



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Labour Force Survey: Northern Ireland
Statistics and Research Agency, Department
for Employment and Learning and
Department of Finance and Personnel

25 March 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Thomas Buchanan (Deputy Chairperson)
Mr David Hilditch
Mr William Irwin
Ms Anna Lo
Mr Fra McCann
Ms Bronwyn McGahan

Witnesses:

Dr Stephen Donnelly	Department for Employment and Learning
Dr James Gillan	Department of Finance and Personnel
Ms Oonagh Neenan	Northern Ireland Statistics and Research Agency

The Chairperson (Mr Swann): I welcome Dr James Gillan, head of the economic and statistics branch in the Department of Finance and Personnel, Ms Oonagh Neenan, economic and labour market statistics for the Northern Ireland Statistics and Research Agency, and Dr Stephen Donnelly, senior principal statistician for the Department for Employment and Learning. Folks, you are very welcome. Over to you, James.

Dr James Gillan (Department of Finance and Personnel): As per our previous presentations, I first want to give you a run through the latest statistics and then stop for any questions. We can then go into more specific groups of interest.

The latest statistics were published on 18 March, just last week. The lead official statement is about the unemployment rate, which, for Northern Ireland, was 6%; that is 6% of the economically active in the period November 2014 to January 2015. That was down 0.3 percentage points over the quarter, and also down 1.5 percentage points over the year, which is a positive development. We were slightly above the rate of the UK, which was 5.7%.

As you know, any one quarter is not particularly informative in itself, so we tend to look at the longer term trend, which is in the slide over the page. This runs from 1993 to 2015. The blue line is Northern Ireland and the red line is the UK. The lowest point in the blue line represents May to July 2007, when our unemployment rate was 3.2%. The highest level on the blue line is December 2012, when our unemployment rate was 8.3%. We have been on a fairly continuous rate of decline for just over the last two years and are at 6%. The other main point from that graph is that over the last couple of years we have been tracking the UK fairly closely.

We have more recent statistics from our other main measure of unemployment, which is the jobseeker's allowance or claimant count measure. That brings us up to February 2015 and we are seeing similar trends. Over the month, there was a decrease of 1,700 persons on the register. This is the 26th consecutive month, so just over two years, of continuing falls in unemployment. So, both measures are telling broadly the same story.

There has been a fall in unemployment of about 11,000 over the last year, and about 5,000 over the last three months. There have been rapid falls in the last three months but there seems to be still plenty of life left in falls in the unemployment rate for the minute anyhow.

The next slide shows Northern Ireland versus the UK in terms of jobseeker's allowance. This is a less sanguine picture in that we are still the highest UK region in jobseeker's allowance. Whereas the UK had a plateau in unemployment and has been falling for three years, we have had a long, continuous increase in jobseeker's allowance unemployment and have been falling for only the last two years.

Over the last seven years, we have had five years of growing unemployment and jobseeker's allowance, and two years of falling unemployment, whereas the UK has been falling for three years. Our recovery has been much less marked than that in the rest of UK but there is a recovery all right and it is continuing.

I will now look at it from the business perspective and in terms of the growth in employee jobs. The latest published information relates to the fourth quarter of 2014, which takes us to last December. We had growth of just over 1,000 jobs over the quarter, and about 12,000 over the year. Unemployment fell by about 11,000 jobs and growth was up by about 12,000 jobs over roughly the same period, which is a reasonably good correspondence.

Over the year, the private sector increased by just over 12,000 jobs, and the public sector fell slightly by about 300. The graph over the page gives Northern Ireland versus the UK, with Northern Ireland as the blue line and the UK as the red line. It runs from 1998 to the present day. The peak was again in quarter 2 of 2008. We continued to shed jobs until about quarter 1 of 2012.

For nearly three years, we have been seeing jobs growth in Northern Ireland. The scale of the recovery has still not been as marked as in the UK. We are still about 2% lower than the peak we reached in 2008 whereas the UK is about 2% higher than the peak. I am not sure that we should always be using our peak as a reference point because the feeling was that there was an unsustainable growth in jobs, like a property/construction boom. It is not really the benchmark that we want to use but it is a useful comparator against the UK.

On the next slide, the blue line is the private sector for Northern Ireland and the red line the public sector. The private sector has been continuing to grow. We are facing a period of potential public sector job cuts. It is interesting to note that we have already shed quite a few public sector jobs over the period. Most of the growth occurring is in the private sector. Reclassifications are going on in there between Lloyds and the Royal Bank, which have gone from public to private, but the trend remains the same.

I run the risk of giving you a picture of all light and no shade in this. It is kind of difficult to see in the graph, but, in the private sector just over the last quarter, there was a decrease in private sector jobs. We have had 11 quarters of growth in the private sector, but, in this last quarter, we have had a very slight decrease. Any of the Ulster Bank Purchasing Managers' Indexes for around that period were also reporting a bit of a slowdown. I would not pin too much on one quarter, and the decrease was only 270 jobs. We need not necessarily expect continued growth; it is best to look at the trends.

Over the page, we switch to the output measures, which are the sales by businesses. Manufacturing is doing quite well in this area. We have growth of 1.9% over the quarter, and Northern Ireland has increased by 2.7% while the UK has increased by 1.1%. That is also reflected in manufacturing jobs. A lot of the growth we are seeing in jobs over the last three or four years is in administrative and support jobs. That tends to be employment agency-type jobs. The fall over the quarter was in and around financial services and scientific and technical jobs. I would not read too much into any one quarter.

The next slide has a look at the annual survey of hours and earnings, and this relates to April 2014 but is the most recent one that we have. It has been showing a fall in gross weekly earnings for Northern Ireland employees by about 2%. From April 2013 to April 2014, we had a fall of 2% in our weekly earnings, whereas the UK was up slightly, by 0.6%. You will see that there still quite a gap. Northern

Ireland is the red line on the graph, and we are well below the UK figure. I think that we are at around 80% of the UK figure, and our wage levels are continuing to fall. Sometimes, that can be because people are working less hours, but, when you look at the hourly rates and compare them, you can see that there is a fall of 2.4% in the hourly rate. The mix of jobs might be changing.

The next page contains a summary. In the top left hand quadrant, it shows the labour force survey unemployment rate in Northern Ireland tracked against that of the UK. It is looking pretty positive even though we are slightly higher. In the top right hand quadrant, it shows that there are about 46,000 people in receipt of jobseeker's allowance and the monthly change. You can see that the monthly fall has been increasing since about September. That is a positive sign as well. Below that it shows the employee jobs, and you can see the relative share.

I will pause there. Those are mainly the headline results. The next bit of the presentation will be more to talk about the long-term groups that are of interest to the Committee, including long-term unemployment, youth unemployment and those not in education, employment or training (NEET). I am happy to pause here for you to pick up on anything I have said.

The Chairperson (Mr Swann): James, I come back to your annual survey on earnings. The figures on gross weekly earnings for all employees show that there is a dip in the Northern Ireland average wage. Do you take into account zero-hours contracts anywhere in that, when you are talking about hourly rates? Is that extrapolated in your data?

Dr Gillan: We measure anybody who is working in the reference week. If there were some people who were on zero-hours contracts and were working in that week, we would include them, but, if they were on a zero-hours contract and were not working in that week, we would not include them. They might not actually have been called in to do work on the particular point that we were referring to. They would be represented in there, but it would not be a complete picture.

The Chairperson (Mr Swann): When you do that survey, how many people are you —

Dr Gillan: That is a 1% survey of all employs. It is based on 1% of everybody with a National Insurance, PAYE, number who is in employment. We go to about 6,000 employees, so it is reasonably robust.

The Chairperson (Mr Swann): On your quarterly employment survey, in December 2014, you have a reference to public sector and private sector jobs. Public sector jobs had decreased by 300 and private sector jobs have increased by 12,000. Where is that data collected from?

Dr Gillan: For private sector jobs, it is a survey of all businesses with 25 or more employees. Each quarter, if you have more than 25 employees, we will send you a form asking how many employees you have, and we will take a sample of the rest of them, with fewer than 25 employees. We will then gross that up and come up with an estimate for the private sector.

For the public sector, we go round the Departments, corporations and trusts, asking them how many employees they have at a particular point in time. In our publications, we break it down by all the different types of public sector employee, so you can track it for the Civil Service, the health sector, or education etc.

Mr Buchanan: Given what one hears about what is happening in the public sector, and what we hear from colleges about the number of cuts that are going to be made, how do you see this affecting the unemployment figures over the next six to 12 months? Maybe that is an unfair question. How do you see it affecting that in that period of time, given what we listen to about the number of cuts that are down the line?

Dr Gillan: If you work on the premise that people who are leaving public sector employment go into employment, into inactivity, or into unemployment, and they go into inactivity, which is looking after the family and taking a year or two off, then it is not going to affect the unemployment rate. By the definitions we use, they will not be defined as unemployed because they are not looking for work. It depends how many of those 20,000 are going to be actively looking for work. If all 20,000 are actively looking for replacement employment, that would add another 50% on to the unemployment rate, but it seems unlikely that that would be the case. It is more likely that the inactivity rate would go up.

Mr F McCann: Thank you, as always, for the presentation. It is fairly interesting, especially when you are getting news that there has been a continuous drop in unemployment over the last 26 months. But in there, again, are hidden worrying figures: an increase by 1,000 of NEETS. That is something that has concerned the Committee. Is there any indication that there would be an upturn in dealing with the 16- to 24-year-olds?

Also, I know that we got figures on the wage differential between England and here, which probably worked out at about £50-odd a week of a difference. Does that hide the fact that many of the jobs that are created here are not only what people would call low-value jobs in terms of wages, but that many of those people fall into what is called "the workforce that relies on benefits to substitute for the low earnings that they get"?

Dr Gillan: What we are measuring is earnings from employment. To the extent that you are a low-wage earner, it is reflected in that report. What we tend to report is the median, which is where 50% of the population lies. You can therefore see who the bottom 20% are, who the bottom 40% are, versus the UK. You would see our low-wage earner profile compared to the UK. I do not have it on me, but I can get that for you. We do tend to have a higher percentage of people below the minimum wage; they tend to be more like apprentices and that. Northern Ireland seems to have a higher percentage below the minimum wage. We do not actually get the total earnings.

Mr F McCann: I think I have asked you this before. Derry and Strabane are out front when it comes to the percentage unemployed, followed by Belfast. At one stage, we may have got a breakdown of the figures by constituency. You hear that, for example, there has been a continuous drop in West Belfast; they may have been small drops, but drops in unemployment nonetheless on a monthly basis. It is difficult to quantify, however. Is there a mechanism to provide a breakdown of unemployment rates in the sectors and each of the constituencies?

It is always brilliant to hear that jobs are coming in; a big lot of them are in the call sector. When people hear that there are another 2,000 jobs in Belfast, they automatically assume that these will deal with the high unemployment rate in many areas in Belfast. Many people, however, travel into Belfast for work from surrounding areas. It is difficult to know how the new jobs actually impact on some areas of deprivation. Just to give you an example, I live sandwiched between the Royal Victoria Hospital and the city centre, two of the biggest employers in Belfast, and yet my area has the worst rates of employment and deprivation. Being sandwiched between the two biggest employers has not impacted on our unemployment rate.

Dr Gillan: I will take that point first. We were going to show you something that we have developed to try and make that information available. Oonagh, could we look at the data visualisation?

The Chairperson (Mr Swann): James, that is going on further in your presentation.

Dr Gillan: Yes.

The Chairperson (Mr Swann): Fra, are you finished on this section? Anna?

Ms Lo: Very interesting, James. I think the graphs, rather than the text, speak volumes. I am interested in the public and private sector jobs graphs. They are interesting. From 2009, there has been a steady, quite a steep, decrease in public sector jobs. We peaked in 2009, and it goes down quite drastically. Is that due to a redundancy scheme?

Dr Gillan: I could not answer that directly. In the most recent period, health and social services has been one of the biggest areas of decline. From about quarter 2 of 2008 to quarter 4 of 2011, there was a fall of about 2,500; a fall of 1,750 in education over the same period; and in human health and social work, a fall of about 690. That is just up to quarter 4 of 2011. It has been across the range — health and social work, education and some public administration. We publish a much more detailed breakdown, which I could make available to the Committee, if that is of help.

Ms Lo: It begs the question: if public services are already shrinking, do we need the very drastic figure of 20,000 to go through the voluntary exit scheme? Do we need that if we are going to follow this trend?

Dr Gillan: Our public-sector employee jobs as a share of total employee jobs is about 30%. In the UK as a whole, the share is about 25%. In Wales, it is about 28%, which is the closest. You could argue on that basis that we are over-represented in the public sector. The other side of the argument is that it is not that we are over-represented in the public sector, because we have a much younger population and, if you look at it per head of the population, you will see that the differences are not as marked. Another side of the argument is that it is the private sector that we should be growing. We have an underdeveloped private sector. It is not going to help our employment rate or our inactivity rate. As you might expect, a lot of people will go into inactivity.

Ms Lo: To redundancy, as well, in the next four years.

Dr Gillan: Indeed, it might have implications if the Committee sets a Programme for Government target to raise our employment rate. Presumably, you would have to factor in the need to replace those 20,000 jobs to maintain our employment rate.

Ms Lo: Are there jobs out there for them?

Dr Gillan: They would have to be in the private sector.

Mr Irwin: Certainly, it is good to see the private sector growing through it all. We hear a lot about rebalancing the economy. It is good to see that. I see that we were down quite considerably in 2008 due to the economic crash, but we have gone over halfway up again, if I read the figures rightly. There were, I think, minus 24,000 jobs in 2008; now, we have plus 13,000. Are you confident that trend will continue?

Dr Gillan: We do not really do the future in official statistics. However, I know that the Ulster University Centre for Economic Policy projects that the rate of growth is likely to slow over the next couple of years. After 2015 or 2016, you will begin to see jobs growth at 0.5% or 0.4%. At the minute, we are creating 12,000 jobs. In 2012, we created about 4,000 jobs; in 2013, just over 11,500; and, in 2014, about 12,000. They see that continuing for another year or so and then gradually slowing. NISRA is not able to answer questions like that, but an independent organisation suggests that growth is going to slow after a year or so.

Mr Irwin: I heard on the news last night that Dunbia in Dungannon is creating 200 new jobs. That is positive.

Ms McGahan: Thank you for your presentation. It would be useful if you had something that you could consider regarding the issue of lower wages. We got a report on labour mobility last year, which showed a high number of job vacancies in, for example, Derry and Belfast, but those jobs are lower paid. They probably would not even pay the rent on your home, so why would anybody take them? That would not make sense. On the other hand, outside Belfast and Derry, you will probably find a high number of people in lower-paid jobs. The number on jobseeker's allowance is therefore a lot lower west of the Bann. It would be useful to get that picture.

Dr Gillan: It is like the geographical distribution of lower-paid jobs.

Ms McGahan: Yes. As I said, the labour mobility report did show that there are job vacancies in those areas, but they are lower paid; whereas, west of the Bann, people are in those lower-paid jobs, but they are still living in poverty.

Dr Gillan: I will have to think about that one. It is a question of whether we can get the figures of earnings. I think that we can disaggregate them. There is a limit to which we can disaggregate them.

Ms McGahan: It was carried in the 'The Irish News' that, in areas like Fermanagh and south Tyrone, a high number of people were working in lower-paid jobs. The figures are there.

Ms Lo: So that I understand, you are saying that, in Belfast, because the rents are higher, people will not take jobs that are lower paid but that, west of the Bann, people will take those jobs.

Ms McGahan: They do not have a choice.

Ms Lo: They do not have a choice, but they can manage because there are lower rents.

Ms McGahan: No, they are still living in poverty.

Ms Lo: OK, but they take those lower-paid jobs in rural areas, more than in Belfast.

Ms McGahan: The figures are there to show that they do.

Mr F McCann: It depends what area of Belfast you come from.

Ms Lo: Is it due to the cost of living being higher in Belfast?

Ms McGahan: I do not know. I think that that needs to be scrutinised further.

Dr Gillan: I think that we had an Assembly question recently about average earnings by parliamentary constituency. That should show it up for you. It does not show total earnings, just earnings from employment. We can certainly put something together for you.

The Chairperson (Mr Swann): Thanks, James. Do you want to move on to your —

Dr Gillan: Fra had been asking something about parliamentary constituency and claimant count unemployment. We have deviated from our plan; it might take Oonagh a minute to get that slide up.

Mr F McCann: We can leave it to the end.

Dr Gillan: Yes, we can leave it to the end.

I will talk about the long-term unemployed. The blue line shows the Northern Ireland element of the long-term unemployed. This is the proportion of people who are unemployed who are long-term unemployed. In Northern Ireland, 63% of the unemployed are unemployed for more than a year. That is nearly twice the UK rate, and it has been increasing. It is up by 14 percentage points over the year. Even though unemployment has been falling, the long-term unemployed have not benefited as much as others. Their share of unemployment has increased. It has more than doubled since about 2006 in Northern Ireland. Long-term unemployment remains a real issue.

The next graph is about who the long-term unemployed are in age terms. The blue segment in the Northern Ireland figures shows the 16-to-24 age group, and you can see that we have proportionately fewer long-term unemployed who are younger compared with the UK. We have a lower share in that age group. Our problem group, with a bigger proportion in Northern Ireland than the UK, is the 25-to-34-year-old group. Twenty-five per cent of the long-term unemployed are 25-to-34-year-olds. The purple bar at the top shows that 20% of the long-term unemployed are 45-to-54-year-olds. It is not particularly an issue affecting 16-to-24-year-olds; it is more the older age groups.

The next slide shows the figures cast in a slightly different way. It shows all the UK regions and countries, and it shows that we have the second highest long-term unemployment rate. It is expressed slightly differently here. The only one that is worse is the north-east of England, followed by the West Midlands. In Scotland, only 2.2% of the economically active people are long-term unemployed.

The next slide is on youth unemployment. The blue line indicates the unemployment rate for economically active 18- to 24-year-olds. Almost 20%, or one in five, of economically active 18- to 24-year-olds are unemployed; whereas, only 4% of those aged 25 or over who are economically active are unemployed. So, a disproportionately larger share of 18- to 24-year-olds are unemployed. That fell, I think, over the last year or so. From August to October 2013, it was 24%, so it is coming down, but is still quite high.

The next slide compares the figures with the UK as a whole. Youth unemployment in Northern Ireland is 19.5%, compared with 14% for the UK. So, economically active 18- to 24-year-olds in Northern Ireland are about three and a half times more likely to be unemployed; whereas, in the UK, it is about only two and a half times. That is just illustrating the point that our rate is still worse than that in the UK.

In the next slide, the blue line refers to the number of 16- to 24-year-olds in employment. Their numbers were falling until the end of 2012, since when it has been gradually increasing. The green line is the number of 16- to 24-year-olds in education. It is interesting to note that, as the number of young people in employment fell, they seemed to be moving more into education. That would include further education colleges. I do not think it is as marked for the 18- to 24-year-olds.

The red line refers to the number of unemployed and inactive people as a percentage of the overall population. Sometimes, people get mixed up and say, "Oh, you have a youth unemployment rate of 20%. That means one in five young people is unemployed". Well, no: it is one in five of young people who are economically active, which is employed or unemployed, who are unemployed; whereas, 9.2% of all 16- to 24-year-olds are unemployed. I thought that was interesting. It shows that, as employment prospects worsened, people tended to go into education. As those prospects have improved, the percentage in education has reduced.

The next slide deals with the youth claimant count rate by old district council areas. As Mr McCann noted, Derry, Strabane, Limavady, Moyle and Carrickfergus are worst affected by the youth unemployment rate. That is similar for the overall unemployment rate.

We will be able to see those trends over time. This is just a snapshot at the minute, but we will see whether there has been any improvement for a particular constituency.

Mr F McCann: This is the point that I was trying to make earlier. You have youth unemployment in Belfast at 6.8% or 7%. That still does not reflect the geographical spread in Belfast of concentrated unemployment, especially among young people.

Dr Gillan: We will get that for you. The parliamentary constituencies will break it down into North, East and West Belfast. We will come to that a bit later, if that is OK.

I know that the Committee is interested in employment rates in NI versus the UK. In the next slide, the blue line refers to the UK and the red line Northern Ireland. The employment rate for our 16- to 24-year-olds is worse than in the UK. Along the bottom of the slide are the age groups, so as I go from left to right, I am looking at increasingly older age groups. As I look up the graph, I am looking at the employment rate, so it is what percentage of that age group is employed. You can see that there are quite low numbers, even in the UK as a whole, of people up to about the age of 21 who are employed.

As you get to the top of the graph, that starts to improve. Northern Ireland is slightly higher than the rest of the UK among adults from their mid-20s to their late 30s. It is not by much, but the interesting point of this graph is that, as you go into the older age groups, you see that Northern Ireland has a lower employment rate than the UK. There is a lot of focus on youth unemployment. I suppose that I should declare an interest: as you get a little older, you are less likely to be in employment here than you would be in the UK. The employment rate is a large element of the inactivity rate, so it is an older persons issue as well as a youth unemployment issue. Why that is the case might be worth examination. As you get to the older age groups, it all tails off.

We have an ageing population. By 2025, the greying of Northern Ireland becomes an issue. Increasing the pension age will help to address that and increase the working-age population. That is a factor as well as public sector job cuts. It is a little bit further down the line, but it is an issue that we should not be losing sight of.

The next slide illustrates the reasons for economic inactivity by UK regions. Sometimes, people say that our inactivity rate is higher because we have a much younger population and many more students, and that that is a good thing. In this graph, we took students out of the mix and looked at just those who are economically inactive because they are looking after the family, retired, sick or disabled. We are still highest among the UK regions for people citing sickness and disability as the reason for their economic inactivity. I think that is reasonably well known, but I just thought I would take out the student element to make it a bit clearer.

The next slide concerns NEETs — those not in employment, education or training. I will hand over to my colleague to talk you through that.

Dr Stephen Donnelly (Department for Employment and Learning): I want to run you through some of the statistics and the latest research evidence that will inform the reviews of Pathways to Success and the NEETs strategy. I will draw on the labour force survey for up-to-date information. I will also

use the census and international research, in particular, detailed research on NEETs across Europe by Eurofound in 2012.

Since 2008, the Northern Ireland and UK NEET rates have overlapped. In Northern Ireland, the number of NEETs has always been 35,000 or so, although the latest December 2014 figures show that the NEET rate is 37,000 young people or 17% of that age group. About half of them will be unemployed and the rest economically inactive. The latest figures show that there is potentially a bit of a gap opening up there between Northern Ireland and the rest of the UK, but it is too early to say whether that gap will be sustained because these figures do vary quarter on quarter by 2,000 or 3,000 per quarter.

The Eurofound research shows that, in a European context, the Nordic and northern European countries tend to have the lowest rates of NEETs. In those countries, the rates are about 8% to 12% of that population group. In Northern Ireland in the UK, we have rates in the range of 15% to 18%, and, in European terms, that means that we are middle-ranking. The southern European countries tend to have the highest rates. Portugal, Spain and Italy have rates in excess of 23%, so, in a European context, we are in the middle of the pack, so to speak. From a UK perspective, Northern Ireland has the highest NEET rate in the UK at 17% compared with 16% in Wales and 13% in the UK as a whole. Wales and Northern Ireland tend to be neck and neck. Sometimes Wales is ahead of Northern Ireland, and sometimes Northern Ireland is ahead of Wales.

As far as geographical spread is concerned, we have NEETs right throughout the Province. In Derry and Strabane, the rates tend to be higher, and there are black spots in Belfast. For the 20- to 24-year-old NEET group, which forms about three quarters of all NEETs, the black spots will be in west Belfast, north Belfast and parts of Foyle. The rates there in that age group can be almost one young person in three. Between 28% and 33% of young people in those areas are categorised as NEET.

It is important to look at the numbers as well as the percentages because, in places like Craigavon, there are a lot of young people. While the percentage who are NEET might be quite small in relative terms, there are still a lot of young people there, so there are still a lot of NEETs there. Any strategies and any policy interventions that we are looking at have to take into consideration not just the black spots but the fact that there are lots of NEETs in areas where there might be some actual affluence.

The Eurofound research shows that young people in households with low incomes have the highest chances of becoming NEET. As the household income increases, the chance of becoming NEET falls until, curiously, at about the top 25% most affluent households, the NEET rate starts to increase. The NEET rate starts to increase among households that are in the top 25% of the income distribution. We think that this is because of things like well-qualified NEETs who are taking a gap year or are being supported by their parents. The probability increases among affluent households. I think that suggests that some young people may be NEET by choice. We are getting a similar picture on Northern Ireland NEETs and deprivation. We see that, in the 20% most deprived areas in Northern Ireland, about one person in four who is age 16 to 24 will be NEET; whereas, it is less than one in 10 in the most affluent areas. There are affluent areas where 8% of the young people there will be NEET.

I want to move to family type. This is particularly important because family support structures are very important to a young person. We have examined this from the census, which gave us a census of 33,000 young people classified as NEET. Of those 33,000, 12,000 were in a family where both parents were present so, at least potentially, there was some parental support available to those young people. Just over 8,000 were being looked after in a lone-parent household, and we know from other research that about half of lone-parent households are in relative poverty and that up to 50% of the young people in lone-parent households in Northern Ireland will have behavioural difficulties. It is likely that, in those households, a lot of children will have multiple disadvantages. Around 5,000 NEETs are themselves lone parents and, as such, will have caring responsibilities. That will have implications for the participation both in the labour market and in education. Another 5,000 live alone independently, so we know very little about the family support structures that those 5,000 young people may or may not have. About 3,000 live either as cohabiting or married couples, so caring responsibilities will feature in some of those families, and a small number live in communal establishments. That demonstrates the very varied nature of the family circumstances of the NEET group, but the qualifications of the group also vary quite a lot.

Many young people categorised as NEET have good qualifications; probably 20% to 24% of them have good qualifications. However, more than 50% of them have low qualifications or no qualifications at all. A young person in Northern Ireland aged 18-24 can expect to command a weekly

gross wage of about £135. If those young people remain at that level of qualification in adulthood — the biggest bar in the graph, that is, young people with no qualifications — they can expect to command a salary of £250 and a probability of being in employment of 36%. The young people in qualification levels 1, 2 and 3 can expect a wage of somewhere between £250 and £300 and an employment rate of somewhere between 50% and 60%. Once you get into the level 4 group, those young people will have an employment rate of 85% or better and a weekly wage of over £600. That is within the NEET categories. There is a lot of variation in their geographical spread, their family circumstances and their qualifications, and there is a lot of variation in education, family support, family income and distribution. The motivation of those young people and their access to job opportunities are also going to be varied.

I will conclude by saying that, if the Pathways to Success programme is going to be effective, it will have to coordinate support services and give considerable attention and consideration to the very different characteristics of those young people. In many cases, those young people will need tailored, bespoke interventions, and they are a very varied group.

Dr Gillan: We were going to look at some of the questions that Mr McCann asked.

The Northern Ireland Neighbourhood Information Service (NINIS), which is freely available on the website — you can either access it through our website based in DETI or through the NISRA website — gives the claimant count rates over time, broken down by geographical area for Northern Ireland. The line in the graph is the Northern Ireland rate, which always stays there. The various areas can be separated either into the existing district councils, by parliamentary constituency or by the new district councils. You will be able to compare your geographical area of interest with the Northern Ireland total area and with any other similar geographical area.

Oonagh, can you pull out West Belfast for us on the parliamentary constituency areas?

Ms Oonagh Neenan (Northern Ireland Statistics and Research Agency): These slides are demonstration only, James, so these are based on the new district council areas.

Dr Gillan: These are the new district councils, OK.

Ms Neenan: I cannot log in to the Internet here, so this is the new district councils, but the same facility is available for Assembly areas.

The Chairperson (Mr Swann): Who can access this?

Ms Neenan: Everybody.

Dr Gillan: The public; it is publicly available. One of the thrusts of official statistics is for us to do a better job in communicating the information and making it available for self-service. We have been developing this in recent times. A lot of the neighbourhood information stuff and the deprivation information have been available online, and we are gradually building it up on the labour market side.

What have you got there, Oonagh?

Ms Neenan: You just basically hover over the map. For interest, I have highlighted the lowest rates — the annual claimant account rates — by the new district councils. I have clicked on Lisburn and Castlereagh [*Inaudible.*] graph at the bottom. So, the middle line is our Northern Ireland rate, and I have added Derry and Strabane. Looking at the chart, then, this is your Derry/Strabane time series; the middle line is Northern Ireland; and the bottom is Lisburn and Castlereagh. You can just keep adding overlays and add all the geographical areas to compare them easily on the chart.

Dr Gillan: When you get down to the geographical areas, the rate is the percentage of the population in receipt of jobseeker's allowance as a percentage of those resident in that area from 16 to 64. At the Northern Ireland level, it is the percentage of the workforce. You switch from workforce to residents for geographical area. That shows, indeed, that Derry and Strabane has improved in the last year. You can see the actual rates by hovering over the button. You can download the data, as well.

Ms Neenan: You can download the data by clicking on data source; it downloads in an Excel table. That is your monthly rates for your Assembly areas, and the old councils are still available as well.

There are other types; these are monthly rates. That one is annual, and this is monthly. It is the same kind of facility. Again, you can just keep adding *[Inaudible.]* selecting whichever areas you want to bring up and compare the data for.

The Chairperson (Mr Swann): The old local councils are still there. How long will that be for, or do you intend keeping that data set?

Ms Neenan: The plan is to run with the new ones from implementation.

Dr Gillan: Where there is a demonstrated policy need, or a user need for it, we will consider carrying it on, but the intention is to move to the new ones.

The Chairperson (Mr Swann): It is going back to Fra's point, James. I was just looking at Mid and East Antrim District Council for the claimant count. Ballymena and Larne — two of the councils going into Mid and East Antrim — are well below the Northern Ireland average. Carrickfergus is the fifth highest. When Mid and East Antrim is taken as a whole, that data set in Carrick showing the high claimant count there will be lost.

Dr Gillan: We can get claimant count measures down to pretty low geographical areas. I think I am right, Oonagh, in saying that we can get down to ward level.

Ms Neenan: Yes, we can certainly look at *[Inaudible.]* —

Dr Gillan: There is a lot of powerful information there.

Mr F McCann: Can you get down to ward level on the website you are on?

Ms Neenan: No, because visually it would be too much information; but, certainly, if you wanted a table, we could provide it.

Dr Gillan: It is on the NINIS one at ward level. It take a little bit of finding.

The Chairperson (Mr Swann): James, can you send the Committee through the links to those sites with the different levels? That would be handy for us.

Dr Gillan: I think that brought us to the end of the presentation, Chair.

The Chairperson (Mr Swann): The qualifications that you were going through, Stephen — at level 1, the average wage expectancy and percentage opportunity of being employed — can you give us that data as well?

Dr Donnelly: Certainly.

The Chairperson (Mr Swann): Is that all right? I know we have the table, but it would be good to have the specific data on levels of educational qualification along with earnings and the expectancy of being in work. Members, anything on that?

James, I want to ask about the proportion of long-term unemployed in Northern Ireland. I think that your point was that the percentage of long-term unemployed is increasing. Surely, as the numbers of unemployed people drop, that cohort of long-term unemployed does not change: as a percentage, it will increase proportionately. Is that data set showing that we are not tackling the number of long-term unemployed?

Dr Gillan: If the share of long-term unemployed is increasing, it suggests that the fall in their unemployment rate is not as pronounced as for the non-long-term unemployed.

The Chairperson (Mr Swann): Is that data set demonstrating, then, that we are not tackling the problem of long-term unemployment?

Dr Gillan: I am giving the relative position; we would have to look at the absolute. It could be coming down, but just not as fast as the overall rate. They are therefore disproportionately represented among the unemployed, but we could pull out the numbers to see if —

The Chairperson (Mr Swann): I appreciate that.

Mr F McCann: The definition of economically inactive in relation to unemployment gets a bit confusing sometimes. What is the definition?

Dr Gillan: "Unemployed" is a percentage of the economically active. The economically active are the unemployed plus the employed. When we talk about the unemployment rate being 6%, we mean 6% of people who are economically active — that is, either employed or unemployed. Those who are inactive, who look after the home, are sick, disabled or ill, who are students or retired, are not in the denominator; they are not in the unemployment rate. Now, you could have people flowing out of inactivity into unemployment. If they could not afford to be economically inactive, they would flow into unemployment.

You are perfectly right to say that there is a slice of the economically inactive who say that they want a job, and it is roughly the same as the number who are unemployed. I think, off the top of my head, it is about 50,000. They do not meet the official criteria, however. You could nearly talk about them as the discouraged workers. We stick with these International Labour Organization definitions. To be economically active you have to be available for work in the next two weeks, or you have to have been actively seeking work over the previous month or so. If the interviewer comes to the door and somebody says that there is no point in looking for work, that they have not done anything, or that there is no chance of them getting a job, they are not economically active. They have not met the criteria. But if they say they would like a job, we will count them as wanting a job. It depends which definition you pick. The official one is what we are reporting.

Mr F McCann: I remember the debate quite a while ago about the 100,000 people on incapacity benefit who totally skewed the figures for what they called the economically active. Sometimes you think that headings like this were developed purely to hide the true unemployment figures.

Dr Gillan: If you cast your mind back, I mean, you and I are probably old enough to know —

Mr F McCann: Forty? *[Laughter.]*

Dr Gillan: Originally, a lot of effort went into reporting the claimant count or the number of people on the register, but there was a suspicion that a certain Conservative Prime Minister was changing the eligibility criteria for unemployment benefits to force the number down, which is why they switched to this internationally recognised definition. Different systems, whether in France, the Republic or here, have different eligibility criteria. The labour force survey count means that there is a level playing field for everybody. In fact, it holds everyone to the same standard. If you take that wider definition, to include those who would like a job but have not been actively seeking one for one reason or another, you nearly double the number of unemployed. You need to read the small print.

Mr F McCann: I suppose you are saying that it depends who is in charge of the statistics at any given time.

Dr Gillan: It depends on the International Labour Organization; they are the guys who say what the most comparable measure is.

Mr F McCann: I raise that for a reason. A number of years ago, people on incapacity benefit were obviously claimants but were not counted. They were not classed as unemployed, which skewed the unemployment statistics 10 or 15 years ago so that they did not reflect the serious problems that there were in the statistics.

Dr Gillan: If everyone on incapacity benefit was in the economically inactive category, then you are perfectly right: they would not be included in the active population. It would affect the denominator.

The Chairperson (Mr Swann): James, Stephen, Oonagh, thank you very much for coming along. It has been very useful. If you can, send us the links for those data sets. Thank you.