Impacts and performance against own objectives:
Implementation was through 36 neighbourhood renewal areas (NRAs) within the most deprived 10% of urban areas, selected using the Noble Index of Multiple Deprivation (15 in Belfast, 6 in Derry, and 15 in other towns and cities).

A mid-term evaluation of ‘People and Place’ was published in 2010, based on 2008–2009 data. A total of £91 million had been spent: £62 million was revenue and £29 million was capital, with an average expenditure per NRA of £2.5 million and an average per capita spend of £327. Additionality was generally high although some action plans were initially deemed unrealistic. However, it was also concluded that the impact of two strategic objectives could not be measured at all. The community renewal targets had not been clearly defined and there was no baseline position; the physical renewal targets did not have baseline data, and in particular it appears that residents’ satisfaction was not measured. There was data to show that the population of NRAs had fallen by 0.9% whereas NI’s population had risen by 5.1%, thus arguably areas had not been stabilised. However, the evaluation also found many benefits, such as ‘sports facilities, childcare facilities, street lighting, community centres, business units, tree planting, and play parks’.
were improved education outputs although some health outcomes were not so positive, including an increase in suicide rates to double that of non-NRA areas. Crime and anti-social behaviour had both fallen.\textsuperscript{75}

A subsequent NR outcomes report in 2012 found that over the period 2001–2007 there was an increase of 73,105 employee jobs in NI representing an 11.5% increase. There was an increase of 25,553 jobs in NRA in the same period (a 13.8% increase). The percentage increase in the number of jobs available in each of the Development Office Areas was 14.5% in Belfast Regeneration Office (BRO), 11.4% in North West Development Office (NWDO), and 12.5% in the Regional Development Office (RDO). The same composite indicators report\textsuperscript{76} noted that the gap between NRA and non-NRAs was closing in many areas, for example crime, education, teenage births, but had grown in terms of Job Seekers’ Allowance (JSA) claimants and disability allowance claimants. Overall, while there had been some gains in outcomes in NRA, the gap between these and non-NRAs was still prominent.

\textit{Extent to which it addressed root challenges:}
Jobs gap (low labour demand) and ‘good’ jobs
There was an increase in jobs in many NR areas between 2001 and 2007; however because of a change in the methods of data collection, it is not clear how NR areas fared during and after the recession compared to other non-NRAs.

\textit{Lack of ‘good’ jobs}
While jobs may have been created, there is little information on the quality of these jobs or the length of time they existed (e.g. the number of short-term construction jobs).

\textit{Inactivity}
Several NR areas did address inactivity, which is perhaps why there was a significant close in the gap between NRA and non-NR areas of those claiming incapacity benefits.\textsuperscript{77} However, attribution to NR initiatives versus general health of the economy or other local initiatives means it is difficult to apportion all the credit to NR.

\textit{Low qualifications}
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There has been an increase in the number of pupils leaving school with 5 A–Cs in NRAs and a fall in the gap in educational outcomes between NRA and non-NRA areas. However, it is not clear from the overall assessment how much qualifications have increased among the older population.

**Employment support and career advice**
Individual programmes may have contributed to strengthening employment support services but the overall strategy does not state any objectives or targets in this area (see Appendix D for information on individual regeneration programmes).

**Complementary services (e.g. childcare and transport)**
The strategy did aim to support people with complementary services – ‘helping people in the most deprived neighbourhoods to overcome any barriers to work such as poor transport or a lack of suitable childcare’ but there is no specific information on how much NR has contributed in this area overall (see Appendix D for information on individual regeneration programmes).

**Spatial inequalities**
NR was explicitly designed to address spatial inequalities and, in some areas such as crime and education, has succeeded in narrowing gaps between deprived and non-deprived areas.

**Building economic resilience**
As data are not available on key economic indicators, it is difficult to judge if and how the programme of NR has changed levels of economic resilience in deprived areas. In theory, higher education levels and stronger public services should have made the areas more resilient.

**Inclusive growth**
This strategy aims to ensure that everyone benefited from economic growth and the peace dividend; as such it did include notions of inclusive growth. However, while gaps were closed in some areas, economic indicators still suggest vast disparities. There is a question of how far regeneration initiatives can counteract forces such as labour market polarisation.
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New Targeting Social Need

Years applied: 1998–2006

Summary of intervention:
New Targeting Social Need (New TSN) was the main policy of the NI Executive on poverty and social need, complementing statutory obligations under Section 75 of the Northern Ireland Act and replacing Targeting Social Need. The strategy also included Promoting Social Inclusion (PSI), a co-ordinated cross-departmental and evidence-based approach to tackling the causes of social exclusion. New TSN was not a programme with its own budget; rather it was a collection of policies running through all relevant existing spending programmes, across all NI Departments. New TSN required departments to work together and with partners outside government to ‘identify and tackle factors which contribute to social exclusion; and to undertake positive initiatives to improve and enhance the life and circumstances of the most deprived and marginalised people in the community’.79

Impacts and performance against own objectives:
Every NI government department was asked to prepare a New TSN Action Plan showing how it would implement New TSN through its existing programmes. These rolling three-year plans identify the social needs that departments were tackling and the desired outcomes. The New TSN Action Plan contained 60 targets or actions covering a wide and varied range of issues and objectives including: reducing unemployment; increasing employability; targeting resources; and, creating impact within the policy areas of each department.80

Departments were asked to report on the number of people affected; the degree to which the target can effect change, especially amongst individuals, groups or areas experiencing deprivation; and the link the target has with operational services – i.e., the extent to which the target impacts directly ‘on the ground’. The initiative was particularly interested in assessing the role of departments in tackling other inequalities and PSI, and how they defined and incorporated social need within their action plans by skewing resources and efforts. Departments were also judged on the extent to which New TSN actions were additional to mainstream service provision.
The evaluation of New TSN identified around one-third of actions in departmental action plans having met their objectives with a further third having been unmet and the final third not having been linked to a specific output, making it difficult to judge success. The evaluators thought that there were too many actions with too few strategic targets. The evaluation identified limitations in the monitoring of New TSN outputs in disadvantaged areas and therefore the difficulties in assessing their collective impacts. The evaluation pointed to the need for indicators to be more sensitive to trends among different population groups such as those defined in Section 75. The evaluation concluded that New TSN lacked a strategic focus and had too many objectives concentrated on process rather than on outcomes.

According to an evaluation reporting changes in the distribution of income and benefit claimants between 1998 and 2001, inequality had remained virtually unchanged.

**Extent to which it addressed root challenges:**

**Jobs gap (low labour demand)**
The DETI interpreted the task of addressing employment as creating employment opportunities. Within its action plan it related existing initiatives to the New TSN objectives. As such, New TSN did not result in any additional action on job creation.

**Lack of ‘good’ jobs**
The focus of the strategy was on increasing employment; there was no explicit aim to make sure employment was in good jobs.

**Inactivity**
Departments were asked to consider how they could address unemployment but several, including the Department of Culture, Arts and Leisure, felt that this was not core to their work. Others, such as the DEL, used New TSN to consider how they were going to help more vulnerable groups into work. Again, there is a question over additionality given that no new employment initiatives were created because of New TSN.

**Low qualifications**
Existing DEL education and skills programmes were related to New TSN objectives.
Employment support and career advice
There were no explicit considerations of support services, although implicit in the objective was to increase employment and help people into work.

Complementary services (e.g. childcare and transport)
Existing plans to address childcare quality in deprived areas by the Department of Health, Social Services and Public Safety (DHSSPS) were related to New TSN objectives.

Spatial inequalities
New TSN objectives to skew resources to area and people most in need were linked to regeneration activity by the DSD.88

Building economic resilience
The New TSN was not explicitly designed to address economic resilience in NI. However, as it encouraged action on unemployment and inequalities it may have increased economic resilience as a by-product.

Inclusive growth
As the New TSN explicitly demanded that departments consider skewing resources, it should have encouraged inclusive growth in NI. However, because of the problems of additionality it is difficult to judge whether this work would have happened anyway. At the very least, it may have increased recognition of equality issues and pushed departments to consider distributional impacts of existing initiatives.
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**Lifetime Opportunities: Anti-poverty and Social Inclusion Strategy**

Years to be applied: 2006–2020

**Summary of intervention**

The ‘Lifetime Opportunities’ Anti-Poverty and Social Inclusion Strategy aims to work towards the elimination of poverty and social exclusion in NI by 2020 and to eradicate child poverty by 2020 (both EU targets). It replaced New TSN. It is structured around a number of objectives including: eliminating poverty, eliminating social exclusion, tackling area-based deprivation, eliminating poverty from rural areas, achieving a shared future, tackling inequality in the labour market, tackling health inequalities, and tackling cycles of deprivation. Four target groups are identified in line with a life cycle approach: early years, children and young people, working-age adults, and older citizens. The impact of multiple deprivation was specifically identified and the strategy closely references the regeneration strategy *People and Place*. In addition, the policy connection between better community relations and prosperity is made.

**Impacts and performance against own objectives**

Very little information is currently available on the progress of the strategy to date as there is no evidence of annual reports, and there has been no evaluation. The monitoring framework published in 2010 highlighted that, based on current trends, the child poverty target was unlikely to be met and that income inequality was increasing.\(^8^9\) The Phase 1 report for this project also highlighted relative and growing levels of poverty among some groups, most notably working-age adults as well.

Concern has been raised about the way targets have been set. Save the Children NI believes that targets are not based on a robust analysis of the roots and impacts of poverty; are derived from commitments that have already been made, or on work already started; and, are often immeasurable, too vague, or framed as actions rather than desirable outcomes. It concludes that ‘there is very little that is new or innovative, or that will lead to actions that are capable of effectively reducing child poverty.’ \(^9^0\)

**Extent to which it addressed root challenges**

Jobs gap (low labour demand)
There is mention of addressing employment opportunities within the objectives of tackling area-based deprivation, but the focus is on supply-side measures rather than job creation. The focus of the strategy is on the distribution of employment opportunities: ‘Just as it is important to continue to create employment as a route out of poverty, it is equally important to promote equality of opportunity for all in accessing employment.’

*Lack of ‘good’ jobs*
‘Making work pay’ is mentioned in the strategy, with minimum wages and tax credits seen as the main tools to increase pay at the bottom. As such, there is nothing additional within this strategy that will increase the number of good jobs.

*Inactivity*
Removing barriers to work for those inactive is included within the strategy, although there are no specific linked initiatives apart from those already in use, such as *Pathways to Work* (Appendix C).

*Low qualifications*
Again, addressing qualifications is seen as important in addressing social exclusion and cycles of deprivation and linked to existing programmes such as *Modern Apprenticeships*.

*Employment support and career advice*
There are no specific linked initiatives apart from those already in use, such as *Careers Education, Information, Advice and Guidance Strategy*.

*Complementary services (e.g. childcare and transport)*
There is an objective, under goals for children and young people to, by 2020, ‘ensure the provision of childcare to a professional standard to be available to all, beginning in disadvantaged neighbourhoods’ with eligible parents being able to claim 80% of childcare costs.

*Spatial inequalities*
Addressing spatial disparities is an explicit objective and links are made to existing regeneration initiatives within the strategy.
Building economic resilience
Like the New TSN, the Lifetime Opportunities strategy does not explicitly address economic resilience in NI. However, as it encourages action on unemployment and inequalities, it may have increased economic resilience as a by-product.

Inclusive growth
This strategy, like New TSN, encourages departments to consider the distributional impacts of their programmes and how their initiatives address areas of need. However, it does not ensure that departments consider equality issues upfront when devising policy.
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Together Building a United Community

Years to be applied: 2013–2023

Summary of intervention

*Together Building a United Community* can be classified as a Good Relations Strategy. It is primarily about tackling sectarianism, racism, and other forms of intolerance. The strategy focuses on five strands: education; young people not in education, employment or training; regeneration and deprivation; housing; and learning from the past.

Impacts and performance against own objectives

As a new strategy there is very little data on which to judge performance. However, work on one its key objectives – ‘to support and enable shared education and to make shared education a normal part of every child’s educational experience’ – is already underway. The NI Executive has committed to the building of ten new shared housing developments and ten new shared education campuses. The flagship campus for this first initiative will be the former MOD site at Lisanelly in Omagh where six schools from a range of sectors catering for some 3,700 pupils will be co-located on a single site, sharing facilities. Over the next two years, £15 million has been allotted to progress the first phase of this project.

Extent to which it addressed root challenges

Jobs gap (low labour demand)

Two interventions under this strategy will address the jobs gap. First is the creation of 10,000 one-year placements in a new ‘United Youth Programme’ offering young people in the NEETs category structured employment, work experience, and volunteer and leisure opportunities along with a dedicated programme designed to foster good relations and a shared future. Secondly, is the plan for four Urban Village Regeneration projects in targeted areas of deprivation, although it is not clear how many jobs this intervention will create.

Lack of ‘good’ jobs

It is not clear that the new jobs created will be jobs with decent pay and conditions. The OFMDFM must also be careful that the programme is not seen as a ‘make work’ programme, as the Youth Training Scheme (YTS) introduced in 1983 was. Evidence has found that instead of increasing the
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employability of young people the YTS stigmatised them as those incapable of ‘real’ work – effectively marking them as the least attractive prospective employees.95

Inactivity
This strategy does not have any particular focus on addressing inactivity in NI.

Low qualifications
Shared education campuses are the centerpiece of this strategy; however it is not clear how this will address low qualification levels beyond that already achieved by education facilities in NI.

Employment support and career advice
This strategy did not feature any initiatives on improving employment and career advice in NI.

Complementary services (e.g. childcare and transport)
Interventions under this strategy are not designed to address childcare provision or transport in NI.

Spatial inequalities
The regeneration initiatives and the focus on peace lines mean that interventions falling under this initiative should address spatial inequalities. However, interventions to build peace will not necessarily result in economic prosperity unless backed by investment and long-term job-creation packages.

Building economic resilience
Stronger relationships between communities should enhance economic resilience in NI.

Inclusive growth
While this strategy is about inclusion, it does not help to build equality into the fabric of the economy. Rather, through public sector intervention, it mostly seeks to redistribute economic prosperity once it has already been created.
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Success through Skills – Transforming Futures

Years applied: 2011–2021

Summary of intervention
Highlights key goals and areas for action based on the current skills base versus what is needed for NI to be competitive. Key aims include:

1. Raise the skills levels of the whole workforce
2. Raise productivity
3. Increase levels of social inclusion by enhancing the employability of those currently excluded from the labour market

Four strategic goals sit under these aims:

1. Increase the proportion of those people in employment with Level 2 skills and above to 84–90% by 2020, from a baseline of 71.2% in 2008.
2. Increase the proportion of those people in employment with Level 3 skills and above to 68–76% by 2020, from a baseline of 55.6% in 2008.
3. Increase the proportion of those people in employment with Level 4–8 skills and above the 44–52% by 2020, from a baseline of 33.2% in 2008.
4. Increase the proportion of those qualifying from NI Higher Education Institutions with graduate and postgraduate level courses in STEM subjects (with an emphasis on physical and biological sciences, mathematical and computer science, engineering and technology) by 25–30% in 2020 from a baseline of 18% in 2008.

Impacts and performance against own objectives
As a new strategy there is limited information on impacts and performance to date.

Extent to which it addressed root challenges
Jobs gap (low labour demand)
The strategy is focused on the supply-side of the labour market, not on job creation. However, it does consider how it can deliver training advice to those employers engaged with the Invest NI Jobs Fund.

Lack of ‘good’ jobs
The strategy proposes that employers up-skill and train their employees but does not consider pay or other aspects of good jobs.

**Inactivity**
This strategy explores the way in which it can refresh and extend training provision within employment programmes. It points to:
- The development of a new adult return to work programme to improve sustained job outcomes.
- A refreshed job-matching service for employers, tailored to meet their needs and providing a direct link to the unemployed.
- An enhanced frontline that aims to secure a return to employment for clients at the earliest possible opportunity.

**Low qualifications**
There are several initiatives to tackle low qualifications outlined in the strategy and Employer Engagement Plan including:
- Undertake a review of adult training to consider current policy and funding provision for adult training in the workplace and international best practice.
- Introduce a higher level apprenticeships pilot.
- Expand foundation degrees.
- Introduce a Skills Collaboration Fund: The project will encourage employers to work in collaboration with other employers, the relevant Sector Skills Councils or other appropriate bodies, to co-invest and put in place sustainable interventions which meet skills shortages within their sectors and contribute to the strategic goals outlined within the Skills Strategy.

**Employment support and career advice**
This strategy links to ‘Preparing for Success’, the Careers Education, Information, Advice and Guidance Strategy and Implementation Plan, which aims to develop effective career decision-makers, leading to increased and appropriate participation in education, training, and employment, to support the Department of Education’s Revised Curriculum, including the Entitlement Framework policies and to support the Skills Strategy for NI.

The strategy also considers how best to advice and support employers. One initiative is Skills Solutions – a helpline that offers advice to employers on
government products and funding available to train employees. There are also plans within the strategy for an Employer Engagement Unit to work with employers at a strategic level as well as support Employment Service staff in the network of 35 Jobs & Benefits Offices and Jobcentres to engage effectively with employers at local level to better meet the needs of both employers and the unemployed.\textsuperscript{101}

\textit{Complementary services (e.g. childcare and transport)}
This strategy is not designed to address childcare and transport.

\textit{Spatial inequalities}
This strategy is not designed to address spatial inequalities.

\textit{Building economic resilience}
Higher levels of qualifications should increase economic resilience within NI.

\textit{Inclusive growth}
Increasing qualification levels at the bottom is a key way by which to ensure that the majority gains from economic growth. However, the strategy and other evidence\textsuperscript{102} points to increasing high-tech and professional roles alongside increasing vacancies in low-paid occupations. Addressing this polarised labour market is not explicitly addressed within the skills strategy and it is not clear how simply up-skilling workers will lead to better conditions for those in low-paid occupations and sectors.
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Programme for Government

Years to be applied: 2011–2015

Summary of intervention
The Programme for Government (PFG) sets the strategic context for both the budget and the investment strategy for NI. It establishes key targets across departments. The five key priorities are:

1. Growing a sustainable economy and investing in the future: Achieving long-term economic growth by improving competitiveness and building a larger and more export-driven private sector. Key areas of focus are: rebuilding the labour market in the wake of the global economic downturn and rebalancing the economy to improve the wealth and living standards of everyone.

2. Creating opportunities, tackling disadvantage, and improving health and wellbeing: Addressing the challenges of disadvantage and inequality that afflict society and addressing the relatively poor health and shorter life expectancy of the population. Interventions that sit under this priority are meant to stimulate actions that break the cycle of deprivation and educational under-achievement, and address health inequalities and poor health and wellbeing as well as economic disengagement.

3. Protecting the NI population and the environment, and creating safer communities: This priority focuses on making real improvements to people’s health and wellbeing, both physically and mentally, enhancing community safety, achieving improved safeguarding outcomes for children and adults most at risk of harm, and protecting and improving the environment.

4. Building a strong and shared community: This includes building relationships between communities’ encouraging active citizenship’ reducing the incidences, and impacts, of domestic and sexual violence and abuse, elder abuse and harm directed to other vulnerable groups, wherever it occurs and whoever is responsible; and unlocking the potential of the culture, arts, and leisure sectors as instruments for positive change. Additionally, it seeks to encourage greater involvement in sporting and pastoral activities to advance social cohesion and integration.
5. Delivering high-quality and efficient public services: This priority seeks to ensure excellent public services that deliver value for money.\textsuperscript{103}

Impacts and performance against own objectives
As a relatively new programme there are no existing independent evaluations. However, under each of the priorities there are a number of actions and targets allotted to different departments. For instance, under Priority 1, the DETI is tasked with creating 25,000 jobs, achieving £1 billion of investment in the NI economy, and increasing the value of manufacturing exports by 20\% (among other things) by 2014/2015. Similar output-orientated targets sit under each of the priorities.\textsuperscript{104}

While these clear targets should make it easier to decipher whether the programme has met its aims, they fail to address the issue of impact. Calculating impact goes beyond output indicators to consider outcomes, what would have happened anyway and the length of time that outcomes last for different stakeholders. For example, while 25,000 jobs may be created by 2014/2015, some of these may offer only zero-hour contracts or be only for six months, and/or could have been created without the DETI’s intervention.

\textit{Extent to which it addressed root challenges}
Jobs gap (low labour demand)
As discussed, there are several targets under Priority 1 that address low labour demand. However, it is not clear what the nature of these jobs will be and whether they will be long-term positions.

\textit{Lack of ‘good’ jobs}
Keys sectors for job growth and investment include manufacturing, agriculture and tourism.\textsuperscript{105} This is likely to produce a mixed quality of jobs. Again, there are currently no explicit targets for the jobs that are created to be of high quality.

\textit{Inactivity}
The DEL and the DETI are tasked with developing and implementing a strategy to reduce economic inactivity through skills, training, incentives and job creation.\textsuperscript{106} With a focus on the younger age group, DEL is to support people into work by providing skills and training.\textsuperscript{107}
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Low qualifications
The DEL has been given a target to up-skill the working-age population and deliver 200,000 qualifications by 2014/2015.\textsuperscript{108} It is not clear which group will be targeted.

The DEL has been asked to improve literacy and numeracy levels among all school leavers, with additional support targeted at underachieving pupils.\textsuperscript{109}

Employment support and career advice
The programme points to an investment through the Social Investment Fund (SIF) to improve pathways to employment.\textsuperscript{110}

Complementary services (e.g. childcare and transport)
The OFMDFM has been tasked with publishing and implementing a Childcare Strategy with actions to provide integrated and affordable childcare.\textsuperscript{111}

Spatial inequalities
There are several regeneration targets\textsuperscript{112} – including the delivery of the One Plan in Derry/ Londonderry. In addition, the PFG makes reference to funding streams, such as the ESF, which will be focused on more deprived areas.

Building economic resilience
Increasing sectoral diversity, peace and community cohesion in NI and a greater reliance on renewable energy sources\textsuperscript{113} should aid economic resilience in NI.

Inclusive growth
Several targets relate to increasing equality between groups and addressing community tensions. Targets under Priority 5 also focus on delivering good public services. However, while these targets may help to mitigate inequality, they do little to build equality in to the economic approach. In particular, the absence of targets on good jobs means that economic inequality could actually increase.
Appendix B: Funding streams

*Invest NI*

Years applied: 2002–present

**Summary of intervention**
Established in 2002 by the Industrial Development Act (NI), Invest NI was formed following the merger of the Industrial Development Board (IDB), the Local Enterprise Development Unit (LEDU), and the Industrial Research and Technology Unit (IRTU). As such, Invest NI is NI’s major economic development organisation. It primarily provides finance and business support to NI-based businesses with the over-arching aim of creating employment and increasing productivity through attracting FDI, bolstering export performance and research and development, and creating higher value-added industries in NI. It measures and reports on its performance through a framework of Corporate Plans and Operating Plans.


**Impacts and performance against own objectives**
Between 2002 and 2011, Invest NI spent almost £1.5 billion which included £674 million on Selective Financial Assistance (SFA), £208 million on Research & Development (R&D), £111 million on company development and training, and £30 million on its Start a Business programme. Invest NI estimates that this has resulted in the promotion of over 42,600 new jobs, safeguarding of over 19,400 jobs, and planned investment of £5.5 billion in the NI economy. However, actual jobs created by Invest NI, rather than promoted, need to account for net jobs which materialised, including those lost over the period, as well as incorporate a measure of additionality.

Invest NI’s third Performance Information report estimated that between 2002 and 2007 there was a job gain of 28,873 jobs while 28,545 jobs were lost, which translates into a net job increase of 328 jobs over the period. Therefore net job creation was low in a reasonably favourable economic climate. This is partly attributed to the fact that a number of industries faced significant
difficulties over the period, reflecting wider trends in the decline of manufacturing, where much of Invest NI’s clients existed, and the increase in service sector employment. The NIAO concludes that up until 2007 Invest NI’s FDI job sustainability over the period was poor. Since 2008 there is evidence to suggest Invest NI has performed better in respect of job creation.\textsuperscript{114}

Looking more specifically at SFA projects, which accounted for almost 48\% of total grant and programme spend over the period 2002 to 2011. Consulting group SQW, in a report commissioned by the DETI, estimated that 10,050 net new jobs were created and 7,570 net jobs were safeguarded through the programme (between 2004 and 2011).\textsuperscript{115}

Additionality, the extent to which job creation happened directly as a result of the programme, is difficult to measure. The Barnett Report estimates additionality of the SFA programme at 50\%, or 60\% if partial ‘additionality’ is included, (including projects which would have happened but were being delivered quicker as a result of support). SQW looked at additionality in more detail and with more recent data. It estimates additionality for new jobs created of 42\%, and for jobs safeguarded somewhat higher at 69\%.\textsuperscript{116}

In terms of job quality, prior to 2008 there were no job quality targets, however, Invest NI did analyse the salary difference between FDI jobs promoted/safeguarded and the Northern Ireland Private Sector Median (NIPSM). Between April 2002 and March 2008, 87\% of safeguarded jobs had salaries above the NIPSM compared to only 50\% of new jobs. Furthermore, 60\% of the new jobs were in ‘contact centres’ and only 33\% of these had wages above the NIPSM. After targets on job quality were established in 2008, results improved: 75\% of jobs promoted between 2008 and 2011 were above the NIPSM, a marked improvement from 50\% over the previous Corporate Plans.\textsuperscript{117}

The NIAO calculates that over the period 2005 to 2008, Invest NI achieved an overall cost per job of £23,300, a cost per job of £17,500 for indigenous firms and £25,900 for FDI. Compared to other economic development agencies these costs were high. Overall cost per job achieved by North West Development Agency was £9,100, £12,800 by One North East, and £12,900 by Advantage West Midlands.\textsuperscript{118}
Overall, net job creation by Invest NI was relatively poor. However, without such support for new and particularly safeguarded jobs, it is likely the labour market would have fared considerably worse. Performance on job quality and the sustainability of FDI jobs were also relatively poor, although it has been improved on of late. Additionality was estimated to be fairly low, although less so for safeguarded jobs, while the efficiency of support and the cost per job are seen to be high, particularly in relation to other EDAs.

Invest NI embarked on a comprehensive change management programme in February 2010 entitled ‘Transform’. This had the objectives of:

- delivering a higher level of performance and economic impact;
- improving efficiency and effectiveness;
- embedding a customer-led service culture and enhancing customer experience;
- achieving greater autonomy within a robust governance framework; and
- equipping staff with the skills, knowledge, systems and resources to support business needs.

The success of Transform will ultimately be judged on the extent to which it delivers enhanced performance across the following areas:

- Higher performing investment projects with increased investment leverage.
- Improved job quality thereby resulting in increased productivity/Gross Value Added.
- A quicker appraisal and decision-making process.
- Increased customer satisfaction.
- Improved efficiencies leading to reduced operating costs.

**Extent to which it addressed root challenges**

Jobs gap (low labour demand)

Invest NI had a specific focus on job creation. The sustainability of FDI jobs promoted was questionable considering the relatively low net job outcomes. However, given the number of safeguarded jobs it is reasonable to believe that without Invest NI’s support, job losses over the period 2002–2011 would have been far higher. Therefore it is likely that Invest NI made an important
contribution to labour demand, particularly in those sectors in relative decline, such as manufacturing jobs in transport equipment and food processing.

*Lack of ‘good’ jobs*
Only since 2008 did Invest NI formally set targets on the quality of jobs it sought to create. Since then it has performed fairly well achieving a much higher proportion of jobs promoted with salaries above the NIPSM than it had achieved in the two preceding Corporate Planning periods. Prior to 2008, safeguarded jobs had higher salaries than new jobs. This in part reflects the fact that safeguarded jobs were often skilled manufacturing jobs; furthermore, new jobs, more often in service sectors, may have had initially low starting salaries with the potential to rise over time.

A sector breakdown of the new and safeguarded jobs promoted (gross) shows that the sectors where the largest number of new jobs were promoted was in ‘Business & Financial Services’ and ‘Software & Computer Services’ with 38% and 16% of all the new jobs promoted, respectively.119 Despite these being relatively high value-added sectors, concerns have been raised by both the NIAO and SQW that the occupations on offer are poor, as many of these jobs were in cost centres and ‘back office’ functions. Arguments could be made that encouraging such investments might lead to additional investment in core operations and higher value activity in the longer term. However, such ‘back office’ operations are inherently mobile and concerns have been raised that the vast majority of the new jobs promoted in these sectors are in foreign rather than domestic owned companies: 87% of the new jobs promoted in ‘Business & Financial Services’ and 73% of those in Software & Computer Services were in non-NI-owned businesses. The four sectors with the greatest number of safeguarded jobs were ‘Food, Drink & Tobacco’ (27% of all jobs safeguarded), ‘Electrical, Electronic & Optical Equipment’ (13%), ‘Transport Equipment’ (12%) and ‘Clothing & Textiles’ (9%).120

*Inactivity*
Invest NI did not have any particular focus on addressing inactivity in NI.

*Low qualifications*
Invest NI did not have any particular focus on addressing low qualifications amongst the NI workforce.
Employment support and career advice
Invest NI did not have any particular focus on addressing employment and career advice in NI.

Complementary services (e.g. childcare and transport)
Invest NI did not have any particular focus on addressing complementary services in NI.

Spatial inequalities
Invest NI made progress in promoting economic development in disadvantaged areas in the first two Corporate Plan periods; however, its current target is less challenging. In the first two Corporate Plan periods, Invest NI had a target to locate 75% of FDI projects in New TSN areas (known from 2006 as ‘disadvantaged areas’). This target was virtually achieved 74.3% in the first period and 69% in the second. Between 2002 and 2008 despite only 30% of the population living in these areas, 72% of new FDI jobs promoted were located there. The third Corporate Plan target was 70% of new FDI projects to locate within 10 miles of an economically disadvantaged area. This was achieved comfortably (92%). However, these targets have provided no measurement of the degree to which people residing in disadvantaged areas have secured employment in these projects.¹²¹

Building economic resilience
Through encouraging sectoral diversity and entrepreneurship as well as safeguarding jobs, Invest NI has contributed to economic resilience in NI. However, as already discussed, the nature of the FDI that has been attracted means that any progress can be undone if foreign firms choose to leave NI.

Inclusive growth
NI Invest is only partly in line with inclusive growth objectives. The programme has only recently begun to focus on good jobs and has affectively enabled further polarisation in the labour market.
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European Regional Development Fund

Years applied: 2007–2013 (six-year rolling funding, will be extended to 2020)

Summary of intervention
The NI European Regional Development Fund (ERDF) falls under the ‘Sustainable Competitiveness Programme’. The ERDF contribution over the period 2007–2013 is £212 million (based on the 2007 exchange rate) with a 100% match funding from public and private sources. The total value of the programme at the time of PWC’s mid-term evaluation report in 2011 was £526.7 million. The programme aims to support NI’s regional strategy by promoting investment in research and technological development and by encouraging enterprise and entrepreneurship in an overall context of sustainable development. The DETI is the managing authority for the programme. Numerous projects are supported through the programme, which are delivered by Invest NI, DETI Policy Innovation Policy Unit, DETI Local Economic Development, NI Tourist Board, DETI Telecoms, DETI Energy, and the Department of Agriculture and Rural Development.

The priorities in the competitiveness programme are:
Priority 1: Sustainable competitiveness and innovation, focusing on:
- Increasing the level and quality of research and technological development (R&TD);
- Exploiting the commercial opportunities of the R&TD base; and
- Promoting and mainstreaming innovation.
Priority 2: Sustainable enterprise and Entrepreneurship, focusing on:
- Expanding the private sector; and
- Creating a world-class business climate in NI.
Priority 3: Improving accessibility and protecting and enhancing the environment, focusing on:
- Protecting and enhancing the natural environment; and
- Promoting sustainable development and creating sustainable communities.
Priority 4: Technical assistance. To finance the management, monitoring, evaluation, and information and control activities of the Operational Programme.
Fitting with these priorities is an overall strategic objective of reducing the productivity gap with the rest of the UK.

Funding allocations are to be split roughly 48% on Priority 1, 35% on Priority 2, 15% on Priority 3 and 1% on Priority 4.

**Impacts and performance against own objectives**

By the time of the mid-term evaluation, significant progress had been made towards the priority objectives, including promoting investment in research and technology development and promoting growth of NI’s SME base, and some progress towards protecting and enhancing the natural environment and promoting sustainable development.  

On added value and additionality, although this is difficult to measure, particularly at the mid-term stage where there has been a focus on inputs rather than output measures, there is evidence to suggest strong levels of full and partial additionality. Estimates from survey responses reveal that close to two-thirds of the projects would not have gone ahead without the funding and only around 10% of projects would definitely have gone ahead with support from the programme. PWC estimate returns on investment of between £1: £5 and £1: £9.

Of the European Commission’s 12 core indicators reported in its Annual Implementation Report 2012 (AIR 2012), 3 relate directly to the labour market, while the other 9 are concerned with the number of projects and investments supported. While the numbers of research and tourist jobs have far outstripped their targets, the number of full-time equivalent jobs created in SMEs, where by far the most ambitious targets were set, have yet to be achieved; currently they are at around half their target number.

Investment and business support have largely met their target indicators for Priorities 1 and 2 although creating employment at SMEs failed to reach its target. While environmental targets in Priority 3 were fairly unambitious, they have largely been met.

A consultation has been launched by the DETI seeking views on the activities to include in the 2014–2020 ERDF Investment for Growth and Jobs Programme for Northern Ireland. The proposed activities focus on
strengthening research, technological development and innovation; enhancing the competitiveness of SMEs, and supporting the shift towards a low-carbon economy.

Extent to which it addressed root challenges

Jobs gap (low labour demand)
There were some jobs created through the programme, although this was not the primary focus. Future labour demand may have been improved through the programmes focus on encouraging SME expansion and assistance to the tourism industry.

Lack of ‘good’ jobs
There were no indicators included on whether the jobs created were good jobs. However, with a focus on R&TD and improving broadband infrastructure the prospects for future high-value job growth may have been improved through the programme.

Inactivity
The programme did not have a specific focus on addressing inactivity.

Low qualifications
The programme did not have a specific focus on training and qualifications.

Employment support and career advice
The ERDF did not have any particular focus on addressing employment and career advice in NI.

Complementary services (e.g. childcare and transport)
The ERDF did not have any particular focus on addressing complementary services in NI.

Spatial inequalities
The programme is implemented on a region-wide basis and is not focused on specific groups or areas.

Building economic resilience
The ERDF is contributing to economic resilience through entrepreneurship and innovation as well as explicitly including targets on protecting the environment.

_Inclusive growth_
It is not clear how the ERDF is contributing to inclusive growth beyond potentially creating some jobs for non-graduates.
European Social Fund

**Years applied:** 2007–2013 (six-year rolling funding, will be extended to 2020)

**Summary of intervention**
Similar to the ERDF, the NI European Social Fund (ESF) falls under the ‘Competitiveness & Employment’ Objective of EU funding, which provided NI with a total of £326 million over the period 2007–2013. This is roughly half the level of Structural Funds secured by NI in the previous six-year period. The ESF received £114 million, whereas the ERDF received £212 million. The ESF is managed by the DEL and is 60% match funded by the DEL and other public match funding, (25% by the department and 35% from project applicants). As such, the ESF funds numerous projects, ranging from relatively large-scale programmes such as the DEL’s Apprenticeship NI programme, to more specific projects, such as Mencap’s Pathway to Success, aimed at connecting people with a learning disability to the labour market.

The priorities for the ESF are twofold:

**Priority 1:** Helping people into sustained, through:
- Extending employment opportunities;
- Reducing barriers to work and improving employability; and
- Delivering dedicated innovative activity.

**Priority 2:** Improving workforce skills, through:
- Supporting access to and provision of Apprenticeships;
- Increasing workforce essential skills; and
- Increasing the number of Level 2 and 3 qualifications amongst the population for future employment opportunities.

**Priority 3:** Technical assistance. To finance the management, monitoring, evaluation and information and control activities of the Operational Programme.

Funding is split roughly 58% on Priority 1, 40% on Priority 2 and 2% on Priority 3.

**Impacts**
PWC’s mid-term evaluation shows that funding stream has been used effectively in engaging relevant participants, especially unemployed and economic inactive participants and those with essential (basic) skill needs.
The programmes have performed less well in engaging with 16–19-year-old NEETs. Similarly they have performed well in terms of getting participants into employment, although slightly less well with females than males in this respect. There is also evidence of strong performance in helping those with essential (basic) skill needs gaining basic skills and helping others gain qualifications at Level 2 or higher.

There is evidence that the programmes have high levels of additionality: 78% of project managers and 86% of training suppliers surveyed said that their project/training would not have gone ahead without funding from the ESF.¹²⁸

Performance against own objectives
The 2012 Implementation Report shows that many of the targets have already been met, including those around participant engagement in terms of total numbers and those who are inactive, unemployed, and those with basic skill needs. However, the programme has failed to reach its engagement target for NEETs. In terms of outcomes, 5,508 male participants have moved into work on leaving the programmes, on course to meet the target of 6,060. However, only 5,370 female participants have found work on leaving, against the same target. Insufficient data were collected to inform whether the sustained employment outcomes (of at least 26 weeks) had been achieved. The number of participants gaining essential (basic) skills exceeded the target set with 11,714 achieving this against a target of 8,000. Similarly the number of participants gaining qualifications at Level 2 or above exceeded the target with 20,058 achieving this outcome against a target of 11,000. The number of NEETs entering education, employment or training on leaving was 1,128 (or just 56% of the target).

Extent to which it addressed root challenges
Jobs gap (low labour demand)
Although the ESF funding is estimated to be sustaining 564 full-time equivalent jobs, there is little within the ESF which focuses on job creation and labour demand. The priorities are orientated around increasing the supply and skill of the workforce in NI and as such do not address the issue of low labour demand. This is true despite an initial SWOT analysis conducted in 2007 by the DEL clearly stating that the ‘need to create sufficient numbers of jobs and to have a labour force with appropriate skills’ was stated as a ‘threat’ to the ESF programme in the analysis.¹²⁹
Lack of ‘good’ jobs
There was little focus on enabling participants to find good jobs. It is worth noting that many participants were inactive, had low qualifications, or were otherwise those generally considered furthest from the labour market and difficult to reach.

Inactivity
The ESF was successful in engaging with inactive participants, although not with inactive young people (NEETs). The number of NEETs in NI has increased significantly to 20% of young people in 2011. This equates to over 49,000 individuals. At the time of the 2012 Implementation Report, the NI seasonally adjusted economic inactivity rate for all persons aged 16–64 (27.2%) is 1.8 percentage points lower than the rate five years ago (29% in 2007). However, it remains the highest of all the UK regions (the UK average rate is 22.3%). This has largely been due to a fall in the inactivity rate of women, while for men the rate has stayed roughly the same over the period.

Low qualifications
The ESF programmes were relatively successful in providing essential (basic) and Level 2 skills training. There were, however, some complaints from training suppliers that many participants were already trained to Level 2 and with few Level 3 contracts there was not a lot more the ESF programmes could do for such participants. This suggests there could be more opportunities for further skills training or better linkages with other offerings from further education (FE) colleges, and other government, private and voluntary programmes offering higher skills training.

Employment support and career advice
A variety of employment support and career advice was offered to help people with specific barriers. For example, the Minority Ethnic Employability Support Project helped participants with addressing specific barriers, including, language barriers; isolation, which is further impacted by cultural issues; transferability of skills; work experience; and unrealistic expectations. Additional tailored support not available through mainstream provision (such as Steps to Work) was offered through programmes such as Choices Plus and the Mencap Pathway to Success Project.
Complementary services (e.g. childcare and transport)
Some complementary provision was offered through ESF-funded projects, such as, the Windsor Women's Centre – Thalia Project. This project aimed to address the root causes of intergenerational poverty and disadvantage for women. Childcare provision was available to participants of this project.

Spatial inequalities
ESF funding was allocated on a project-by-project basis and the majority of projects were located in areas with high levels of social and economic deprivation.

Building economic resilience
Through increasing employment, the ESF has contributed to building economic resilience in NI.

Inclusive growth
This programme of activity has contributed to inclusive growth by focusing on the most vulnerable and developing specific employment programmes to fit around the needs of more vulnerable groups.
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Social Investment Fund

Years applied: 2013–2016

Summary of intervention
The Social Investment Fund (SIF) was set up to deliver social change. It aims to make life better for people living in targeted areas by reducing poverty, unemployment, and physical deterioration. The fund been allocated £80 million by the NI Executive.

The fund is being delivered in partnership with communities across nine social investment zones. Each zone has a steering group with up to 14 members from the business, political, statutory, and voluntary and community sectors. The steering groups developed plans for each social investment zone and manage implementation.

The SIF is focused on supporting communities to:

- Increase employment opportunities by addressing things such as educational underachievement, lack of skills, access to jobs, and making it appealing for businesses to start up in areas which have suffered deprivation.
- Tackle issues such as mental and physical health, use of drugs and alcohol, becoming a young mother, young people’s involvement in antisocial behaviour, and the ability of communities to work together which can all be associated with deprivation.
- Increase services in the community by improving existing facilities, making the environment better and providing additional facilities where needed and possible.
- Address dereliction in order to make areas more appealing for investment and for those living there.

Impacts and performance against own objectives
As a new fund there is very little information available on the performance of the fund to date. The Steering Groups submitted a total of 89 projects within their plans from across the 9 zones. The projects pass through a quality assurance review to decipher whether they will have the most positive impact in their community, although it is not clear what the details of this review process are. During answers to Hansard questions on the fund, it was stated that ‘in order
to ensure that there is no duplication and that programmes dovetail as much as possible, we will continue to engage with relevant departments and with representatives of other key funders and statutory agencies in the areas of spatial deprivation and dereliction. That will also ensure additionality.”

The OFMDFM announced the first projects to be funded through the SIF programme which included 12 capital projects and 11 revenue projects, aimed at tackling poverty and deprivation through improved community-based services and facilities. Looking across the projects where funding has been granted, there is a wide range of interventions from childcare and employment support to development of derelict sites.

Extent to which it addressed root challenges

Jobs gap (low labour demand)
Some of the development projects are likely to create jobs but it is not clear how many and of what quality. Some of the jobs proposed are in the catering, hospitality, and retail sectors, where a large share of the jobs is at the lower end of the income spectrum.

Inactivity and low qualifications
Several of the zones are focused on working with young people, especially those who have been out of work for some time to provide placements, training, and support.

Employment support and career advice
Yes, several of the projects that have been given funding include employment support. For example, in the Southern Zone there is a project designed to improve employability through paid work placements, enhanced training, personal development, and job search activities.

Complementary services (e.g. childcare and transport)
Childcare provision is included in one of the projects; another two have gained funding to build and improve childcare centres.

Spatial inequalities
The SIF programme is developed to go to deprived areas but it is not clear if some zones will get a greater share of the funding pot than others.
Building economic resilience
While there is investment in employment and the voluntary sector, the interventions seem relatively small in scale.

Inclusive growth
As details on the distributional gains of policy are not available, it unclear how far the SIF will foster inclusive growth. However, by focusing on deprived areas, SIF does fit with the inclusive growth approach.
Appendix C: Employment and skills policies

New Deal 25+ (which included 50+ yr olds)

Years applied: 1998–2008

Summary of intervention
The New Deal 25+ programme consisted of three steps: Step 1 was the ‘gateway’ (Core Gateway 16 weeks). Step 2 with five options (employer subsidy, self-employment, essential skills training, education and training opportunities, and preparation for employment programme (PEP)); all were 26 weeks except PEP which was 13 weeks with a possible 13-week extension). Step 3 was a follow-through stage (6 weeks). The programme was aimed primarily at the long-term unemployed; however, it offered little in terms of individual specific interventions.

Impacts
The New Deal 25+ was successful in helping a significant number of benefit claimants into work. From June 1998 to March 2008, New Deal 25+ helped 16,879 participants, or 22% of those who left the programme, into unsubsidised employment. Of those, 14,902, or 19% of those leaving, were recorded as sustaining employment for at least 13 weeks.136 However, by 2008 the programme was no longer viewed as meeting the requirements of the long-term unemployed with approximately 65% of 2008 clients having previously been on the programme, and 46% of returners having no employment history for more than five years.137

A significant amount of deadweight may have existed, whereby those employed may have been so without support from the programme; 65% of employers who employed participants from the programme indicated that the person would have been employed without assistance. Applying this proportion reduces the direct impact of the programme to achieving a sustained employment outcome for just 6% of participants.138

One of the main weaknesses identified of New Deal 25+ was that its one-size-fits-all approach failed to address the specific barriers to employment at an individual level.139 More flexible programmes, better tailored to individuals with
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multiple barriers, and closer monitoring of providers and outcomes were deemed necessary by the NIAO.

Performance against own objectives
The New Deal 25+ could not be assessed against its own targets because these were inconsistent and were often at the New Deal programme level or at a wider ‘welfare to work’ level. The DEL has also been instructed to publish high-level objectives and targets connected to Public Service Agreement targets as opposed to individual programme targets. The NIAO stress that performance against targets should be formally reported on at least an annual basis.

Despite this absence of evaluation against targets, the five years 2002–2007 were studied in detail by the NIAO. The total cost of the New Deal 25+ over that period was £43 million which represented a cost per sustained employment outcome of around £6,800.

The NIAO was critical that over the five-year period 14% of leavers from the programme had an outcome recorded as ‘unknown’. In its view, the department’s focus on the six-month sustained employment measure was too short-term.

The department did not regularly benchmark its performance against the similar programme in Great Britain. There were differences in measuring which meant the programme data were not comparable. Even so, comparisons over the five-year period 2002–2007 suggest that the New Deal 25+ underperformed against its counterpart in Great Britain and this would likely remain the case even when corrected for differences in the measurements of outcomes. Employment outcomes as percentages of immediate leavers were 18% for NI, 28% for GB, and 29% for the North East. While the same regions had percentages of leavers moving into sustained employment of 18%, 33%, and 33%, respectively.140

Extent to which it addressed root challenges
Jobs gap (low labour demand)
The programme focused on the supply-side of the labour market aimed at boosting employment and employability of the long-term unemployed. There is, however, evidence to suggest that a lack of labour demand limits the
programme’s positive outcomes. Despite the favourable economic climate, a significant number of employers surveyed (24%) indicated that the availability of a source of low-cost labour was a significant incentive to their involvement in the programme, while 46% of consortia providers indicated that it was difficult to match participants’ needs because of limited opportunities in the local area.\textsuperscript{141}

\textit{Lack of ‘good’ jobs}

When consortia providers were surveyed, they indicated that poor motivation and the existence of a benefits trap were significant reasons why repeaters were unsuccessful in getting jobs. Of those surveyed, 53% agreed that participants were often placed with voluntary and community sector employers as a last resort, because ‘no one else would take them’.\textsuperscript{142}

\textit{Inactivity}

The evidence suggests that the New Deal 25+ did not tackle inactivity or long-term unemployment. Older participants (50+) performed particularly badly compared to other age groups. Over the five years to 2006/2007, those aged 50 and over were almost four times less likely to achieve unsubsidised employment, and almost twice as likely to return to benefits as those aged between 25 and 29. Engagement of the over-50s was also particularly poor. On average, about 600 people aged 50 and over (roughly, between 9 and 18\% of those aged 50+ who were unemployed) took part in New Deal 25+ every year between 2004/2005 and 2007/2008. From April 2006, the department made full participation in New Deal 25+ mandatory for those aged 50 and over, which had a positive impact on employment outcomes for this age group.

\textit{Low qualifications}

Low qualifications were identified as a significant barrier to employment within the target group and particularly relevant to those participants who had been through the programme more than once. Over half of New Deal returners (53.2\%) had no qualifications, whilst more than two-thirds (67.7\%) had no qualifications above NVQ Level 1.\textsuperscript{143} Similarly, older returners, (those 50 and over), were identified as the least qualified group with 85.9\% with no qualifications above NVQ Level 1.\textsuperscript{144} Low qualifications were therefore a persistent characteristic of participants whom the programme failed to help.
Employment support and career advice
Participants were assigned personal advisers with whom they agreed personal job goals and who provided guidance through the programme’s different stages. However, evaluations suggested that this guidance was not sufficiently tailored to individual needs, resulting in a high number of returners to the programme.

Complementary services (e.g. childcare and transport)
Lead partners where able to cover some transport costs as well as provide childcare subsidies to participants. While financial support for such services was provided, no additional services were offered directly through the programme.

Spatial inequalities
Although the programme did not have a place-specific approach, two spatial considerations were identified as deserving greater focus by the DEL in its evaluation of the New Deals in 2004. First, participants reported that the travel allowance for participants was insufficient for those living in rural areas. Second, postcode discrimination, employment lock-out, and the ‘chill factor’ of travelling to work in or through another community were identified as a significant for some. These spatial inequalities are further evidence that a one-size-fits-all approach is inappropriate for the NI context. 145

Building economic resilience
Increasing employment in a sustained manner does help build resilience. However, this programme did not perform as well as hoped for the older age group and there are questions over the level of deadweight.

Inclusive growth
By increasing employment levels, especially among those finding it difficult to access jobs, employment programmes do promote inclusive growth. However, some of the failings of the New Deal 25+ meant that its contribution to inclusive growth was not strong.
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New Deal 18–24

Years applied: 1998–2008

Summary of intervention

The New Deal for 18–24-year-olds, was a mandatory programme for those aged between 18 and 24 who were unemployed and claiming JSA for a period of six months or longer. The programme’s structure consisted of a Step 1: gateway (core gateway 16 weeks); a Step 2 with four options (employer subsidy, education and training - NVQ level 2 or equivalent, voluntary sector, and environmental task force) – all were 26 weeks except education and training which was up to 52 weeks; and a Step 3: follow-through programme focused on job search. The programme was aimed primarily at the long-term unemployed; however it offered little in terms of individual specific interventions.

Impacts

Of the 73,109 participants who had left New Deal 18–24 between April 1998 and September 2008, 32% had an immediate destination of unsubsidised employment, 24% moved to other benefits or returned to JSA, 21% left for other destinations, and 24% went to unknown destinations. From April 1998 to March 2008, 25,222 participants moved into unsubsidised employment. This equates to 36% of participants who left the programme in that period. Of those, 21,370, or 30% of participants who had left, sustained that employment for at least 13 weeks. 146

The positive outcomes varied greatly depending on the option which participants went onto within the programme. The employment subsidy option had the highest percentages of leavers with an immediate destination of unsubsidised employment and sustained employment, 69 and 62%, respectively. Those same proportions were 35 and 29% for leavers at the core gateway stage, 31 and 26% for the education and training option, 25 and 21% for the voluntary sector option, and 22 and 18% for the environment taskforce option. Employment outcomes were slightly more positive for males than females and for those who recorded their community background as ‘Protestant’ than those who recorded their community background as ‘Catholic’.

Like with New Deal 25+ the amount of deadweight, the extent to which
positive outcomes would have occurred without the programme, are difficult to measure. Evidence that deadweight may have been present can be seen from the fact that very few (only 8%) of New Deal 18–24 participants who were in work when surveyed by KPMG stated that they had heard about the job through New Deal or a New Deal Adviser. Instead a substantial number had heard about their job through a friend or relative (34%), an advert in the local paper (18%), or staff in the Jobcentre (12%).

As with the New Deal 25+, by 2007 it was noted that a significant number of the New Deal 18–24 participants had previously been through the programme. Between 1998 and 2005, a total of 28,000 people returned to New Deal, of which 11,278 (40%) were previously on the New Deal 18–24. New Deal returners aged between 18 and 24 are more likely to have never worked despite higher skill levels compared to older returners in NI. They generally had high objective employability in terms of qualifications, although analyses of attitudes to work suggest that they were lacking in confidence relative to older participants. This suggests that there are significant differences that require targeted interventions for the younger and older age groups.

Many of the criticisms levied at the New Deal 18–24 were similar to those against the New Deal 25+ and centred on the inflexible approach of the programme to an individual's specific barriers; an inability of the programme to respond to labour demand; the low level of qualifications and training on offer; and poor employment outcomes, and therefore ineffective work experience available, through the Voluntary Sector and Environmental Taskforce Options.

Performance against own objectives
The New Deal 18–24 couldn’t be assessed against its own targets because these were inconsistent and were often at the New Deal programme level or at a wider ‘welfare to work’ level. Similarly, as with the New Deal 25+, DEL records of the outcomes of participants were found lacking, with 24% of immediate destinations recorded as ‘unknown’. This missing information, as well as the fact that statistics are not directly comparable, means that making comparisons with the New Deal 18–24 in Great Britain difficult. The department did not regularly benchmark its performance against the similar programme in Great Britain.
Extent to which it addressed root challenges
Jobs gap (low labour demand)
The programme focused on the supply-side of the labour market aimed at boosting employment and employability of long-term unemployed young people. There is, however, evidence to suggest that a lack of labour demand limits the programme’s positive outcomes. Despite the favourable economic climate, 55% of leavers disagreed or strongly disagreed with the statement ‘There are plenty of jobs in this area if people are willing to look for them.’ Furthermore, the fact that many participants had higher qualifications than their GB counterparts yet were more likely to have never had a job since leaving school suggests labour demand was a more significant barrier for young people in NI than in GB.149

Lack of ‘good’ jobs
A lack of good jobs appears less of a factor for the 18–24 cohorts than for older participants on the New Deal 25+. It is likely that young people would be more content with any job than older participants and more willing to take lower-paid jobs given their lack of experience and potential for progression. Of New Deal 18–24 respondents employed at the time of the survey, 92% said they were either satisfied or very satisfied with their job. When considering the occupational classifications of the jobs that employed respondents were working in, almost a third of New Deal 18–24 respondents were employed in skilled non-manual jobs, around a quarter were employed in partly skilled jobs, and around a fifth in skilled manual occupations. When job outcomes were broken down by New Deal option, those respondents who participated in the employment option were most likely to be working in skilled occupations. Average hourly pay for those employed through the programme was £5.82, which was above the minimum wage (£4.45 at time of survey).150

Inactivity
The New Deal 18–24 failed to offer individual specific interventions which may have been more effective for the economically inactive. However, results from the respondents’ surveys show inactivity is less of an issue with young people than it was for older New Deal participants. Respondents who said they were signing on as unemployed at present were then asked a series of questions about their current period of unemployment. The vast majority, 84%, of respondents said they spent the period signing on as unemployed and were
looking for work; only a small proportion, 7%, were not and did not want to have a regular job at that time. Surveys of 18–24 participants revealed positive attitudes to work and the programme: 74% felt that having almost any job was better than being unemployed, 70% disagreed or strongly disagreed with the statement ‘For someone like me benefits give me more security than trying to earn a wage’, and 64% agreed or strongly agreed with the statement ‘With the New Deal you have to do something or you might lose benefits. That kind of push really helps.’

**Low qualifications**
Younger NI New Deal returners tended to be more qualified than their GB counterparts. Over half, 52.6%, of NI 18–24 returners had qualifications at NVQ Level 2 and above, compared with 35.7% in GB. The better performance may reflect better performance at school. However, the training on offer through the New Deal 18–24 of NVQ Level 2 was thought to be inadequate; many returners to the programme had been through the training option. Recommendations for improvement centred on making the training more sector specific with the opportunity for individuals to achieve essential units in National Occupational Standards whilst meeting the bespoke needs of employers.

**Employment support and career advice**
Participants were assigned personal advisers with whom they agreed personal job goals and who provided guidance through the programme’s different stages. However, evaluations suggested that this guidance was not sufficiently tailored to individual needs, resulting in a high number of young people later returning to the programme.

**Complementary services (e.g. childcare and transport)**
Lead partners where able to cover some transport costs; however, the programme did not provide complementary services such as childcare. Young people with such needs were moved to other New Deal programmes such as New Deal for Lone Parents or the New Deal for Partners, where such support was provided.

**Spatial inequalities**
Although the programme didn’t have a place-specific approach, there were differences in the outcomes of people from different areas and different
religious backgrounds. Although much of this would be due to such characteristics existing in the labour market, there was a view that the one-size-fits-all approach failed to account for and address these differences. Just over half, 50.4%, of New Deal 18–24-year-olds returners were of Catholic community background, just over one-third, 33.1%, stated they were of Protestant community background, 13.1% did not state a community background, and 3.3% stated an 'other' background. The number of returners for New Deal for 18–24-year-olds was also very unevenly distributed between Jobcentres. The largest number, 12.7% of the total, were recorded signing on at the Londonderry Foyle Jobs & Benefits office, followed by 6.0% in Belfast North. Some of the rural Jobcentres recorded the lowest numbers, with 0.3% at Kilkeel and 0.6% at Ballynahinch.\textsuperscript{154}

\textit{Building economic resilience}
Increasing employment in a sustained manner does help build resilience, especially employment of young people. However, this programme did not perform as well as hoped as many young people later returned to a New Deal programme.

\textit{Inclusive growth}
By increasing employment levels amongst young people, especially for those finding it difficult to access jobs, employment programmes do promote inclusive growth. Young people who are disengaged from the labour market for a sustained period of time miss out on building their skills and experience, putting them at a significant disadvantage even once employment opportunities become more common. However, some of the failings of the New Deal 18–24 mean that its contribution to inclusive growth is not strong.
Pathways to Work

Years applied: 2008–present

Summary of intervention
The Pathways to Work initiative is delivered jointly by the DEL, the Social Security Agency within the Department for Social Development, and the DHSSPS. The initiative was rolled out across NI in April 2008, after an 18-month pilot period. The programme aims to establish a comprehensive package of support measures to help sick and disabled clients consider work where this is possible, mitigating the risk that increasing duration on incapacity benefit (IB) erodes people’s capacity to enter employment.

Participants are required to attend a series of work-focused interviews (WfIs), six rather than the usual one, combined with voluntary participation in a range of ‘choices’. The programme offers a faster IB claims process to allow claimants to concentrate on the work-focused elements of the service which are delivered by specially trained personal advisers. Broadly speaking, the choices can be split into three groups of support:

1. Condition Management Programme (CMP): In partnership with local health providers and DHSSPS, CMP seeks to help clients to better understand and manage their conditions to enable them to return to work.
2. Return to Work Credit (RTWC): A payment of £40 a week is provided for 52 weeks for people earning less than £15,000 a year, aiming to make people financially better-off in work and to make the financial transition easier. It is available to anyone leaving IB for paid work of at least 16 hours a week.
3. Work Preparation Programme (WPP): This offers supported work experience aimed at helping the participant to build up confidence and gain work skills while having one-to-one support on a work placement.

Although the series of interviews is mandatory, the Pathways Personal Adviser (PPA) has the discretion to waive or defer them if appropriate. All the choices on offer are entirely voluntary and clients are not put under pressure to participate in any of the options or forced into work.

Impacts
Formal evaluations by DELNI have been limited to assessment of the pilot programmes. However, it is our understanding that the effectiveness of the programme at the national level has been limited compared with the initial pilots. After 18 months, the proportion that had left IB following the launch of Pathways to Work (pilots) was 8 percentage points higher compared to what would have been expected in the absence of the programme. It is unclear from the data available, however, whether this positive increase reflects an increase of those able to come off IB or whether the programme simply brings forward exits from IB that would have occurred anyway, but at some later date.

Survey findings suggest that the main effect of Pathways to Work between 2005 and 2008 had been to encourage a faster movement into work among those who are ready to make the transition. Considered as an incentive for getting people into work, this suggests a low level of additionality for the RTWC and WPP. However, those who took up the CMP were the most likely to ascribe positive outcomes entirely or partly to the programme which suggests that there is a higher level of additionality associated with the CMP participants. Indeed with regard to CMP, the testimony from those with mental health problems such as stress, anxiety, and depression as highly positive with a number stating that it had made a major difference to their lives.

**Performance against own objectives**
It is estimated that the programme helped 1,300 people find work during the pilot phase. Four months into the national roll-out, an additional 700 people had successfully found work. The evidence from the interim evaluation is that, on balance, the benefits from Pathways to Work exceeded programme costs. On the outcome side, Pathways to Work had performed at least as well in NI as in GB, in encouraging moves into employment and in relation to participation and take-up of choices. Evidence suggest that the programme in NI is more successful that in GB in the stimulating off-flows from IB.

**Extent to which it addressed root challenges**
Jobs gap (low labour demand)
The programme helped those into existing work rather than addressed a lack of jobs available.

*Lack of ‘good’ jobs*
Survey results showed the programme to have had no significant effect in relation to average earnings and although the programme may have helped participants find more appropriate jobs (given their health status), there is no evidence, nor stipulation, that these be ‘good jobs’.

**Inactivity**
The programme recognises that clients span a wide spectrum in terms of closeness to the labour market and their levels of preparedness and/or suitability for a (faster) return to work. It was specifically aimed at those economically inactive and, at least initially, (given limited scope of the evaluation), was effective at reducing inactivity.

**Low qualifications**
The programme did not address low qualifications, although a recommendation from the PPAs was that training ought to be offered as one of the support choices.

**Employment support and career advice**
The programme involved greater tailored employment support for those with physical and mental health problems which prevented them from participating in the labour market. The PPAs assisted in finding such people suitable work and as well as offering career advice which took individuals’ specific needs into consideration.

**Complementary services (e.g. childcare and transport)**
Support with health problems, through the CMP, as well as financial support in order to smooth the transition off IB, was offered through the programme. While the employment support programmes and financial assistance are thought to suffer from low additionality, (offered to those likely to come off IB without support), the CMP seems to have made a significant difference to participants’ lives, offering supportive services which bring people closer, if not into, the labour market.

**Spatial inequalities**
Given that inactive working-age adults are not evenly split across the country, the targeted nature of the programme is likely to have some positive impact on spatial inequalities, although this is not a specific aim of the programme.
Building economic resilience
Increasing employment for those who suffer from physical and mental difficulties builds economic resilience. However, it is thought that this programme suffered from low additionality and may have mostly helped those into employment who would have been able to access such opportunities anyway.

Inclusive growth
Providing support to people with health problems through the CMP is thought to have made a significant difference to people’s lives. Even if not bringing them fully into employment, enabling participants to better manage their conditions and bringing them closer to the labour market, supports the creation of a more inclusive growth model.
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Pathways to Success

Years applied: 2012–2015

Summary of intervention
Pathways to Success sees the NI Executive roll out a unified strategy to tackle youth unemployment and reduce the number of NEETs. The programme provides an additional £25.2 million of funding to be spent on young people who fall into the NEET category. The strategy is based on the stated objective that ‘every young person will not only have an opportunity to access education, training or other preparation for employment but, to the extent that they are able, they will also avail of that opportunity.’

Specific interventions can be grouped under those aimed at prevention, those aimed at re-engaging 16–18-year-olds and those aimed at re-engaging 18–24-year-olds. Interventions will be the responsibility of not only the DEL but also many will be led by the Department of Education, the DHSSPS, the Department of Justice, the DETI, and a newly created NEETs advisory group, with additional supportive measures involving the OFMDFM, the Department of Agriculture and Rural Development, the Department for Regional Development, and the Department for Social Development.

Overall the proposal for this age group aims to deliver 6,000 work experience and training opportunities over the three years 2012–2015. Pathways to Success also takes a new strategic approach to engaging employers in both the private sector and social economy sector to secure the necessary work placements, training placements, job opportunities, and apprenticeships.

Impacts
Thus far progress has been made in implementing the Community Family Support programme, the Collaboration and Innovation Fund (CIF), the Local Employment Intermediary Service (LEMIS), and the Careers Service.

For the Community and Family Support programme, the procurement has been completed and the programme is being rolled-out to 720 families across the country. It has a funding allocation of £4 million from 2012 to 2015. The new programme will roll out from November 2014.
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Through the CIF, a £9 million fund has been made available to 18 organisations from the voluntary and community and educational sectors to deliver project activity from December 2012 to March 2015. A further £1.7 million has just been made available to fund a further five organisations up to March 2015. CIF projects will support over 6,400 young people with a diverse range of employability needs. In September 2013, around 38% of those who had completed the programmes had moved on to a positive destination: 9% had gone into work; 15% had gone into further education; and a further 14% had gone into advanced training.

LEMIS has been refocused putting greater emphasis on tackling the issue of young people with a 16–24-year-old NEETs target group added to the existing target groups of those who are homeless, ex-offenders, ex-prisoners, people with a history of drug and alcohol misuse, and care leavers. To facilitate this, the LEMIS budget has been increased in 2013–2014 from £1.7 million to £2.1 million, which has allowed an additional nine client-facing mentors to be recruited and caseload premiums to be introduced. It is intended that LEMIS will reach 2,000 people this 2014, of whom 700 will be aged 16–17.

Data collection has been improved for the Careers Service to enable it to provide continuous support for young people. Data-sharing agreements have been established between the Careers Service and all but four of the schools in NI.

Performance against own objectives
Targets thus far have centred on implementation milestones. All implementation milestones have been met, apart from one, which relates to improved educational attainment. Now that Pathways to Success is up and running, more needs to be done on monitoring and evaluation and measuring the success of the programme.

Extent to which it addressed root challenges
Jobs gap (low labour demand)
Pathways to Success has no specific focus on job creation; however, subsidies to firms for providing work experience and training may have a small positive effect on labour demand.

Lack of ‘good’ jobs
A focus on increased employer engagement and aligning opportunities with those sectors thought to be strategically important aims to embed the NEETs strategy with wider economic development in NI. However, there are no specific measures built in to ensure NEETs are able to move into good jobs and there are no specific measures within the programme aimed at encouraging the creation of good jobs.

**Inactivity**
The programme’s focus is on NEETs and therefore will be targeted at both economically active and inactive young people. In particular, the CIF will enable the development of new approaches in engaging young people and ought to have an impact on youth inactivity.

**Low qualifications**
The programme tackles low qualifications through its focus on educational attainment and the needs assessment and basic skills training provided by the Careers Service.

**Employment support and career advice**
Early and effective careers advice is considered a key element if the programme in seeking to prevent young people from becoming NEET.

**Complementary services (e.g. childcare and transport)**
Given the cross-departmental nature of the programme, many support services are offered through parallel strategies which have been designed in coordination with Pathways to Success. For example, the Children and Young People’s Strategic Partnership launched in 2011, has responsibility for improving outcomes for all children and young people in NI, including health, social services, education, policing, and housing. Similarly, early years education and affordable and accessible childcare are key considerations within the Childcare Strategy.

**Spatial inequalities**
Pathways to Success is a nationwide programme, yet funding is targeted to those areas of greatest need, based on the number of 16–24-year-olds. This is particularly true of support provided through LEMIS. Projects run through the CIF either focus on a particular group within the NEETs category or have
a specific regional focus. For example, a project in Armagh, the Appleby Trust, specifically targets young people living with autism and a project in Derry gives young people work experience with the local council with a view to them finding employment in the public sector on completion.164

**Building economic resilience**
By helping to increase employment, especially among young people, the Pathways to Success programme should contribute to greater economic resilience in NI.

**Inclusive growth**
By increasing employment and skill levels, especially among young people finding it difficult to access jobs, Pathways to Success promotes inclusive growth.
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Steps to Work

Years applied: 2008–2014

Summary of intervention
Steps to Work (StW) replaced both the New Deal 18–24 and the New Deal 25+. It was a mandatory programme for 18–24-year-olds on JSA for 6 months and for 25+ year olds on JSA for 18 months. It also took voluntary participants who were 18+ years old on IB, employment and support allowance, income support, other benefits, and those economically inactive not in receipt of benefits. A key feature was the personalised support from a trained adviser and greater partnership working between DEL Advisers, local agencies, and employers. The programme worked in three stages. Step 1: Gateway, then Step 2 had 9 different programmes people could be put into: Back to Work, Employer subsidy, NVQs (withdrawn in April 2011), Graduate Acceleration Programme, Self-Employment (Test trading), Step Ahead, and Specialist Support. Step 3 was for mandatory participants who failed to find employment in Step 2. The analysis which follows draws on the KPMG evaluation of StW which takes the period 2008–2011.

Impacts and performance against own objectives

The number of starts on StW has risen from 18,020 in 2009/2010 to 26,910 in 2010/2011, 29,885 in 2011/2012 and falling slightly to 29,690 in 2012/2013. This reflects the economic downturn which coincided with the start of StW. Between September 2008 and June 2013, of the 106,340 participants who left the programme 17,915 (17%) had unsubsidised employment as an immediate destination, 12,505 (12%) moved to unsubsidised employment and benefits, 72,395 (68%) returned to benefits only, 2,000 (2%) moved to other training or education, and 1,530 (1%) were unknown. 165

In terms of sustained employment, of the 98,755 eligible for this category at the time of measurement (September 2008 to March 2013) 28,435 (29%) moved into sustained employment or at least 13 weeks. For employment sustained for at least 26 weeks, of the 91,450 eligible for this category at the time of measurement (September 2008 to December 2012) 26,300 moved into sustained employment or at least 13 weeks and of these 86%, or 22,615 people, sustained 26 weeks unsubsidised employment, which works out as
25% of all leavers from StW over this period. There is also evidence that those who secured employment generally sustained it for 52 weeks (75%). Although StW achieved strong employment results in a relatively difficult economic climate, concerns highlighted in evaluations, as with the New Deals, suggest significant challenges remain in addressing inactivity rates and overcoming more complex barriers to work.\(^{\text{166}}\)

The StW programme achieved the targets and financial indicators set by the DEL. It achieved in getting 25% of participants into sustained employment for 13 weeks (against a target of 25%), and 86% of these sustained employment of 26 weeks (against a target of 85%). There was a cost per employment outcome of £4,608. This was less than the New Deal 25+ (£6,800) and the Flexible New Deal (FND) in GB (in excess of £5,000) but greater than the New Deal 25+ in GB (between £2,850 and £4,000).\(^{\text{167}}\)

Benchmarking the performance of StW against similar programmes in GB is difficult not only due to differences in the programmes themselves, but also by substantial differences in the way outcomes are measured. Bearing in mind they are not directly comparable, StW was shown to have performed better than the FND achieving 25% sustained employment against the FND’s 18%, and 86% of those sustaining 26 weeks against the FND’s 66%.\(^{\text{168}}\)

**Extent to which it addressed root challenges**

**Jobs gap (low labour demand)**

Low labour demand may have been a significant impediment for participants in finding employment. Evidence that there were few job opportunities, or at least few new job opportunities, can be seen from surveys of employers taking participants from StW. Participating employers were asked about their staffing levels over the last 12 months; 45% said their staffing levels would remain the same, 44% thought they’d increase their workforce, and 11% thought they’d decrease. Most employers did not agree that there were many jobs available. This may explain why a small number did not agree that being on StW increases people’s chances of finding a good job.

**Lack of ‘good’ jobs**

Between 2008 and 2011 Sales and Customer Service and Elementary occupations accounted for almost half of all vacancies across each of the three years. One criticism of the New Deals was there was a failure to
adequately monitor how its training and work experience provision is matching up with the demand side of the labour market; it is not clear how far this was addressed under StW. The majority of jobs in which participants undertook placements, did work experience, and found employment were not well paid.

**Inactivity**
Survey results from current participants suggest a notable percentage of the economically inactive did not consider that their employability had increased, while the minority felt it had some positive impact on their employability. 169

**Low qualifications**
Although essential skills were a stepping-stone to other strands consultation with participants (520 interviews) show 'lack of qualifications/training' was a major barrier identified (23% of respondents). Asked if they thought that StW was addressing/assisting them in overcoming their barriers, less than half of respondents (48%) considered that this was the case. 170

**Employment support and career advice**
Employment support and career advice was a central part of StW. The evaluation by KPMG found that the increase in participants in the wake of recession meant that the detail of Action Plans suffered and some had unrealistic career goals and/or in sectors with few employment opportunities and there was no realistic secondary goal included in the Action Plan to pursue.171

**Complementary services (e.g. childcare and transport)**
Lead contractors are able, in some cases, to pay child carers directly and subsequently reclaim from the DEL. Transport costs are also addressed as Lead Contractors paid weekly travel costs in excess of £4 to participants on Step 2 provision. However, participants on the self-employment strand of Step 2 are not entitled to claim travel costs.

**Spatial inequalities**
The programme did not have a place-specific approach. Areas were split into 10 contract management areas (CMAs) and the StW programme was not significantly different in any one CMA in relation to another.

**Building economic resilience**
By helping to increase employment the StW should contribute to greater economic resilience in NI.

*Inclusive growth*

StW fit in an inclusive growth agenda in that it improved public services and supported employment. However, it represented a policy that seeks to correct for an economic model that does not distribute prosperity evenly.
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*Bridge to Employment*

Years applied: 1997–present

**Summary of intervention**

Bridge to Employment provides pre-employment training primarily aimed at unemployed people and an opportunity for a job interview with a pre-agreed employer on completion of the training. This programme is designed to provide assistance to inward investment companies and local companies who are taking on new staff. The programme and training is entirely funded by the DEL and is offered at no cost to employers. Employers can benefit from a bespoke recruitment and pre-employment training programme designed in collaboration with the DEL. Training courses are customised and are run in response to employer demands, aiming to equip people with the skills necessary to compete for new employment opportunities on an equal basis with others. Courses are provided mainly by FE colleges or delivered by the employers themselves on site.

The programme is open to any participant who is unemployed or who is employed for 16 hours or fewer a week. There are six steps to the programme:

1. Discussion with employer and skills adviser
2. Agreement to run programme
3. Advertising
4. Recruitment to training
5. Training
6. Interview for employment

As such, the programme is demand-led and only begins once an employer and the DEL sign an initial agreement to run a training and recruitment programme through Bridge to Employment. The average number of participants on a Bridge to Employment programme is 10.

**Impacts**

The fact that the programme has been run successfully for many years, continuing to attract employers is testament to the programme’s success. Since 2006, 2,740 unemployed people have moved into employment through
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the programme, and the proportions of people who complete the training and are then hired have remained high, consistently above 80% in each year since 2006.\textsuperscript{173}

Employers benefit from assistance with recruitment and training costs, gaining access to a wide recruitment base, the screening of applicants through DEL testing, customised training programmes focused on the employer’s needs, and no financial commitment. Participants benefit from bespoke training which, once completed, gives them a high chance of being employed. Despite reported successes and case study evidence\textsuperscript{174} there has been a lack of overall evaluations of the programme. As such, little can be concluded on value for money and additionality.

\textit{Performance against own objectives}

Targets were set for Bridge to Employment in the DEL’s annual resource accounts in 2005/2006 and 2006/2007. For each of these years, the targets were the same: to train 500 unemployed people on Bridge to Employment courses, 400 of whom would be offered employment. These targets were exceeded up until 2008, when demand for the programme dropped significantly and as a result of fewer participating employers, fewer participants were trained through the programme and found employment. Despite the decline in participants, the proportion of participants who successfully completed the training and subsequently went on to employment remained high.

The number of unemployed participants who found work through the programme for each year (and the proportion they were of successful completions): 2006/2007: 473 (86%); 2007/2008: 537 (88%); 2008/2009: 330 (99%); 2009/2010: 402 (98%); 2010/2011: 375 (89%);\textsuperscript{175} 2011/2012: 200 (80%); 2012/2013: 423 (data no available).\textsuperscript{176} These results suggest that the programme continues to lack demand for it from employers compared to pre-2008. Furthermore, since the programme is demand-led, there were significant variations to the DEL expenditure on the programme from one year to the next.

\textit{Extent to which it addressed root challenges}

Jobs gap (low labour demand)
Since the programme is demand-led it does not make a contribution to increasing labour demand in the economy. Rather the programme seeks to ensure labour demand reaches the unemployed and puts them in good stead for becoming employed through existing demand. It may be that lower training and recruitment costs for participating employers increases their demand for labour, but this has not been substantiated with evidence through evaluations.

*Lack of ‘good’ jobs*
No assessment is made of the types of jobs which are offered through the programme. It seems the focus is not on the quality but on the quantity of jobs made available to the unemployed.

*Inactivity*
The programme is not aimed at the economically inactive as participants are themselves seeking employment.

*Low qualifications*
Although the training provided is likely to improve basic skills amongst participants, there is no specific mandate to reduce the prevalence of low qualifications amongst the population. The training provided adequately covers elementary (basic) skills as these would be deemed essential by participating employers.

*Employment support and career advice*
Bridge to employment offers some career advice and support in preparing participants for interviews with a participating employer. However, the small-scale nature of the programme means this service is not offered to a sizable number of people.

*Complementary services (e.g. childcare and transport)*
The programme does not offer any complementary service.

*Spatial inequalities*
The programme is demand-led and is only able to offer employment to participants where participating employers are based. As such the programme does nothing to address spatial inequalities within the labour market.
Building economic resilience
Given the demand lead nature of the programme, Bridge to Employment does little to improve economic resilience. When the economy was in recession there were fewer participating employers and thus fewer employment opportunities offered through the programme.

Inclusive growth
The programme does fit with an inclusive growth model as it connects employers to long-term unemployed people who they may not have considered appropriate hires without the programme.
Apprenticeships NI

Years applied: 2007–present

Summary of intervention
Apprenticeships NI has funding through the ESF Priority 2 ‘Improving workforce skills’, and match funded and managed by the DEL. The programme began in 2007 and is open to those who have reached school-leaving age, are either entering or are already in employment, and are contracted to work a minimum of 21 hours per week. Initially for 16–24-year-olds, the programme was expanded to include anyone over the age of 16 in September 2008. Participants are able to access off-the-job training on one of the 140 Level 2 and Level 3 Frameworks towards achieving a Level 2 or Level 3 qualification in their chosen occupation. Each framework includes: a competence-based qualification, for example, an NVQ; the essential skills of literacy, numeracy and ICT (where appropriate); a knowledge-based qualification; other mandatory or optional elements as specified by the particular industry for the occupational area.

Off-the-job training is delivered by a range of training suppliers, including FE colleges, private sector providers, and community and voluntary organisations, which helps develop an apprentice’s skills and provides underpinning knowledge leading to the achievement of recognised qualifications. Suppliers work with employers and support apprentices in working towards the qualifications outlined in apprenticeship frameworks.

In September 2011, the level of funding available for apprentices aged 25+ was revised to 50% of that available for apprentices aged between 16 and 24 years. From August 2012, the funding available for apprenticeships aged 25+ was targeted at sectors deemed economically important to rebalance the economy. The DEL has recently released its proposals for an ambitious plan to change the Apprenticeships NI programme to enable participants to gain qualifications above Level 3 and to better engage with employers and labour market demand.

Impacts and performance against own objectives
Apprenticeships NI had no specific performance targets, rather the programme contributed to broader targets on skills policy through, for
example, ‘Success through Skills’ and ‘Success through Skills – Transforming Futures.’

The latest statistical information indicates that from 2007/2008 to 2013/2014 (up to 31 October 2013) 45,742 people had started on Apprenticeships NI. The total number of participants on Apprenticeships NI at the end of October 2013 was 7,885. Of these, 52% were at Level 2, 10% at Level 2/3, and 37% at Level 3 with less than 0.5% unassigned. Between 2007/2008 and 2013/2014 (up to 31 October 2013), 39,368 participants left Apprenticeships NI. The proportion of female starts on Apprenticeships NI increased from 35% in 2007/2008 to 49% in 2012/2013. In the latest year, participants were also fairly evenly distributed amongst age groups and Local Government Districts. The most popular sectors in terms of numbers of starts since the launch of the programme in 2007 are health and social care (6,764); catering and hospitality (5,251); retail (3,964); management (2,504); engineering (2,485); customer service (2,020); business and administration (1,839); construction (1,762); child care, learning and development (1,702); and team leading (1,532).

Evaluations reveal that Apprenticeships NI is a popular programme with participants and employers. There is evidence to suggest it is well delivered and contributes significantly to improving skills with little deadweight and high levels of additionality. Satisfaction with the delivery of the programme is high amongst participants: 86% of training suppliers reported they would not have been able to offer their existing training provision at all in the absence of Apprenticeships NI funding. Suppliers did report some difficulties in targeting ‘hard to reach’ groups, such as those working part-time, women, and people with disabilities and health conditions.

By 2013, the DEL had identified a number of problems with the programme including that employers were unable to take a lead in design; linkages between professional and technical and academic pathways were unclear; the frameworks were considered inflexible, out-of-date and confusing for employers; and that the programme does not offer any frameworks beyond Level 3.

*Extent to which it addressed root challenges:*
Jobs gap (low labour demand)
Given the inability for employers to lead the programme and signal demand for apprenticeships, effects on generating employment opportunities could have been greater.

*Lack of ‘good’ jobs*
The focus on Level 2 and Level 3 (A-level equivalent) qualifications means the programme has thus far not been aimed at supporting young people into good jobs, although there is evidence that completing frameworks in the programme increases the likelihood of a young person moving on to other forms of education and training. Furthermore, the most popular frameworks within Apprenticeships NI are not in occupations where good jobs are likely to be found, such as catering and hospitality, retail and customer service. However, the recent focus on ‘economically important’ sectors and proposals to increase the level of qualifications offered address these issues to some extent.

*Inactivity*
Reducing inactivity rates was not a primary focus of the programme; however, providing an alternative route into education, training, and employment for young people is likely to have a knock-on effect on reducing inactivity.

*Low qualifications*
The design of the Apprenticeships NI programme means it has likely made a positive contribution to addressing the low skills levels in the population. Obtaining essential skills of literacy, numeracy, and ICT, where appropriate, were a feature of the apprenticeship frameworks necessary for participants in gaining qualifications.

*Employment support and career advice*
Only limited support and advice is offered to potential apprentices. Evaluations suggested a closer relationship between the DEL and employers in designing courses and providing career guidance would make the programme more effective.

*Complementary services (e.g. childcare and transport)*
The programme does not offer any significant complementary services.

*Spatial inequalities*
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The programme was countrywide and did not have a specific regional focus. Training providers would have been able to draw on local knowledge and participation was fairly evenly distributed regionally.

Building economic resilience
Through building alternative pathways to training and employment, the programme helps build economic resilience. It ensures young people continue to build their skills rather than become disengaged from the labour market.

Inclusive growth
By providing alternative pathways into careers, Apprenticeships NI contributes to inclusive growth in NI.
Appendix D: Regeneration policies

One Regeneration Plan for Derry-Londonderry

Years applied: 2011–2020

Summary of intervention
The One Plan is a ten-year regeneration plan in Derry-Londonderry. The overall vision for the plan is to create a ‘competitive, connected, creative and caring city’ through a ‘set of interconnected projects that would help re-orientate the city towards a new trajectory of inclusive and transformative economic growth’.\textsuperscript{183} The One Plan has been coordinated by The Ilex Urban Regeneration Company Limited (Ilex). The ambitious regeneration aims to make Derry-Londonderry an economic hub of the North West over the next 10 years with three over-arching tangible objectives:

1. The creation of 12,900 net additional jobs by 2020 and 16,200 jobs by 2030;
2. Additional wages and profits of £500 million (additional gross value added) to the economy by 2020 rising to £800 million in 2030; and
3. Improvements to the fiscal balance by £185 million in 2020 relative to the baseline.\textsuperscript{184}

The development of the One Plan, including the key sites of Fort George and Ebrington and the promotion of jobs is included as a commitment in the Programme for Government 2011–2015. In its original agreement, the programme contained 153 consolidated actions, five transformational themes and 11 catalyst programmes and foundation actions. Monitoring and evaluation of the progress against objectives will be conducted by the Derry-Londonderry Strategy Board.\textsuperscript{185}

Impacts and performance against own objectives
Given the 10-year time horizon of the plan, many of the plan’s benefits would only be realised in the later stages of implementation and beyond. This is particularly true, for example, in respect to early years interventions and physical space developments. As such it may be premature to assess the regeneration’s impact to date.
Ambitious targets have been set for each of the five transformational themes; however, given the scale of the institutional developments necessary to begin implementing the regeneration plan, these targets have been set for 2015.\textsuperscript{186} Little information exists on how far progress has been made towards these targets.

The job targets are ambitious with a 27\% increase in jobs in total and a doubling of jobs in the area in financial services, and nearly a doubling in arts, media, leisure, and personal services. Performance against targets will be necessary in evaluating progress over the next few years, particularly in respect of the 2015 targets.

\section*{Extent to which it addressed root challenges}

\subsection*{Jobs gap (low labour demand)}
A key outcome from the One Plan is the creation of 12,900 additional net jobs in the city region. It has been recognised that Derry-Londonderry is over reliant on the public sector and the redevelopment plan is aimed at building a more balanced and sustainable economy. However, how far the plan will be successful in this respect is hard to say at this early stage.

\subsection*{Lack of ‘good’ jobs}
The One Plan aims to re-balance the local economy away from public sector employment towards higher value-added private sector employment. There is an aim to ensure that by 2020 the proportion of jobs in health and social work, public administration and defense, and education will all be lower, while more local economy jobs will be found in transport and communications, financial services, business services and arts, media, leisure, and personal services. As a result there will likely be an increase in good jobs in Derry-Londonderry. However, the increase in business services may not necessarily translate into an increase in good jobs. Although professional services such as law, consultancy and advertising, computing services, and R&D jobs are included in this category as are security and cleaning jobs and those working in call centres.

\subsection*{Inactivity}
Derry-Londonderry has high inactivity rates. Inactivity levels are estimated at around 36\% of the working-age population in 2010, well above the NI and UK averages. All the catalyst projects take consideration of inactivity rates and
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will attempt to provide work or educational opportunities to inactive adults of working age.

**Low qualifications**
The One Plan includes targets around education and skills. These include, increasing levels of literacy and numeracy, to Levels 4 and 5; increasing the percentage of school leavers achieving greater than 75% NI average of 5 GCSEs (including English and Maths); reducing the percentage of the working-age population with no qualifications; and increasing the number of full-time graduates. Should progress be made towards these targets, reductions in the levels of people with low qualifications would be achieved.

**Employment/ career advice and support**
There is no clear mission within the plan to address this issue.

**Complementary services (e.g. childcare)**
The One Plan aims for a growth in social enterprises, including childcare cooperatives to expand affordable childcare provision. Building transport infrastructure is also a key pillar of the regeneration plan, in particular strengthening the public transport system.

**Spatial inequalities**
The One Plan was created through considerable local engagement and with strong consideration of local Aims are implicitly to bring economic prosperity Derry/ Londonderry more on par with and more explicitly to address spatial inequalities within the city.

**Economic resilience**
The One Plan should increase local and regional residence through widening the number of sectors, increasing employment, bolstering third sector organisations, and expanding the higher education provision.

**Inclusive growth**
Inclusive economic growth is a key focus of the One Plan which aims to ensure that the ‘benefits from regeneration are targeted towards the most deprived groups in our communities.’ The potential impact of job creation for the 10% most deprived wards within the Derry-Londonderry area is
significant and higher than job creation in other wards. As such, within the Regeneration Plan Mission, a reduction of inequality is a central objective.\textsuperscript{188}
Titanic Quarter, Belfast

Years applied: 2005–2030

Summary of intervention
The Titanic Quarter is one of Europe's largest waterfront regeneration developments and is the single largest regeneration scheme in NI's history. There are three main elements of this project:

1. Titanic Belfast – a world-class visitor attraction based on Titanic and Belfast shipbuilding and maritime history.
2. Titanic Signature Project – the wider scheme in which Titanic Belfast sits, including development of surrounding Titanic-related landmarks, including: Titanic and Olympic slipways; Thompson Dry Dock; Titanic's Dock and Pump-House; Harland and Wolff's former headquarters and drawing offices; SS Nomadic and the Hamilton Dock.
3. Titanic Quarter Development – the long-term regeneration of the overall area which will cost £7 billion and take until the 2030s to complete.189

The largest development is the £97 million Titanic Belfast visitor attraction. The redevelopment area includes film studios, education facilities, apartments, a riverside entertainment district, new commercial offices, retail, warehouses, and residential developments.

Impacts and performance against own objectives
The redevelopment has progressed significantly since construction began in 2006. As of late 2012, approximately 15% of the potential development land has been developed at a construction cost of £350 million. Approximately 4,000 people work and 1,000 people live in the Titanic Quarter with Titanic Quarter Ltd intending to increase this to 25,000 people working and 10,000 living.190

Notable successes include the opening of Belfast Metropolitan College’s Titanic Quarter Campus; the letting of 75% of the new Gateway office block to Citigroup; and the creation of one of Europe’s largest film studios, already attracting producers such as HBO, Universal and Playtone and international productions such as ‘Game of Thrones’, ‘Your Highness’ and ‘City of Ember’.191 The opening of the Titanic Belfast visitor attraction has also been
viewed as successful with the centre winning the Northern Ireland Bureau's award for Outstanding Contribution to Tourism in 2012, the development's ninth award since opening. In its first year more than 800,000 visitors came to the exhibition from 128 different countries. Popularity has not as yet waned either with the centre welcoming its one millionth visitor in July 2013. MACE opened its first convenience store in Titanic Quarter in April 2013 at the mixed development The Arc, while 30,000 sq ft of luxury residential property has been completed and is available to let (with further mixed property planned). Future projects already planned include a financial services centre, which will be one of Europe’s most advanced, most connected, and most secure telecoms hubs, with Europe’s fastest direct fibre optic link to North America; Titanic Exchange, a next generation data centre; and North Yard, a 150,000 sq ft mixed-use space for offices, education and local retail services.

The redevelopment as a whole does not have specific performance objectives as such, although as mentioned the projects which have been constructed to date, such as the attraction centre, the film studio, and the first phase of the financial services centre have progressed well and achieved noticeable successes. By completion of the redevelopment, the aim is to attract 4 million visitors annually with 50,000 people living and working in the area.

Extent to which it addressed root challenges

Jobs gap (low labour demand)

The redevelopment aims to provide significant numbers of new jobs both in the construction of the redevelopment itself and in attracting new industry to the area. The creation of an office of the investment bank Citigroup created 500 new high-quality jobs in the area.

Lack of ‘good’ jobs

The sorts of jobs thus far created could certainly be labelled good jobs; many are in high-value industries such as financial services and film. Future developments also suggest that greater opportunity for good jobs in the area will be created with the area becoming attractive due to its fast Internet connection technologies and data services.

Inactivity
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The redevelopment does not aim specifically at addressing inactivity amongst the labour force.

*Low qualifications*
The redevelopment does not aim specifically at addressing low qualifications amongst the labour force, although the additional media campus for Belfast Met increases the University’s capacity.

*Employment support and career advice*
There is no clear mission within the regeneration to address this issue.

*Complementary services (e.g. childcare and transport)*
There is no clear mission within the regeneration to address this issue.

*Spatial inequalities*
The redevelopment will have an impact on Belfast’s population, much of which suffers from low qualifications and spatial deprivation. However, there are no guarantees that Belfast’s citizens will be hired in the newly available roles and thus far residential builds have focused on luxury accommodation.

*Economic resilience*
By expanding sectors and business provision, this regeneration initiative could positively impact on local economic resilience.

*Inclusive growth*
As this regeneration initiative did not create a significant number of good jobs for non-graduates and local residents it does not corroborate with an inclusive growth approach. However, it has brought the area back into use and addressed some aspects of spatial inequalities.
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Strabane 2000

Years applied: 1998–present

Summary of intervention
Strabane 2000, formed in 1997, is a partnership between Strabane District Council, Strabane Chamber of Commerce and Industry, and the community. Through urban regeneration, the company aims to promote development which will generate investment and employment for the benefit of both residents and investors in Strabane. The Strabane Initiative was launched in 1998 and Strabane 2000 became a company limited by guarantee in 2001. Strabane 2000’s directorship is made up of six Councillors, four Chamber of Commerce and Industry members and one community representative.196 Based on the successful Laganside Corporation model in Belfast, Strabane 2000 has overseen environmental improvements, development of public spaces, the building and improvements of social housing, and urban regeneration aimed at economic development, such as road improvements and the development of commercial retail space.

Impacts and performance against own objectives
Strabane 2000 has been responsible for fostering numerous regeneration projects which have benefitted the area. Notable examples include, a £1.5 million new library and community facility opened in 2003; a shop front improvement scheme in 2004; an environmental improvement scheme in Main Street in 2006; a new pedestrian walkway (from John Wesley Street to Castle Street) constructed in 2006; and new street furniture, lighting, and signage erected in 2005 and 2006.197 These achievements helped Strabane 2000 win the All-Island ‘Pride of Place’ Competition for Urban Regeneration in 2007. In January 2007, the town was awarded Town Centre Living Initiative Area (TCLIA) status for a period of five years. As a result, the region was able to secure grant aid to encourage improvement of living accommodation and the conversion of non-residential properties to dwellings under the Living over the Shops (LOTS) initiative.198 As well as these previous achievements, two new iconic pedestrian bridges have been designed and planned for the town. The first bridge at the Melvin Park Sports Complex will link the North and South sides of the River Mourne, the second bridge from John Wesley Street will unite the town centre with residential and recreational areas and will also provide access to the new Translink Bus Depot on the South bank area.199
More recently significant funding has been secured, with £3.5 million due to be spent on projects in Strabane over the next year. This funding will go towards the Strabane Pedestrian and Cycle Bridge, public realm schemes, various shop fronts, and the revitalisation of 68 derelict sites.

**Extent to which it addressed root challenges**

*Jobs gap (low labour demand)*

Despite Strabane 2000’s stated aims of regenerating the local area in order to generate investment and employment, there has been little analysis of the employment effects of these interventions. In 2012, the Labour Force Survey (LFS) shows Strabane to have the second lowest employment rate for 16‒64-year-olds (58.4%) of all regions in NI and far below the average for the country as a whole (67%). It is therefore likely that low labour demand has not been sufficiently addressed through Strabane 2000 and will continue to be an issue for the region.

*Lack of ‘good’ jobs*

Strabane 2000’s interventions did not focus specifically on the type of jobs which would be created.

*Inactivity*

Strabane 2000 did not have a specific focus on addressing inactivity rates.

*Low qualifications*

Strabane 2000 did not have a specific focus on reducing those with no or limited qualifications and skills.

*Employment support and career advice*

There is no clear mission within the regeneration to address this issue.

*Complementary services (e.g. childcare and transport)*

Despite some improvements to transport infrastructure in Strabane, the regeneration is not focused on providing services which complement labour market participation and increase employment.

*Spatial inequalities*
Strabane 2000’s regeneration projects, in so far as they were focused on the Strabane area, did focus on an area of high social deprivation. Measured at the Local Government District level, Strabane is the second most deprived region in NI behind Belfast.  

Economic resilience
By improving local housing and transport infrastructure, Strabane 2000 could positively impact local economic resilience.

Inclusive growth
Although there has been limited evaluation of the effects of the regeneration projects, it seems the initiatives have not created a significant number of good jobs for non-graduates and local residents. The regeneration therefore does not corroborate with an inclusive growth approach. However, it has contributed to improvements in the area in terms of housing, street maintenance, and transport infrastructure.
Overview of Crumlin Road Gaol redevelopment, Belfast

Years applied: 2003–present

Summary of intervention
The Crumlin Road Gaol in North Belfast was designed by Charles Lanyon and built in 1843–1845. A Grade ‘A’ listed building, it is acknowledged as an outstanding example of Victorian penal architecture and planning and occupies a five-sided walled site that extends to approximately 13 acres. The former gaol, closed in 1996, was transferred to the OFMDFM in 2003 for redevelopment under the Reinvestment and Reform Initiative. The vision is to contribute to the wider development of the Crumlin Road and the local area.

Impacts
Since 2003, the OFMDFM has invested over £15 million to re-establish this iconic building as a significant public asset for Belfast. The restoration, completed in 2011, work has helped to promote and raise the profile of the gaol.

A visitor attraction and conference centre opened in November 2012 and has since hosted over 130,000 visitors on guided tours in the governor’s quarters and C wing and 200 events in the state-of-the-art conference facilities.

In A-wing, the Belfast Distillery Company has committed to establishing a boutique whiskey distillery, restaurants, bar, a tasting room, and a corporate hospitality facility. Construction is due to begin in 2014.

With A-wing, C-wing and the governor’s quarters in use, the OFMDFM is seeking expressions of interest for uses of the warders’ cottages B-wing and D-wing. It is envisaged that the desired usage would be class B2 commercial / light industrial that can contribute to social, community, and economic regeneration. Expressions of interest are invited from part, whole, multiple property occupiers, developers, and investors as well as interested parties for use on a short, medium, or long-term basis.

Performance against own objectives
There are few performance targets against which to measure the redevelopment to date. The visitor centre had a target of 90,000 for the first year; at 85,000 with two months to go, the attraction exceeded this target. However, the success of the redevelopment will be judged by its ability in creating local employment opportunities and in enhancing the community’s social and economic characteristics on final completion of all the separate units within the site.

Extent to which it addressed root challenges

Good jobs (low labour demand)
Around 30 jobs have been created through the tours and the conference element of the gaol, and there is the potential for about 60 jobs for the boutique distillery. Further jobs may also be created by subsequent investment interests from companies and developers.

Lack of ‘good’ jobs
There is little indication of whether the jobs created by the redevelopment thus far ought to be considered good jobs, although specialist hospitality and tourism jobs would not fall in the lowest income brackets of occupations in NI.

Inactivity
The project has no specific remit in reducing inactivity amongst the labour force.

Low qualifications
The project has no specific remit in increasing education and qualifications amongst the labour force.

Employment support and career advice
This regeneration project did not feature employment and career advice for locals looking for work.

Complementary services (e.g. childcare and transport)
This regeneration project did not consider complementary services to support people into work.

Spatial inequalities
Investing £15 million into the area will likely have some impact on local deprivation, whether through, employment opportunities, place aesthetics or increases in local demand from visitors. In response to questions around employment opportunities to Belfast’s deprived area, First Minister Peter Robinson said: there is already a close relationship between the community organisations in the area and the management of the jail regeneration. I think that regular meetings take place.208

Building economic resilience
A small number of jobs have been created in tourism and retail which has made a small contribution to building local economic resilience.

Inclusive growth
While place aesthetics and local demand from tourism will have had a limited positive effect on the area, there has been no guarantee that this will translate into positive outcomes for non-graduates and local residents. Therefore the regeneration is not one aimed specifically at an inclusive growth approach.
Appendix E: Poverty reduction policies directly increasing household income

National minimum wage

Year introduced: 1999–present

Summary of intervention:
A legally binding national minimum rate of pay was introduced in 1999. There are different levels of the national minimum wage (NMW), depending on your age and whether you are an apprentice. The 2013/2014 rates are:

- £6.31 – the main rate for workers aged 21 and over
- £5.03 – the 18–20 rate
- £3.72 – the 16–17 rate for workers above school leaving age but under 18
- £2.68 – the apprentice rate, for apprentices under 19 or 19 or over and in the first year of their apprenticeship.

As a reserved matter, the NI Assembly does not have responsibility for NMW policy.

Impacts and performance against own objectives:
The NMW is widely deemed a successful policy. It has raised incomes for the lowest-paid, increased incentives to work, and reduced pressure on tax credits to prevent in-work poverty, all without decreasing the number of jobs.209

When first introduced, the NMW raised the pay of about 5–6% of workers (1.2–1.3 million) by about 15% on average. This was less than the government had expected. Initial estimates by the Low Pay Commission suggested that approximately 9% of workers (or two million people) would receive a wage increase as a result of the minimum wage. However, these figures conceal the higher proportion of female workers affected by the minimum wage. Approximately 8.5% of all female workers were affected by the introduction of the minimum wage compared with only 3.2% of males.210 However, the percentage affected by an uprating in the minimum wage has fallen overtime. Currently around 2% of adult workers are actually paid the
minimum wage, under 1% are paid below it (a combination of errors in reported wages, legitimate exceptions and non-compliance) and no more than 1% earn within 10p. This lower wage effect limits the scope for the minimum wage to affect the level of employment or indeed overall wage inequality.

Contrary to the predictions of those who opposed the introduction of the NMW, the minimum wage does not appear to have had ‘spillover’ or knock-on effects on wages higher up the distribution. Spillover effects are important because they create the possibility that more workers than those immediately affected by the minimum wage may be at risk of losing their jobs.

The minimum wage is uprated each year; however once you take into account the costs of living, either through the retail price index (RPI) and the consumer price index (CPI), what first appears to be a steady climb in the minimum wage is actually a decline in real terms. The Resolution Foundation, a think-tank, calculates that this leaves the minimum wage £1,010 lower per year than it was in 2008. With current projections of inflation, the minimum wage is not set to recover to its former levels until 2017 at the earliest.

Extent to which it addressed root challenges:

Jobs gap (low labour demand)
The minimum wage was not designed to address the jobs gap. Fears that it would increase the number of people out-of-work have proved unfounded.

Lack of ‘good’ jobs
The minimum wage increased earnings for those on below minimum wage; however it has not increased in line with living costs and remains much lower than the Living Wage.

Inactivity
The minimum wage did not have any particular focus on addressing inactivity in NI. However, by raising wages at the bottom of the wage spectrum it may have encouraged some people back into work.

Low qualifications
The minimum wage does not address low qualification levels in NI.
Employment support and career advice
The minimum wage was not designed to address the gap in and quality of employment and career advice in NI.

Complementary services (e.g. childcare and transport)
The minimum wage does not address low qualification levels in NI.

Spatial inequalities
The minimum wage does not address spatial inequalities in NI.

Building economic resilience
The minimum wage has, to a small extent, affected poverty and inequality, so may have marginally contributed to building economic resilience in NI.

Inclusive growth
A minimum wage does help to better distribute economic prosperity; however for those at the bottom to benefit strongly from growth, there needs to be measures in place to ensure that the share of income going to the top is not disproportionate to what is going to everyone else.
Working tax credits

Years applied: Working family tax credits (WFTC) 1999–2003, replace with working tax credits 2003–2017 (by 2017 Universal Credit will have replaced the working tax credit)

Summary of intervention
Two types of tax credits, the working tax credits for those with children and for those without, are considered here. Working family tax credits were introduced in October 1999 to replace family credit as the main form of state support for low-income working families and to ensure that people will be better off in work than on benefits. NI spends £550 million per annum on tax credits.215

Impacts and performance against own objectives
The impact of working family tax credits was dependent on the patterning of work in a household. Where someone was working, it made it more attractive to have someone working more than 16 hours – some may have been drawn into work. On the other hand, where two adults were working, one of the adults might have decided to reduce hours or not work. The Institute of Fiscal Studies (IFS) conclude that WFTC increased the proportion of lone mothers who work but seems to have had little effect overall on the proportion of adults in couple with children in work.

It is generally concluded that WFTC increased the employment rate, because the number of adults in previously workless families who moved into work probably out-weighed the number of adults in previously two-worker families who decided not to work.216

Performance against root challenges
Jobs gap (low labour demand)
The programme focused on boosting employment through increasing household earnings rather than addressing labour demand.

Lack of ‘good’ jobs
Working tax credits increase earnings. However, this is not through directly increasing wages and the quality of jobs, rather through government-led redistribution of income.

Inactivity
Working tax credits are thought to have encouraged people into work, especially lone mothers that were otherwise inactive.

Low qualifications
Working tax credits were not designed to address low qualification levels in NI.

Employment support and career advice
Working tax credits did not address employment and career advice in NI.

Complementary services (e.g. childcare and transport)
Working tax credits were not designed to address low qualification levels in NI.

Spatial inequalities
Working tax credits are not place specific and are unlikely to have addressed spatial inequalities in NI.

Building economic resilience
Working tax credits were not designed to address economic resilience in NI.

Inclusive growth
Working tax credits have promoted inclusive growth in NI, but again through redistribution rather than by addressing root causes of low pay and inequality.
Endnotes


8 See OECD. (2011). Divided we stand: Why inequality keeps rising. Paris: OECD. Figure 6.1.


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20 DFID. (2004). ‘What is Pro-Poor Growth and Why Do We Need to Know?’ Pro-Poor Growth Briefing Note 1. Department for International Development, London.


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Ibid. (See Annex A)

Ibid.


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92 Ibid. p.11.
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107 See target 36, NI Executive, Ibid.
108 See target 25, NI Executive, Ibid.
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171 Ibid.
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175 The figures for 2006 to 2011 were provided by the Minister of Employment in a NI Assembly sessions http://www.niassembly.gov.uk/Documents/Answer-Book/2011/111209.pdf
180 Ibid.
184 Ibid.
185 Ibid.
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188 Ibid.
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201 Ibid.
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