

Employment Inequalities in an Economic Downturn



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FOR NORTHERN IRELAND

EMPLOYMENT INEQUALITIES IN AN ECONOMIC DOWNTURN

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EXECUTIVE SUMMARY

1. INTRODUCTION AND AIMS OF RESEARCH

The overall aim of this research was to: update understanding of the effect of the economic downturn on the employment status and prospects of relevant groups across the nine equality grounds in Northern Ireland (NI). It was carried out by the Employment Research Institute at Edinburgh Napier University for the Equality Commission Northern Ireland.

2. RESEARCH METHODS

The research adopted a mixed methods approach combining: a review of key literature; analysis of secondary data sets; and key stakeholder interviews with relevant groups and organisations in Northern Ireland. The time period covered by the statistics is generally from 2006 to 2009, taking in the two years before the recession and up until the official end of the recession. It is important to note that the effects of the recession are still unfolding and future developments may alter the impacts on different groups.

Unless otherwise stated the sample population used in the analysis was the population aged over 16 years old (16+). This population was selected to illustrate the impact of the recession across the whole adult population, to allow comparable updating in the next few years as state pension ages for women change and to take account of those over state pension age who are still working¹.

3. BACKGROUND

The UK economy was officially declared to be in recession in January 2009 when it was announced that GDP had fallen for two consecutive quarters - 1.5% in the last

¹ In general the trends for the 16+ and working age populations are similar, although the general levels of inactivity are usually higher and the levels of employment lower for the former (as those retired will tend to not work and to be inactive). Analysis of the working age population (currently 16-59 for women and 16-64 for men) was also carried out and is available as supplementary information.

three months of 2008 following a drop of 0.6% in the previous quarter. The UK emerged from recession in quarter 4 of 2009 with a 0.1% gain in GDP.

Over the last 10-15 years the Northern Ireland labour market has performed relatively well in terms of employment growth and declining unemployment. During this period the nature and context of the labour market has also changed significantly, as has the demographic makeup of the workforce.

Although the recession has officially ended its long term impact remains unclear. However, one of its main features is that, at the time of writing this report, employment rates have not fallen as sharply as initially expected. One of the reasons for this may be that employers appear to have been more reluctant to let workers go and have instead made savings through pay cuts, pay freezes, reductions in hours and short term working. Public sector jobs growth has also helped maintain employment levels, although this is likely to change considerably in the near future, due to expected large public expenditure cuts.

Unemployment is often seen as a lagging indicator, as previous recessions have shown that unemployment rates tend to rise long after the official end of the recession. So it is possible that short and long term unemployment will continue to rise for some time. While some of the immediate roots of the recession were in the financial sector, the greatest impacts in terms of job losses have been in the manufacturing, construction and retail sectors. It is likely that public sector employment will fall in the future, as may Third Sector employment that relies heavily on public spending. Both of these sectors employ relatively high levels of certain groups across the equality grounds.

Geographically, the recession to date has had an uneven impact, with the West Midlands in GB particularly affected. There is less evidence so far of effects on disadvantaged neighbourhoods and rural areas across GB and Northern Ireland.

4. THE EMPLOYMENT IMPACT OF THE RECESSION IN NORTHERN IRELAND

In the 15 years before the recession Northern Ireland experienced sustained economic growth resulting in increased employment and declining unemployment. However, the Northern Ireland economy is now forecast to decline which is likely to have a significant impact on rates of employment and unemployment.

Figures from the Labour Force Survey (LFS) from 2006 to 2009 show that employment rates have fallen in Northern Ireland, and unemployment rates² have increased. Rates of inactivity have remained more stable but it should be remembered that Northern Ireland had pre-existing high levels of inactivity when compared to elsewhere in the UK. The unemployment claimant count has seen substantial increases, particularly since November 2007. There have also been increases in long term unemployment, particularly among younger age groups.

The increase in the numbers unemployed has also led to an increase in the demand for employment programmes, employment services and benefits services. This is likely to put a strain on existing services and there is some indication that the long term unemployed and other vulnerable groups in the labour market may be disadvantaged by this.

Similar to GB, the construction, manufacturing and retail sectors have been most affected by the recession. Northern Ireland's reliance on the public sector may have temporarily lessened the impact of the recession but this is likely to change in the near future due to reductions in public sector spending.

In addition to changes in the numbers employed, there have also been some changes in working hours, terms and conditions for those in work. There has been a slight increase in the numbers working part-time and a slight reduction in hours worked. There has also been a slight reduction in in-work training. There was less evidence of reductions in wages, although there are limitations with available data.

Geographically, areas such as Limavady, Dungannon and Moyle have shown the greatest increases in the claimant count during the recession. At the sub-Belfast level areas with previously high levels of unemployment, such as West Belfast, have not seen as high increases as other areas.

5. IMPACT OF RECESSION ON EQUALITY GROUPS

When considering the impact of the recession on different groups, it is important to recognise that the effects of various factors may be interacting. So groups with

² Measured according to International Labour Organisation (ILO) definitions, further information is available in Technical Annex 2.

relatively large proportions of young people, or those working in certain sectors that were particularly hard hit, may be particularly affected.

Age

One of the key features of the current recession is the differential impact across the age groups with younger people being far more affected than any other age group in both GB and Northern Ireland.

The analysis showed that in Northern Ireland, young people have experienced the greatest negative employment impacts as a result of recession, as reflected in decreasing employment and increasing unemployment in the 18-24 age group. Inactivity has also increased for this age group, but this may be due to more young people staying on in higher education and fewer students working.

The negative impact of the recession on young people is seen as an area of particular concern, especially as evidence suggests that it is likely to lead to the deep 'scaring' of their future careers and/or to long term unemployment.

There was also concern around the impact of the recession on older workers particularly for those who are trying to re-enter, or remain in, the labour market and for those who have passed 65 and have no related legislative protection.

Gender

Previous recessions have tended to have a greater impact on men than women, and it seems to be the case in this recession that men are currently accounting for the greatest proportion of job losses.

For Northern Ireland during the recession men have been disproportionately affected, especially those in the younger age groups. There is a risk that certain groups of young men will become a vulnerable group in the labour market. There is also a far higher proportion of young women affected by unemployment compared to other age groups of women.

The concentration of job losses in the construction and manufacturing sectors may have resulted in a relatively lower impact of this recession on women. However, it remains the case that many women are in vulnerable positions in the job market in low paid, low skilled and part time work and that future public expenditure cuts may affect sectors with relatively large numbers of women employees.

Disability

There is evidence to suggest that overall people with disabilities are disadvantaged in the labour market and often have employment rates far below that of the non disabled population.

However, little evidence as yet exists at the Northern Ireland or GB level that indicates that people with disabilities have been disproportionately affected by the current recession.

Figures for Northern Ireland indicate that there have been small declines in employment and increases in ILO unemployment for people with disabilities, but not significantly different than for the rest of the population. However, when disaggregating those with a disability, those registered under the Disability Discrimination Act (DDA) have seen little impact of the recession, while those with a self declared work limiting disability (but not registered as DDA) have seen significant falls in employment rates during (and immediately prior) the recession. It should be noted that as many disabled are over state pension age, taking working age population rather than the population over 16 years old significantly raises the figures for the employment rates of the disabled.

It was generally indicated that a number of gains in terms of employment have been made for people with disabilities in Northern Ireland over the last ten years. There were, however, some indications that there has been a decline in opportunities for work placements for people with disabilities due to the recession and an increasing feeling of insecurity for those in work.

Dependents

For GB and Northern Ireland the last ten years have seen a significant improvement in the employment prospects for lone parents. This is partly explained by legislative changes (flexible working, minimum wage and in work benefits) and the buoyancy of the labour market.

The data indicate that for lone parents in Northern Ireland there has been a slight decline in employment rates, but also a small decline in unemployment and an increase in inactivity. This suggests that the recession has only had a small impact on lone parents so far.

The feedback from the interviews was that lone parents were not being disproportionately adversely affected by the recession. However, there was an indication that there had been a decline in lone parents being able to access

employment programmes. The issue of low levels of childcare provision in Northern Ireland was raised by a number of organisations.

Community background

The general trend in terms of employment has been one of convergence between the two groups. The data indicate that there are some differences in employment outcomes for both communities during the period of the recession. However, further breakdown by age and industry also shows these factors are important contributory factors in understanding the differential impact of the recession on employment.

In terms of the impact of the recession on community background there has been a decline in employment and a rise in ILO unemployment for both communities, although the increase in ILO unemployment for the Roman Catholic community has been slightly greater.

Further analysis by age group highlighted additional differences by community background. This was particularly the case for the younger (18-24 year old) age groups where there were declines in the employment rates and increased inactivity for the Roman Catholic community. This may be to a considerable extent explained by: increased numbers of students rather than going into work; and/or students not working (perhaps due to them losing their 'student' jobs and so being reclassified from 'employed' to 'inactive' or being unable to find jobs).

Racial Group

Overall the UK employment rate of the Black Minority Ethnic (BME) population tends to be lower than that of the white population.

The general indication across the UK is that BME groups have not been disproportionately affected by the recession, although there is an indication that certain sub-groups such as young black men have seen an impact in terms of rising unemployment.

There is little information available on the BME population in Northern Ireland largely due to its small size, especially when compared to the rest of the UK. However, Northern Ireland has experienced a significant increase in the number of migrant workers in the last 5-10 years, such that flows of migrant workers to Northern Ireland from A8 states (largely east and central Europe) now account for the largest proportion of the BME community in Northern Ireland.

Migrant workers in Northern Ireland are a diverse group from a number of countries with a wide range of skills, thus making it difficult to make generalisations. However,

there is a tendency for migrant workers to be located in low skilled positions despite many of them having high levels of skills and qualifications.

The recession has been seen to have an impact on migrant workers in Northern Ireland with reports of many being made redundant or dismissed, mainly due to them being on casual or temporary contracts. However, there is little evidence of migrant workers returning home because of the recession, although the number arriving in Northern Ireland has declined. Overall, the quantified evidence related to BME groups is very limited.

Marital status

The analysis shows that the greatest impact of the recession has been on those who are single or separated. The impact on those that are single is likely to be explained by the fact that this group is likely to be made up of larger numbers of younger people.

Sexual orientation

There was very little labour market data on employment rates and sexual orientation in the UK and there was very little evidence of the employment position of lesbian, gay bisexual or transgender (LGBT) groups in Northern Ireland.

However, a number of important points were raised during the research which highlighted the need for greater information in relation to employment of LGBT groups in Northern Ireland. In particular it was felt that improved monitoring by employers and other organisations would help identify the needs of LGBT groups in Northern Ireland.

Ex-offenders

Although ex-offenders are not included as one of the equality grounds, in the researcher's experience they represent a vulnerable group in the labour market and so have been included in this research.

There is clear evidence that employment is a key factor in keeping people out of the criminal justice system, but in practice ex-offenders face a number of structural, legislative and attitudinal barriers which reduce their employment prospects.

Overall, there is a lack of evidence on the impact of economic recession on ex-offenders. At the Northern Ireland level interview evidence indicated that, due to the recession, ex-offenders were finding it increasingly difficult not only to find work, but also to enter employment programmes. Much of this could be explained by extra

competition in the job market. It has been shown that employment and training play an important part in reducing recidivism suggesting that this group should not be ignored during the recession.

6. POLICY RESPONSES

It was widely indicated that effective and targeted policy responses are essential in lessening any employment impacts of the recession. Indeed, it was suggested that active labour market policies and other initiatives implemented by government have so far lessened the impact of the recession.

The responses in Northern Ireland were viewed as being largely positive and the policy response was seen as reacting quickly to the issues.

However, there was widespread recognition across stakeholders that current policy may not be fully addressing the needs of those from vulnerable groups who are at the most risk of falling into long term unemployment or inactivity. It was felt that more should be done to target these groups to ensure that they are not left behind by focusing on the newly unemployed and/or those who are easier to place in jobs.

The welfare reform bill and other potential future welfare changes were raised by a number of stakeholders as having a potentially negative impact on vulnerable groups in the labour market. It was felt that the additional conditionality imposed by potential changes in welfare would put pressure on those groups who already have difficulty in securing employment, such as lone parents, people with disabilities and older workers.

Finally, the research has also shown that in understanding the barriers facing a particular equalities group, it is important to consider how their employment position is by being a member of more than one group, for instance being young and male. Indeed it appears that it is often sub-groups within the broad equality groups that are most affected by the recession.

1. INTRODUCTION

The overall aim of the research was: to update understanding of the effect of the economic downturn on the employment status and prospects of relevant groups across the nine equality grounds in Northern Ireland. This document forms the final report of findings of research carried out by the Employment Research Institute at Edinburgh Napier University for the Equality Commission Northern Ireland.

The specific objectives of the research were to:

- 1. Provide a contextual introduction, setting out pre-existing patterns and prospects with regards to employment in relation to the nine equality grounds as identified in key data and documents, for example, the Commission's Statement on key inequalities;*
- 2. Provide an overview of potential barriers and enablers to labour market participation (entry and retention) both during an economic downturn and during the subsequent recovery period. Consideration having been given to any ground/group specific impacts with illustrations of how these manifest themselves for various groups;*
- 3. Provide a comprehensive and updated picture of patterns and trends in employment and non-employment in Northern Ireland, establishing any ground/group specific issues evident in Northern Ireland - considering amongst others the employment/ non-employment patterns, occupational classifications and sectors/ locations most affected;*
- 4. To provide an overview of any emerging and/or persistent issues for affected groups in Northern Ireland; considering changing patterns, access to and security of employment for identified groups both at present and in an emergent 'post-economic downturn' Northern Ireland economy;*

The remainder of the document is structured as follows:

Section 2 outlines the research methodology used in the research

Section 3 provides a background on the employment impact of the recession in a UK and international context

Section 4 examines the impact of the recession on employment in Northern Ireland

Section 5 examines the impact of the recession on equality grounds

Section 6 examines policy responses to the recession in Northern Ireland

Section 7 provides a discussion of the findings

2. RESEARCH METHODOLOGY

The analytical approach to this research adopted a mixed methods approach combining a review of literature; analysis of secondary data sets; and key stakeholder interviews. Details of each of these methods are outlined briefly below.

2.1 Literature Review

The Literature review involved a review of literature relating to the employment impact of the recession in Northern Ireland. Although the focus of the research is on Northern Ireland, we also drew on material from the UK and internationally.

2.2 Analysis of secondary datasets

In order to examine the impact of the recession on employment in Northern Ireland we made use of a range of datasets including the Labour Force Survey (LFS), Claimant Count, Quarterly Employment Survey and the Annual Survey of Hours and Earnings.

The LFS was the principle data source and where possible analysis was carried out for each of the equality groups³. However, it should be noted that due to sample size or availability of data, the range of analysis was restricted. This was particularly the case for BME groups, sexual orientation and geographical area. The sample size also meant that it was usually not always possible to 'drill down' to examine equalities groups in finer detail, for example, for examining disability by age and gender. It should also be recognised that, although well constructed, the LFS is a sample and there may be sampling errors, especially for data on small groups⁴. In the LFS people are classified as in employment, unemployed⁵; or inactive (e.g. permanently ill, student who are not working or retired etc.).

³ Details and definitions of each of the equality groups are included in Technical Annex 3.

⁴ Further details on the LFS are provided in Technical Annex 1.

⁵ According to the International Labour Organisation (ILO) definition of being available and looking for work – see Technical Annex 2.

The time period chosen for analysis with the LFS data was Quarter 3 2006 to Quarter 3 2009. This was chosen to illustrate the impact of the recession immediately prior and during the recession to the latest date for which data were available at the start of the research. Unless otherwise stated the sample population used in the analysis was the population aged over 16 years old (16+). This population was selected to illustrate the impact of the recession across the whole adult population, to allow comparable updating in the next few years as state pension ages for women change and to take account of those over state pension age who are still working. In general the trends for the 16+ and working age populations are similar, although the general levels of inactivity will usually be higher and the levels of employment lower in the former case (as those retired will tend not to work and to be inactive). Analysis of the working age population (16-64 for men and 16-59 for women) was also carried out and is available as supplementary information, but is not generally covered in this document.

Where the LFS was unable to provide the necessary information or detail other datasets were used, in particular the Claimant Count, Quarterly Employment Survey and the Annual Survey of Hours and Earnings

2.3 Key stakeholder interviews

For many equality groups or combinations of groups, there is a lack of substantive evidence available from either documentary sources or large scale datasets. In order to address this issue, and to provide a wider understanding of the issues faced by these groups by the economic downturn, we carried out a number of face to face and telephone interviews with relevant policy makers, practitioners and voluntary groups. The interviews were seen as providing valuable supplementary data which helped to identify issues that could not readily be identified through other sources. This was particularly the case for groups where there is limited data such as lone parents, migrant workers, disabled workers, LGBT groups and ex-offenders.

Interviews were carried out with the following groups:

- Ageni
- Citizens Advice
- Department for Employment and Learning, Northern Ireland
- Department of Enterprise, Trade and Industry, Northern Ireland
- Disability Action

- Disablement Advisory Service
- GEMSNI
- Gingerbread NI
- Irish Congress of Trade Unions
- Migrant workers helpline
- NIACRO
- Northern Ireland Council for Ethnic Minorities
- Northern Ireland Council for Voluntary Action
- Rainbow Project
- Women's Resource and Development Agency

The stakeholder interviews asked questions on: the impact of the recession; labour market experiences of equality groups; identifying the needs of equality groups; what is being done to address the needs of equality groups; policy responses to the recession; what more could be done to address impact of the recession; and potential future directions when moving out of recession. A copy of the general questions asked of each organisation is included in Technical Appendix 4.

3. BACKGROUND

This section provides background on how the recession has impacted on employment in Northern Ireland, GB and internationally.

The UK economy was officially declared to be in recession in January 2009 when it was announced that GDP showed a fall of 1.5% in the last three months of 2008 following a drop of 0.6% in the previous quarter, thus meeting the widely accepted definition of a recession as two consecutive quarters of negative economic growth. This recession followed a period of nearly 16 years of economic expansion at an average rate of nearly 3% and the second part of this expansionary period saw public spending rise, as a share of GDP, from 36% in 1999/2000 to 43 per cent in 2008/09 (Audit Commission, 2009).

As of late 2009, the recession had lasted for five quarters, as long as those of 1980/81 and 1990/91, with a cumulative fall in output of 5.7 per cent, the most dramatic for 30 years (Audit Commission, 2009, UKCES, 2010, Bank of England, 2009). The UK economy was announced as being out of recession in the last quarter of 2009 when very modest growth in GDP of 0.1% was reported. The effects of the recession on the labour market have yet to be fully played out; however, expectations are that unemployment, especially for groups such as young people, will continue to rise significantly, at least throughout 2010 and into 2011.

3.1 Employment

Over the last 10-15 years the UK labour market has performed well in terms of employment growth and declining unemployment. The nature and context of the labour market has also changed significantly such as growth of the service sector; the decline in manufacturing; increases in part time work; the increase in women in labour market; higher educational qualifications; legislative changes such as the minimum wage and equalities legislation; greater focus on active labour market policies and increased conditionality of benefits. There have also been changes to the working population with greater numbers of older workers and migrant workers. One of the key features of the current recession is that employment rates have not fallen as sharply as was expected. Analysis shows that over the period April 2008 to September 2009 there was a 2.3% point fall in the employment rate; and of all the nations Northern Ireland had the largest fall of 4.2 percentage points compared to 3.1 percentage points in Wales, 2.7 percentage points in Scotland and 2.1 percentage points in England (Jenkins and Leaker, 2010).

It has been suggested that one of the key reasons that employment has not fallen as sharply as it has in the US, for example, is that employers have been far more reluctant to let workers go in the current recession. There are a number of possible reasons for this. It is apparent from the evidence that a number of employers have been reducing hours and imposing pay freezes as a means of reducing costs without losing workers. The CIPD believes that Britain's flexible labour market has helped save jobs during the recession and prevented the rapid rise in unemployment experienced following the recessions of the 1980s and 1990s (CIPD, 2009a). It is less clear why employers have been taking these approaches. Brinkley (2009) suggests greater investment in human capital and skills means that many employers are less willing to let go of skilled staff. This however, would mean that the less skilled are just as vulnerable and may be more likely to be made redundant before more skilled workers, as was the case in previous recessions. Although maintaining employment is a positive outcome for many there are a number of negative consequences, not least a reduction in wages, but also possible loss of flexibility, reduction in training and limited career progression.

It has also been argued that the buoyancy of public sector employment has been a key factor in maintaining employment levels when compared to previous recessions (Oxford Economics, 2010). However, expected future spending cuts are likely to lead to large job losses in the public sector.

There is a degree of uncertainty surrounding how quickly the economy and labour market will recover from the current recession. Brinkley (2009) states that there is no obvious way of assessing how long the economic downturn will persist and what effects it will have on investment and consumption. Experience from previous recessions suggests that it can take between three to four years from the start of the recession for GDP output to recover to pre-recession levels and even longer for labour markets to recover. It is clear from the literature on past recessions that labour markets take much longer to recover (Brinkley, 2009; Vaitilingam, 2009). For example, in the recessions of the 1980s and 1990s employment levels were not regained until eight to ten years after the recession started.

3.2 Unemployment

One of the most important indicators of the impact of a recession is the level of unemployment. The changes in unemployment rates so far in this recession are of a similar order of magnitude to the 1990s recession, but lower than in the 1980s recession (ONS, 2009). The largest rise in unemployment since the second world war occurred in the recession of the early 1980s with unemployment rising to over 3 million. In the 1980s, unemployment levels and rates did not return to their levels

from immediately prior to recession before the start of the next recession (ONS, 2009). Following the recession of the early 1990s the unemployment rate rose for 3 years and only fell back to pre-recession levels by the end of 1997 (Bell and Blanchflower, 2009). This is why unemployment is sometimes described as a lagging indicator where the full impact of the recession may not feed through in terms of job losses until several quarters after the recession officially begins (Vaitilingam, 2009; Muriel and Sibieta, 2009) and may continue to rise for some time after the recession ends. This means that unemployment in the UK may continue to rise from its current levels even though the recession has officially ended. Indeed, the indication is that long term unemployment is rising, with 631,000 people currently having been out of work for over 12 months (TUC, 2010).

One of the risks of recession is that the unemployed drift into long term joblessness which can be seen as one of the most persistent impacts of a recession. This occurred in previous recessions and it was this group of long term unemployed that proved very difficult to get back into work. The long term unemployed are far less attractive to employers and their skill and employability levels diminish over time. Long term unemployment also brings with it other social problems including poverty, homelessness, ill health, crime, drug and alcohol abuse and the impact on the wider household.

3.3 Sectoral Impacts

Since previous recessions there have been significant changes in the structure of employment in the UK with a decline in employment and manufacturing and an increase in service sector employment.

In common with previous recessions there has been a distinct sectoral pattern to jobs losses. The evidence suggests that although the crisis started in the finance sector, jobs losses have not been restricted to, or even concentrated in this sector but rather the main losses have been in the manufacturing and construction sectors. For example, analysis carried out by Jenkins and Leaker (2010) for the UK showed that for each quarter throughout the current recession there has been a fall in the number of workforce jobs in manufacturing; for construction there was very little change at the start of the recession and a small increase during the summer of 2008, however, since then there have been three consecutive falls in the number of construction jobs. They have also identified falls in the service sector in 'distribution, hotels and restaurants' with increases in 'public admin, education and health service'.

The construction industry has also had the highest rates of redundancy over the recession period (2008-09) and there have been large increases in redundancy for

manufacturing and finance and business services industries (Jenkins and Leaker, 2010).

Although the construction and manufacturing industries have been particularly hit by the recession it has been suggested that actions by employers such as short-time working have saved a number of jobs and prevented redundancies. For example, the CIPD states that in the manufacturing sector in particular the introduction of alternative to redundancy, such as pay freezes, pay cuts and short-time working and done much to lessen the number of job losses (CIPD, 2009a).

In June to September 2009 private sector employment grew for the first time since the first quarter of 2008, by 29,000; and the public sector saw a rise in employment of 23,000, mainly from new jobs in the NHS and other areas of health and social work (TUC, 2010). It has been stated elsewhere that the recent increases in public sector employment can be accounted for by employees of the RBS and Lloyds Banking Groups now being counted as part of the public rather than private sector workforce, following their government takeover in autumn 2008 (CIPD, 2009a)

Analysis of unemployment growth by Muriel and Sibieta (2009) showed that elementary occupations have been hardest hit with an increase in unemployment of nearly 5%; skilled trades and sales occupations have seen unemployment rise by 4%; however unemployment for managers and senior officials has increased by only 1% and white collar professional employment by only 0.7%. This is consistent with employers keeping on higher skilled workers in the expectation that they will be needed when any recovery takes place (so in a prolonged recession more such skilled workers and managers may become redundant).

Brinkley (2009) argues that the recoveries of the 1980s and 1990s were driven by increased employment in knowledge intensive jobs. Such jobs, they argue, are filled by those with technical and business skills, in contrast to the unskilled and manual workers who are currently losing their jobs. Furthermore they argue that future jobs growth will be in knowledge based industries such as advanced manufacturing, high tech and business services, and non-taxpayer funded education and health care services. This suggests that re-training and up skilling may be needed for those currently out of work.

3.4 Geographical Impact

The evidence suggests that previous recessions had a very uneven impact across the UK (Green and Owen, 2006) and it is becoming clear that the current recession is also having an uneven geographical impact. The Audit Commission (2009) reports that the recession is affecting each of the English regions differently with councils in

West Midlands, Yorkshire and Humberside reporting the most impacts while those in South West and Eastern regions report the least. Furthermore, evidence presented by the ONS (2009) suggests that the West Midlands has been the region hardest hit by the current recession, with high levels of redundancies combined with high unemployment, the larger fall in vacancies, and increased inactivity rates (suggesting that individuals are withdrawing from the labour market).

Tunstall (2009) states that far fewer communities have been affected by very high rates of unemployment seen at previous unemployment peaks 1985 and 1993, for example, she notes that in June 2009, only nine postcode sectors in England had JSA claim rates of 20 per cent or more, compared to nearly 250 in 1993 and nearly 400 in 1985. However, she does point out that unemployment is yet to peak for the current recession.

Initial signs suggest the economy in the South East is one of the most resistant to recession given its relatively strong performance in high value added sectors, though the recession is having a serious negative effect on business performance and employment (Cox et al., 2009).

3.5 International Comparisons

The section examines how the recession has impacted on areas outside of the UK. International comparisons of the recession show that there has been a wide range of experiences.

In the EU analysis carried out by the TUC (TUC, 2009a) shows that while the average employment rate in the European Union (EU-27) is 64.8% compared to 69.6% for the UK. The UK's drop in GDP to date has been greater than the EU and Euro zone averages.

With the exception of Germany, every country across the EU has seen unemployment rise since the start of 2008, with the greatest rises in Spain and Ireland (18.8% and 12.5% respectively) (TUC, 2009a). In Germany employment has actually increased during the recession and it is argued that this was helped by a number of agreements between employers, unions and government that promoted temporary working and shutdowns in reaction to falling demand (Oxford Economics, 2010).

The TUC report (TUC, 2009a) states that in comparison to other EU-27 countries the UK's performance can best be described as average and while youth unemployment rates have significantly increased they are still lower than many other EU countries. This is partly attributed to the UK's strong pre-recession labour market performance.

In comparison to the US, employment in the UK has fallen much less despite a bigger fall in GDP. The reaction in the US to the recession has been to cut jobs whereas in the UK employers have been more reluctant to let staff go. However, the consequence in the US of cutting jobs and overtime is that productivity has actually increased by 5% (Oxford Economics, 2010).

3.6 Summary

In general this recession has not, so far, resulted in the high level of job losses that was initially expected. This can partly be explained by employers implementing shorter working hours and pay freezes rather than resorting to making employees redundant. However, previous recessions strongly suggest that employment is a 'lagging indicator' and that job losses are likely to continue even when the economy starts to recover.

It has also been shown that while some of the roots of the recession may be in the financial sector, job losses have been in construction, manufacturing and retail, with the impact on the public sector yet to be felt.

Similar to previous recessions, the geographical impact of the recession has been uneven with the West Midlands particularly affected.

The following section examines in more detail how the recession has impacted on Northern Ireland overall.

4. THE EMPLOYMENT IMPACT OF THE RECESSION IN NORTHERN IRELAND

This section outlines the impact of the recession on employment, the sectoral impacts and the geographical impacts in Northern Ireland. The material presented draws on reviews of the literature, secondary data analysis and stakeholder interviews.

4.1 Impact on Employment

Northern Ireland has experienced, in the 15 years before the recession, a sustained period of economic growth resulting in increasing employment and declining unemployment. However, the Northern Ireland economy is now predicted to decline by between 2 and 3% in 2009 (DELNI, 2009) which is likely to have a significant impact on rates of employment and unemployment. In relation to other devolved administrations or regions of the UK it has been found that in the period April 2008 to September 2009 Northern Ireland has experienced the largest fall in employment rates of 4.2 percentage points (Jenkins and Leaker, 2010).

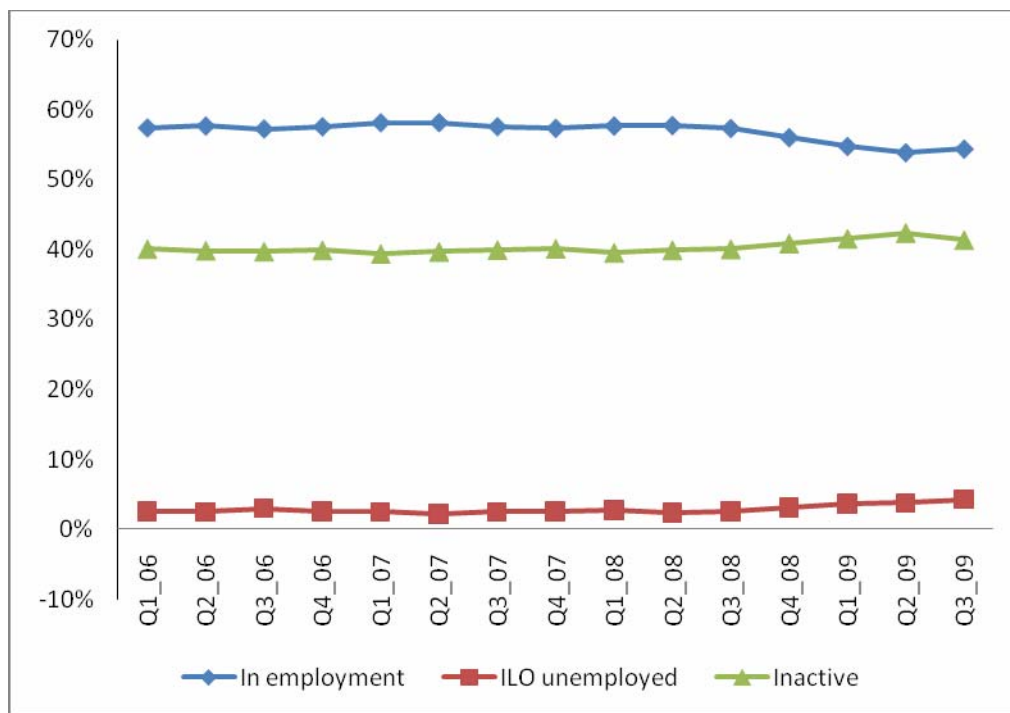
Figures from the LFS for October to December 2009 (DETINI, 2010a) indicate a slight increase in the employment rate to 67.3%, up 1.0 percentage points, but down 1.2 percentage point in the year, and Northern Ireland having a working age employment rate well below the UK average of 72.4% and lowest of the UK regions. The unemployment rate also saw a small decline of 1.0 percentage points over the quarter at 6.0%, but up 0.7 percentage points over the year. The unemployment rate for Northern Ireland was below the UK average of 7.8% and the annual increase in the unemployment rate of 0.7 percentage points was lower than the UK average increase of 1.4 percentage points. However, the seasonally adjusted claimant count rate in Northern Ireland of 6.4% was higher than the UK average rate of 5.0%.

The latest figures for May 2010 from DETINI (DETINI, 2010b) show that there were 3,444 confirmed redundancies over the year to 30th April 2010, a decrease of 19% compared to the same period in the previous year (4,269). Of these, 307 confirmed redundancies took place during the calendar month of April 2010 and 249 in the previous month of March 2010. This compares to 545 in April 2009 (one year before).

These figures show changes over the last year and indicate that levels of employment have been declining. For the purposes of this research we wanted to examine how employment, unemployment and inactivity had changed since before the recession. Using q3 (July to September) 2006 as the starting period immediately

before the recession, data from the LFS was used to look at changes in rates of employment, unemployment and inactivity in Northern Ireland from q3 2006 to q3 2009. Figure 4.1 shows that the percentage of those employed has decreased from 57.3% to 54.4% over this period; the percentage of those in unemployment has increased from 3.0% to 4.3%; and the percentage of those inactive has increased slightly from 40.1% to 41.5%. Although there has only been a small increase in inactivity over the period of the recession it should be noted that inactivity remains significantly higher in Northern Ireland than other regions of the UK.

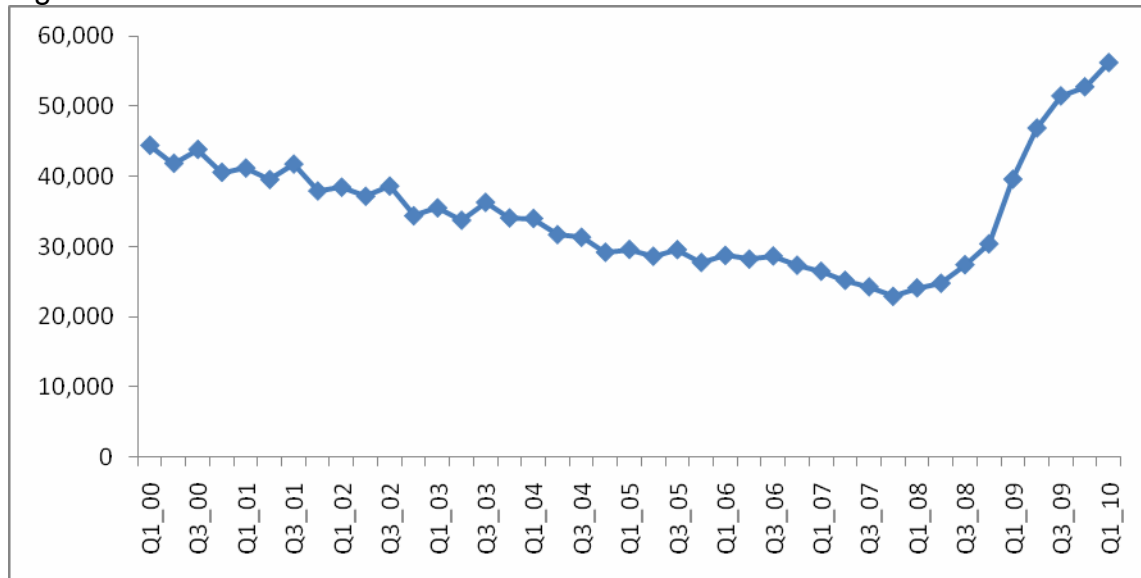
Figure 4.1 Employment, ILO Unemployment and Inactivity Rates in NI 2006-2009



Source: Labour Force Survey

As would be expected there has also been an increase in the claimant count unemployment alongside the increase in ILO unemployment. Figure 4.2 shows the fluctuations in claimant count over the last ten years with a downward trend from 44,400 in 2000 to a low of 22,413 in November 2007, since that time the claimant count has seen a general upward trend (with monthly variations) to 56,860 in January 2010.

Figure 4.2 Claimant Count in NI 2000-2010



Source: NOMIS

We were also interested on the impact of long term unemployment during the economic downturn. Concern has been raised in the literature and the stakeholder interviews, about the potential problem of long term unemployment particularly among young people due to the potential harm to future prospects and careers. In order to investigate this we compared the numbers of long term unemployed before the recession in January 2006 with the figures for January 2010 as outlined in table 4.1. The table shows that overall the numbers claiming for more than 12 months has almost doubled, and those claiming for more than 6 months has more than doubled. For different age groups those aged 24 and under have seen the largest proportionate increase indicating again the degree to which younger people have been affected by this recession and highlighting the potential risk there is from long term unemployment for this group. For those aged 25 and over, the largest increases are for those claiming over a year, while the increases for those claiming for over 18 months is far less and for those aged 25 and over claiming for over 2 years there has been a decline. This may be a reflection of the effects of a number of active employment strategies.

Table 4.1 Long Term Unemployment in NI 2006-2010

	January 2006	January 2010	Change 2006-10
Claiming for over 6 months	11,110	24,695	13,585
Claiming for over 12 months	5,950	10,900	4,950
Aged 24 and under, claiming for over 6 months	1,730	5,545	3,815
Aged 24 and under, claiming for over 12 months	295	1,350	1,055
Aged 25 and over, claiming for over 1 year	5,660	9,550	3,890
Aged 25 and over, claiming for over 18 months	3,315	3,770	455
Aged 25 and over, claiming for over 2 years	2,110	1,325	-785
Aged 50 and over, claiming for over 6 months	3,245	4,060	815

Source: NOMIS claimant count

Evidence gathered from the stakeholder interviews was that one of the main impacts of the increases in the number of unemployed has been an increase in demand for services and changes in the types of clients coming to job centres and other employment support services. Stakeholders reported that job centres were now having to deal with clients who were highly skilled, had long work experience and no experience of unemployment. This brought a new set of issues for advisors who now had to deal with clients who were highly skilled and had expectations about what kinds of jobs and pay they wanted. There have also been more 'stops and starts' when previously advisors were engaging mainly with the long term unemployed. Indeed, one of the issues reported as facing the newly unemployed was that many of them will not be able to return to the same type of employment, for the same level of wages, and will instead have to transfer their skills to areas of the labour market which may not command such high wages.

The increase in the number of unemployed was also seen as having an impact on the long term unemployed in terms of increased competition from those who are better qualified and have more recent work experience to offer employers. The impact of this has been to possibly put the long term unemployed at even more of a disadvantage in the labour market.

It was also reported that the increase in the number of unemployed has meant that there has been an increase in the number of people needing to access the benefits

systems who had never had to use these services before and who are not necessarily aware of what they are entitled to.

4.2 Sectoral Impacts

As outlined in previous sections, one key aspect of the recession has been the disproportionate impact on the construction and manufacturing sectors. This can also be illustrated from data from the Quarterly Employment Survey (QES). Table 4.2 below outlines changes in the three main sectors of manufacturing, construction and services. The figures clearly show that the biggest decline has been in construction and manufacturing.

Table 4.2 Employment in Key Sectors in NI 2006-2009

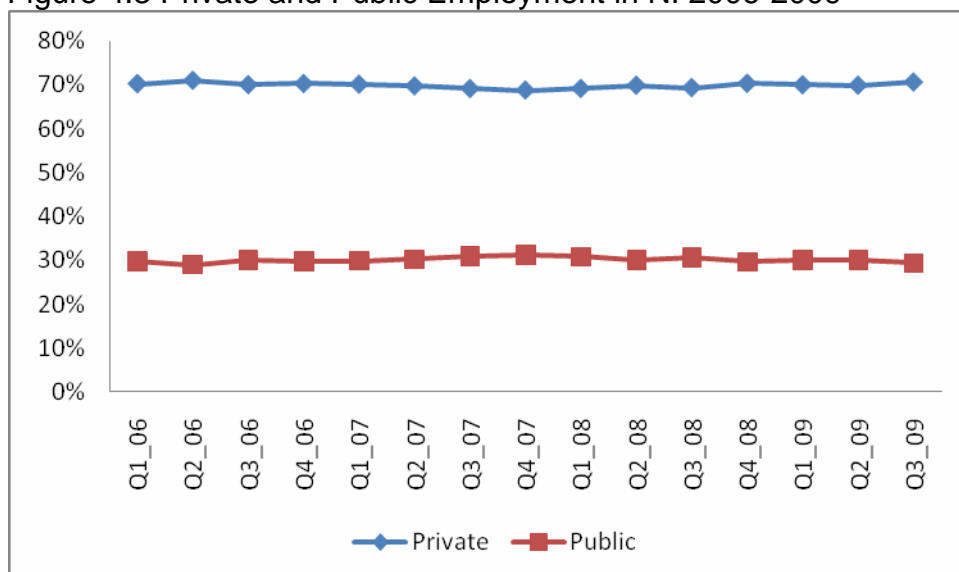
	2006	2009	% change
Manufacturing	83730	73720	-12%
Construction	41,800	34320	-17.9%
Services	559080	570000	+2%

Source: Quarterly Employment Survey

One key aspect of the employment composition in Northern Ireland is the reliance on public sector employment. This issue was picked up across the interviews and there was concern expressed by many organisations of Northern Ireland's reliance on public sector employment. In many ways Northern Ireland was seen as having being slightly shielded by the recession by a combination of the high number of public sector jobs and the fact that Northern Ireland had not experienced the same level of 'boom' as other areas of the UK. However, the potential for future job losses in this area was recognised by all organisations. Furthermore, reliance on the public sector for employment and the large number of SMEs was seen as affecting the number of employment opportunities available in Northern Ireland.

Figure 4.3 outlines changes in public sector employment. The figure demonstrates that there has been no significant changes over the period with public sector employment increasing very slightly from 31.1% to 31.7% and private sector employment decreasing from 68.9% to 68.3% in the period q3 2006 to q3 2009. It is likely that this may change with planned cuts in public spending.

Figure 4.3 Private and Public Employment in NI 2006-2009



Source: Quarterly Employment Survey

4.3 Impact for those in work

The impact of the recession has not only been in terms of redundancy and increased unemployment, it has also had an impact on those remaining in work in terms of cutbacks in hours, pay freezes and decline in training opportunities (CIPD, 2009b; Brinkley, 2009).

Impact on hours

It has been widely commented that one of the responses employers have taken to the recession has been to cut hours rather than staff. For example, the percentage reduction in the total number of hours being worked in the economy (-2.4%) exceeds the percentage fall in employment, indicating that as well as cutting jobs employers were placing more workers on short-time hours (CIPD, 2009b).

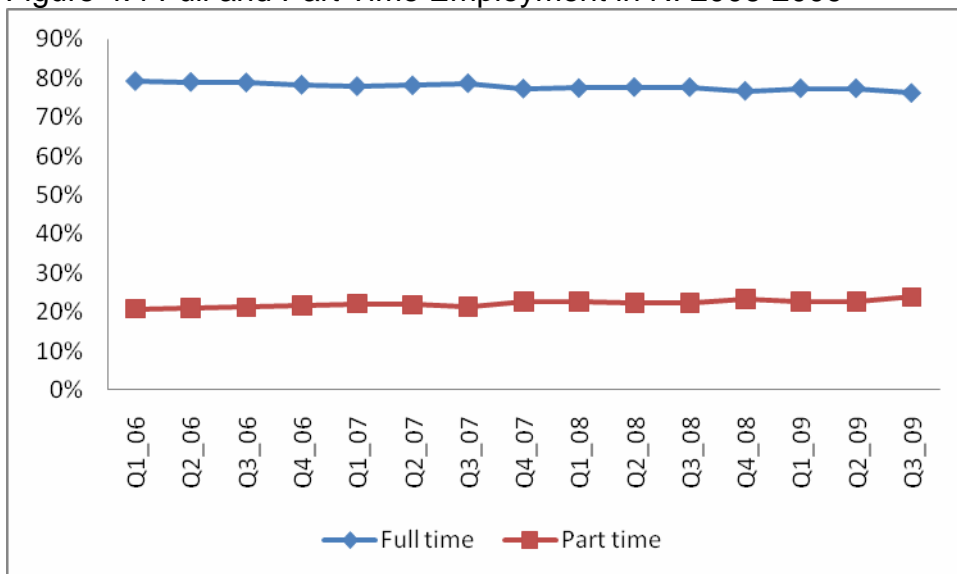
Analysis by the Institute for Public Policy Research⁶ (IPPR) (2010) reveals that the number of people working part-time, because they can't find full-time work, has

⁶ Available from <http://www.ippr.org.uk/pressreleases/?id=3994>

reached over 1 million - the highest number on record and a 45 per cent increase since the recession began. The IPPR argues that there is an estimated 2.8 million 'underemployed' people (based on the LFS definition of underemployment) who are unable to earn enough money or find secure employment.

In order to examine if there has been an increase in part-time working, we compared part-time and full-time workers for the period q3 2006 to q3 2009. In that period there has been a decrease in full-time employment from 78.8% to 76.1% and an increase in part-time employment from 21.2% to 23.9%, as illustrated in figure 4.4 (more analysis of part-time work by gender is included in section 5).

Figure 4.4 Full and Part Time Employment in NI 2006-2009



Source: Labour Force Survey

Table 4.3 below outlines changes in hours worked by employees in Northern Ireland. The figures show that the percentages working under ten hours and between 10 and 34 hours has increased slightly, while the percentages working 35-44 hours and more than 45 hours has declined, with those working more than 45 hours showing the larger decline.

Table 4.3 Employee Hours Worked in NI 2005-2009

	work under 10 hours	work 10-34 hours	work 35-44 hours	work more than 45 hours
Oct 2005-Sep 2006	2.1	23.2	51.9	22.9
Oct 2006-Sep 2007	2.3	23.8	51.9	22.0
Oct 2007-Sep 2008	2.3	24.9	50.8	22.0
Oct 2008-Sep 2009	2.8	25.0	51.8	20.3

Source: APS NOMIS

Impact on training

One of the impacts of the current recession for those in work may be a cut back in training provision. Such actions would have an obvious impact on the skills and progression of many workers. However, in the years since the previous recession there has been a much stronger focus and investment on workplace training and lifelong learning and Cox et al. (2009) argue that this might lead to a greater willingness for employers to retain training during the current recession.

A CIPD survey of 858 training and development professionals (CIPD, 2009b) found that in 32% of organisations there had been cuts to training budgets, particularly in larger organisations. However, it was also found that the majority of organisations still saw training as a priority, but there was less clarity about future budgets for training. Furthermore, evidence suggests that many employers in the South East have been able to maintain their levels of training investment and are confident for the time being that this will be maintained over the next 12 months (Cox et al., 2009). However, it should be noted that the South East has a far more buoyant economy than elsewhere in the UK and may well be better placed to continue investment in staff development during the economic downturn.

Table 4.4 outlines percentages of those in Northern Ireland who received job related training in the last four weeks in the period October 2005-September 2009 and shows that there has been a small decline in training and that this has been greatest among female workers. This gender difference could be explained by higher uptake overall in training by women (see CIPD, 2009b) generally, so they are more likely to be affected by any cutbacks in training and development.

Table 4.4 In-work Training in NI 2005-2009

Date	% of all who received job related training in last 4 wks - working age		
	Total	males	females
Oct 2005-Sep 2006	5.9	5.0	6.8
Oct 2006-Sep 2007	6.9	6.6	7.3
Oct 2007-Sep 2008	6.5	6.0	7.0
Oct 2008-Sep 2009	5.3	5.0	5.7

Source: NOMIS

Reductions in pay

It has been widely reported that one of the main responses of employers to the recession has been to cut pay or freeze wages in order to make savings and avoid making redundancies. Research published by the pay monitoring body Incomes Data Services ([IDS](#)) has shown that one impact of the recession on pay decisions in 2009 has been the growing incidence of pay freezes (0% pay settlements). In May 2009, the IDS Pay Report highlighted a significant increase in the proportion of company pay reviews that have resulted in pay freezes. IDS reported that, of 243 pay deals monitored so far in 2009, some 64 – or just over a quarter – were pay freezes, compared with only seven pay freezes reported in the whole of 2008. The incidence of pay freezes reportedly varied between economic sectors, with a number of pay freezes being implemented in sectors such as financial services, media, and air and road transport (IDS, 2009).

We looked at data from ASHE to see if this was the case in Northern Ireland. However, the data outlined in table 4.5 indicates that there has not been a decline in weekly gross pay over the period. However, it is difficult to tell from this data if pay freezes have been imposed as it would not show as a decline.

Table 4.5 Gross Weekly Pay in NI 2006-2009

	2006	2007	2008	2009
Male Full Time Workers	421.8	421.7	440.3	463.3
Male Part Time Workers	122.3	127.8	139.2	146.5
Female Full Time Workers	374.2	367.7	385.1	407.5
Female Part Time Workers	132.5	144.7	152.5	160.9
Full Time Workers	402.5	400.5	417.6	440.8
Part Time Workers	130.8	140.3	149.7	158.8

Source: Annual Survey of Hours and Earnings

4.4 Geographical Impact

We were also interested to see if there were any geographical impacts of the recession in Northern Ireland. Due to insufficient sample sizes we were unable to carry out any analysis below the level of Northern Ireland using the LFS. However, it was possible to examine differences in the claimant count rate (as measured by the resident population) for local authority districts in Northern Ireland. These data are presented in table 4.6 below and shows that in January 2010 those areas with the highest claimant count rates were Strabane (7.3%), Limavady (7.1%), Derry (7.3%) and Belfast (6.7%).

Table 4.6 Claimant Count by Local Authority 2006-2010

local authority	Jan-06	Jan-07	Jan-08	Jan-09	Jan-10	% point change
Antrim	1.9	1.7	1.5	2.8	3.9	2.0
Ards	2.1	2.1	1.7	2.7	3.7	1.6
Armagh	1.7	1.6	1.7	3	4.9	3.2
Ballymena	2.1	1.9	1.6	2.9	4	1.9
Ballymoney	2.2	1.9	2	3.8	5.1	2.9
Banbridge	1.3	1.2	1.1	2.4	3.5	2.2
Belfast	4.1	3.9	3.5	4.7	6.7	2.6
Carrickfergus	2.2	2	1.7	3	4.4	2.2
Castlereagh	1.5	1.2	1.1	1.8	3.1	1.6
Coleraine	3	2.7	2.4	4.2	5.4	2.4
Cookstown	1.9	1.7	1.4	3.5	5.1	3.2
Craigavon	2	1.9	1.8	3.5	5.1	3.1
Derry	5.2	4.6	4.1	5.7	7.3	2.1
Down	2.3	2	2	3.3	5	2.7
Dungannon	1.6	1.4	1.3	3.4	5.1	3.5
Fermanagh	2.7	2.4	2	3.4	4.5	1.8
Larne	2.2	2.1	1.7	3.1	4.8	2.6
Limavady	3.1	2.7	2.7	5.7	7.1	4.0
Lisburn	2.1	1.9	1.7	3	4.2	2.1
Magherafelt	1.4	1	1	3	4.4	3.0
Moyle	3.1	2.9	3	5	6.6	3.5
Newry and Mourne	2.4	2.1	1.9	3.5	5.8	3.4
Newtownabbey	2.1	2	1.6	2.6	4	1.9
North Down	1.8	1.8	1.6	2.3	3.4	1.6
Omagh	2.4	2.1	2	3.4	4.9	2.5
Strabane	4.8	4.6	4.2	5.8	7.3	2.5

Source: NOMIS Claimant Count

However, if percentage point change over the period January 2006 and January 2010 is considered, it is clear that that a number of areas have been particularly affected by the recession such as Limavady 4.0, Dungannon 3.5, Moyle 3.5, Newry & Mourne 3.4, Cookstown 3.2, Armagh 3.2, Craigavon 3.1 percentage points. Many of these areas are not those traditionally associated with high unemployment and demonstrate perhaps that 'new' areas are being impacted by the recession.

Changes in unemployment at the sub Belfast area were also examined, as illustrated in table 4.7. The figures indicate that while Belfast West has the highest overall rates of claimants, at both the beginning and end of the period, the other areas, particularly Belfast North, have also seen significant increases. It is interesting to note that Belfast West only began to experience significant increases from January

2009, before that time the claimant count had remained static, or declined slightly. This perhaps indicates that the recession took longer to have an impact in an area of already high unemployment.

Table 4.7 Claimant Count (%) Sub-Belfast Areas 2006-2010

	Jan-06	Jan-07	Jan-08	Jan-09	Jan-10	% point change
Belfast East	2.3	2.1	1.8	2.7	4.3	2.0
Belfast North	5.2	4.8	4.1	5.4	8	2.8
Belfast South	2.4	2.1	2.0	2.9	4.4	2.0
Belfast West	6.0	6.0	5.5	8.0	9.2	3.2

Source: Figures from DETINI

Interestingly, it was stated by a number of the stakeholders that unlike in previous recessions it was not the areas of highest unemployment that have been hit by this recession, but rather places not traditionally associated with deprivation such as south Belfast and Mid Ulster. It was indicated that this was related to the type of work that has initially been lost during the recession, and as the longer term impact of the economic downturn is felt it is likely that the more deprived areas will experience an impact. It was also stated by stakeholders that the impact on already deprived areas such as West Belfast has been less due to pre-existing high rates of unemployment or inactivity. Indeed Tunstall (2009) notes that in England many neighbourhoods with high unemployment have remained disadvantaged through growth and recession.

4.5 Summary

It is clear from the data analysis and the interview material that the recession has resulted in an overall decline in employment and increase in unemployment (and claimant count) and inactivity since the start of the recession in Northern Ireland. In common with the UK, the declines have been greatest in the construction, manufacturing and retail sectors. Although not yet an issue, there is strong concern about the impact of future spending cuts on the high level of public sector employment in Northern Ireland. There has also been a geographical impact with increases in the claimant count being highest in Limavady, Dungannon and Moyle.

The recession can also be seen to be impacting those in work with slight declines in hours worked and some evidence of cutbacks in in-work training. There is less evidence on cutbacks in wages, although longer term data would be needed to examine this measure.

The increase in unemployment has resulted in a greater demand for employment services, introducing a far more diverse range of job seekers many of whom are highly skilled, with many years of work experience. This has put an extra strain on services. In addition, the rise in the number of unemployed has resulted in increased competition for the long term unemployed who are now having to compete with the newly unemployed who are, in many cases, far more job ready.

The following section examines in more detail how the recession has impacted on the equality grounds in Northern Ireland.

5. IMPACTS OF RECESSION ON EQUALITY GROUNDS

It was initially imagined that the recession was going to be a 'middle class' recession partly because the financial crisis started with the financial sector, which would be in contrast to previous recessions where it was the low skilled and low educated that were most affected (Vaitilingham, 2009). However, the statistics show that this is not a middle class recession (Muriel and Sibieta, 2009) with over 80% of jobs lost being from manual, administrative and less skilled workers (Brinkley, 2009). Furthermore, Berthoud (2009) suggests that this recession will disproportionately impact on ethnic minority groups, young adults and those with poor educational qualifications.

Previous to the recession, the Statement on Key Inequalities in Northern Ireland (ECNI, 2007) identified a number of priority areas in relation to employment in Northern Ireland. Key priority areas identified were: community background (although progress has been made in this area); gender (under-representation of women in higher managerial posts; pay gap esp. for part-time workers; lone parent job exits); disabled people (low levels of labour market participation; low levels of qualification; access to transport; attitudes of employers); carers (those who care for older relatives and young children); those with dependents; travellers; sexual orientation; BME and migrant workers.

Recent literature on the impact of the recession indicates that there may be an impact across certain groups (although the evidence for some groups is limited). The following sections examine how the recession is impacting on different equality groups in Northern Ireland. Although the focus is on Northern Ireland, reference is also made to how the recession has impacted more widely on equality groups in the UK. While each of the equality groups is addressed separately it should be emphasised that there is considerable overlap between the groups. The following sections examine age, gender, disability, dependents, BME and migrant workers, marital status, sexual orientation and ex-offenders.

5.1 Age

One of the key features of the current recession is the differential impact across the age groups with younger people being far more affected than any other age group. Previous recessions have also reflected this trend with older and younger workers being disproportionately affected by job losses and long term unemployment. More generally there is a tendency for unemployment to be felt unevenly across age groups with the greatest impacts being found at the beginning or the end of working life. Arguably it is in these age groups that unemployment is likely to have the

greatest impact, harming future career and earning potential for young people and the possibility of pensioner poverty for older workers (Cox et al., 2009).

Certainly in the current recession the evidence points to a significant impact on the employment outcomes of younger age groups. At the UK level, in the period 2008 to 2009 younger workers have seen a fall in their employment rate of 3.9 percentage points and a rise in the ILO unemployment rate of 4.2 percentage points, which is more than double that of the population as a whole (DWP, 2009). Furthermore, recent research from IPPR (2010)⁷ indicates that overall youth unemployment currently stands at 18% of 16-24 year olds, the highest level in 15 years. Their research also found that among 16 to 24 year olds, unemployment is highest for those with no qualifications at 43%, an 11% increase since March 2008. They also found a gender dimension with young men fairsing worse in general than young women. Interestingly, they did find that worst hit across all age groups were young women with no qualifications with unemployment at 46%, an increase of nearly 18% since March 2008. This they argue reflects widespread job losses and lack of new openings in the retail, hotel and catering industries.

One of the main reasons that young people have been so affected by the current recession is that recruitment freezes by employers mean that that fewer young people are able to enter the job market (Oxford Economics, 2010) resulting in rising unemployment for younger age groups. In addition, young people are less likely to have the skills and work experience employers are looking for.

The declining opportunities for younger people may also partly explain the sharp rise in applications and admissions to universities and colleges⁸. In the period 2006 to 2009 Northern Ireland domiciled applicants increased from 17,297 to 17,864 - similar increases are shown for the UK.

One of the key risks to the younger age group is long-term unemployment which may have a long term impact on their working lives. Bell and Blanchflower (2009, 2010) considered the impact of long term unemployment on adults and found that people who had been unemployed in their youth had lower average life satisfaction

⁷ Available from <http://www.ippr.org.uk/pressreleases/?id=3846>.

⁸ Available from <http://news.bbc.co.uk/1/hi/education/1362951.stm>.

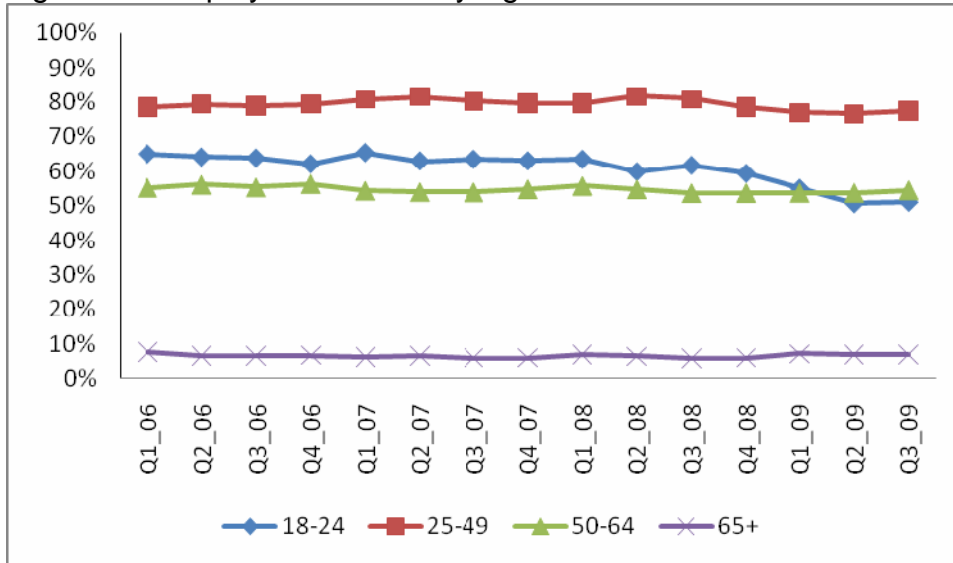
and lower wages, so suffering a long term 'scar' compared to other unemployed adults.

A recent report by Bennett (2010) outlines some of the recent features of youth unemployment in Northern Ireland. According to Bennett (2010) in the period July-September 2006 to 2009 the unemployment rate for 18-24 year olds has doubled from 9.9% to 20.4%; this is almost three times the overall unemployment rate and four times the rate for older workers; furthermore it is also above the UK average youth unemployment rate of 18.0%. Youth unemployment accounts for approximately 40.7% of total unemployment in Northern Ireland compared to just 30.3% in the UK overall. These figures indicate that youth unemployment may be a particular problem for Northern Ireland. Interestingly, Bennett (2010) points out that youth unemployment has been rising steadily since 2005, illustrating that youth unemployment is an ongoing problem in Northern Ireland, which she argues has been intensified by the recession.

In previous recessions it was older workers who experienced job losses with many employers using early retirement and redundancy to get rid of staff. The situation may now be different for older workers with changes in pension provision and fewer opportunities for early retirement. Furthermore changes to the benefits system also mean that eligibility to sickness benefits has been tightened which means that fewer older workers will be able to make the move to inactivity than in previous recessions. Many older workers in the previous recessions lost their jobs from manufacturing and heavy industries, whereas now they are more likely to be employed in the service sector. Indeed, the fall in employment rates for those aged 50 to 64 has been smaller than that of all other age groups (Jenkins and Leaker, 2010).

Data from the LFS was used to examine in more detail how the recession has impacted on employment by age group. The first three figures examine employment, unemployment and inactivity across age groups. Figure 5.1 outlines the changes in employment rates from 2006 to 2009. The graph shows that there has been a decline in employment across all age groups. For those aged 18-24 there was a decline from 63.8% in q3 2006 to 51.0% in q3 2009; for age 25-49 there was a decline from 78.9% to 77.4%. It is clear from these figures that the biggest declines in employment rates have been for the 18-24 age groups. It should also be noted from the graph that there was a slight increase in employment rates across age groups in q3 of 2009, whether this represents the start of an upward trend remains to be seen. It may also be that this increase in employment maybe from increases in part-time work (see TUC, 2010).

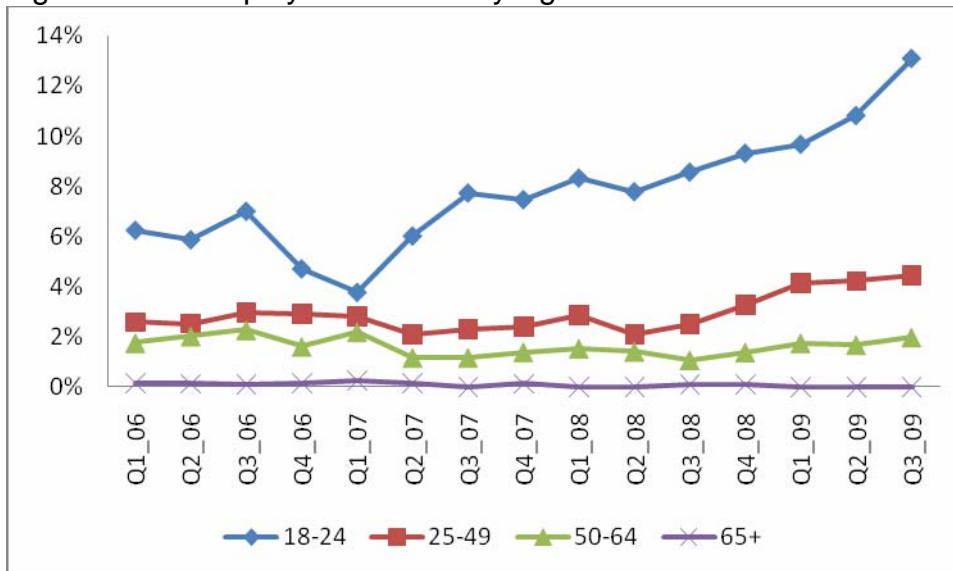
Figure 5.1 Employment Rates by Age in NI 2006-2009



Source: Labour Force Survey

For ILO unemployment in figure 5.2 there were variations across age groups. Between q3 2006 and q3 2009 unemployment for those aged 18-24 increased from 7.0% to 13.1%; for those age 25-49 it increased from 3.0% to 4.5%; and for those aged 50-64 it decreased from 2.3% to 2.0%.

Figure 5.2 Unemployment Rates by Age in NI 2006-2009

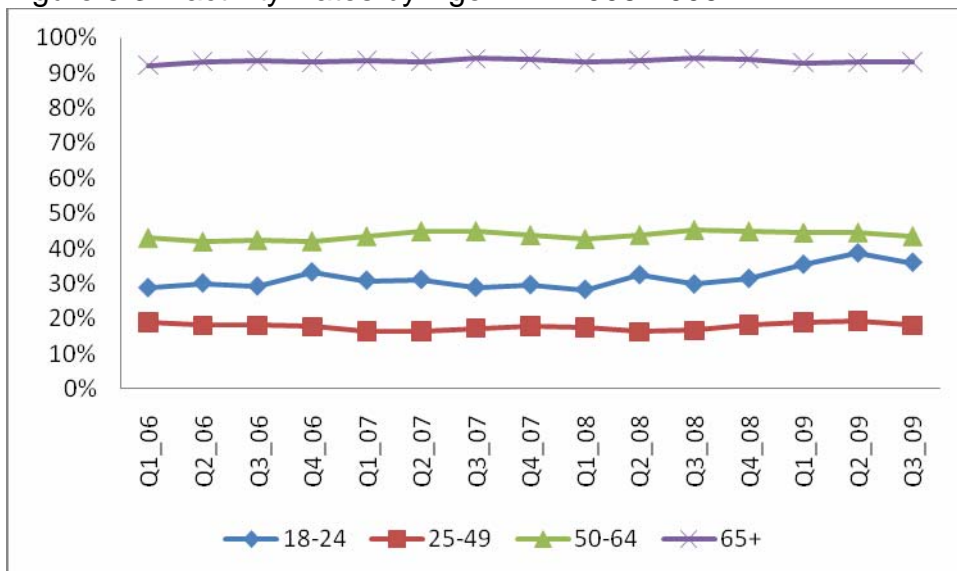


Source: Labour Force Survey

Inactivity across age groups is more stable, as illustrated in figure 5.3. The biggest increases in the period q3 2006 to q3 2009 are for 18-24 age group which increased from 29.01% to 35.9%; the 25-49 age group stayed at the same level 18.1% ; the 50-64 age group increased from 42.4% to 43.5%. However, it should be remember that Northern Ireland has pre-existing high levels of inactivity when compared to the rest of the UK.

Care must be taken with the change in inactivity level, particularly for young people. Among the 18-24 year olds a large majority of the inactive are actually students (and over 90% of those inactive 16-17 year olds are students). During the recession this percentage has grown greatly for the 18-24 year olds, due possibly to more people going into Higher or Further Education, but also some students who previously had a job may have lost it and so now are classified as inactive rather than employed.

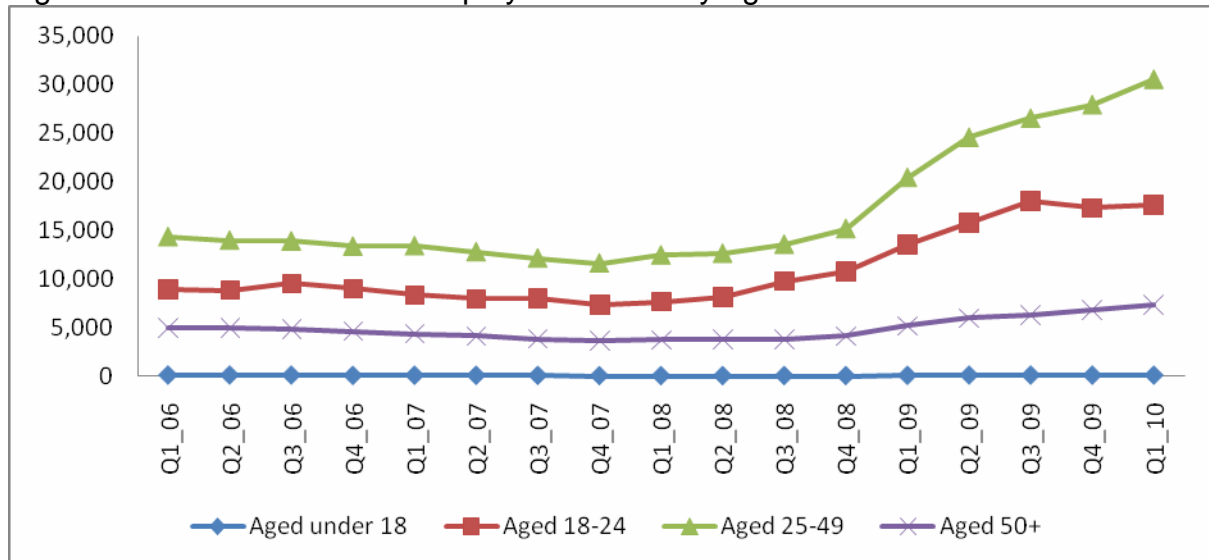
Figure 5.3 Inactivity Rates by Age in NI 2006-2009



Source: Labour Force Survey

We also examined differences in claimant count by age group in figure 5.4. All age groups saw an increase in the claimant count. From January 2006 to January 2010 the claimant count for those aged 18-24 almost doubled from 8,910 to 17,635; for the 25-49 age group it more than doubled from 14,355 to 30,545 and for the 50+ age group it rose from 5,020 to 7365.

Figure 5.4 Claimant count unemployment rates by age in NI 2006-2009



Source: NOMIS

Evidence from the stakeholder interviews was that young people were seen as one of the key groups affected by the recession, for some this was seen as part of an ongoing trend of young people being disadvantaged in the labour market that had been occurring since before the recession. For others the identification of young people as a vulnerable labour market group was a worrying trend that needed to be addressed. Indeed, across all organisations the possibility of young people falling into long periods of unemployment was seen as being potentially problematic particularly for their long term prospects in the labour market.

It has been made clear from the literature and the statistical analysis that the recession is having a significant impact on younger age groups, however, the interviews identified that the impact on older workers was also of concern. The vulnerable position of many older workers was highlighted, in particular the difficulties older people face in re-entering the labour market once they have become retired, discrimination from employers and the lack of flexible working for older people. Indeed previous recessions have shown that older workers have found it difficult to return to work following redundancy. It has been suggested that the lower level of job losses among older people is due to their improved employment protection (more likely to have been in job longer and not susceptible to 'last in, first out' conventions or possibly the greater cost of making a long standing employee redundant) but once they lose employment they face great difficulties in returning to work, whereas young people are more successful in returning to work (Hogarth et

al., 2009). It should be noted that the stakeholders indicated that legislative changes were seen as particularly important for older people in terms of increasing awareness of employment rights and being able to lever change with employers.

Evidence from the stakeholders was that one of the impacts of the current recession on older workers is increasing uncertainty about their employment and financial future. In particular there was concern among organisations in contact with older workers that once people in their 50s and 60s are unemployed many of them may not get back into work. It was also felt that in the long term the impact of the recession may be felt by older people and they may be a group that is affected coming out of the recession. One organisation reported that those over 65 were at particular risk of being made redundant as they have no legislative protection. There was also concern about future public sector cuts on older workers and services for older people.

A further area of concern for older workers was the impact of the recession on struggling small businesses, many of which it was stated are run by older people.

Although there is the potential for older workers to be adversely affected by the recession, the figures show that this has yet to be translated into unemployment or increased inactivity for this group. It may be that the shift to the service industry among older workers over the last 10 years have offered some protection, but again public sector cuts may yet to have an impact.

Summary

The analysis shows that it is young people that have experienced the greatest negative employment impacts as a result of recession as reflected in decreasing employment and increasing unemployment in the 18-24 age group. Inactivity has also increased for this age group, which may be due to more young people staying on in higher education or students who have lost employment (or not been as able to get jobs as in the past).

The negative impact of the recession on young people is seen as an area of particular concern, especially where it can lead on to long term unemployment.

Older workers have been less impacted by the current recession in Northern Ireland, often as they had previously left the labour market and so were already inactive. However, there was concern that the focus on young people might detract from the needs of older workers who were, for instance, below state pension age. For example, it is known that once older people move into unemployment they are far less likely to move back into work when compared to other age groups. It is

important then that the difficulties facing older people in the labour market are not forgotten in the context of the current recession.

5.2 Gender

Previous recessions have tended to have a greater impact on men than women. During the recession of the 1990s the employment rates of men were more adversely affected (DWP, 2009). This can partly be accounted for by the fact that in previous recessions the main job losses were in manufacturing and heavy industry, areas where traditionally women have been under represented. For example, the 1990 to 1993 recession affected the overall level of labour market participation of men and women in different ways. The employment rate for men dropped from 82.4 per cent at the beginning of 1990 to 75.2 per cent in the last quarter of 1993 while the drop in women's employment rate was less, from 66.9 per cent in the first quarter of 1990 to 65.2 per cent in the last quarter of 1993 (Low Pay Commission, 2006).

The initial indications are that women are less affected than men in the current recession. Indeed commentators in the US have coined the phrase 'mancession'⁹ in reference to the fact that men have borne the greatest impact of job losses. DWP research (DWP, 2009) using the LFS has shown that although over the period 2008-9 both men and women have been affected by the current recession, the decline in the male employment rate was 1.7% while there was a 0.8% point fall in female employment. Their research also showed that redundancy rates have almost doubled for men and women in the past year to 15.1 and 8.3 respectively in quarter 1 2009. Furthermore, recent analysis carried out by the TUC shows that October 2009 was the fourth consecutive month in which female employment increased while male employment continued to fall (TUC, 2009b).

Significant changes in women's presence in the labour market have occurred since the previous recession, such as greater rates of participation and higher levels of qualifications. The greater number of women in the labour market may suggest that they might be impacted by the current recession. However, the statistics do not indicate this to be the case. One factor that may have protected women so far is that they are more likely to be employed in public sector jobs which have yet to be

⁹ http://www.timesonline.co.uk/tol/news/world/us_and_americas/article6445913.ece

affected. However, it is likely that future jobs cuts in the public will impact on women. Also women are more likely to be working part time where their hours may be altered rather than leaving employment.

Although the figures suggest that women have not been affected as much by the current recession it does not mean that many women are not in a vulnerable position in the job market. For many women their experiences of employment are shaped by motherhood and other caring duties which will influence their ability to enter work (TUC, 2009b). In addition many women are concentrated in low paid and part time work and are more likely to be on temporary contracts; they are also less likely to be entitled to redundancy pay (see Rake, 2009). Furthermore, women from BME groups and young workers are over-represented among those in low paid temporary jobs. Women are also less likely to show up as unemployed in official statistics as they are less likely to register as unemployed if they have an employed partner or are a lone parent, or have not accrued sufficient contributions to make a claim for JSA. However, it is important to recognise that many of these factors only affect certain groups of women such as lone parents; the low skilled and those with no qualifications. Indeed, the Government Equalities Office (2010) makes the point that there is as much inequality between well paid and low paid women as there is between the well paid and the low paid overall.

The indication seems to be that in common with the rest of the UK the recession has had less of an impact on the employment rates of women in Northern Ireland. For example, figures show that for the period October to December the male unemployment rate was 7.7% compared to the female rate of 4.0% (DETINI, 2010b). However, this is not to say that particular groups of women will not be affected by the recession. The Statement on Key Inequalities noted that while labour market outcomes by gender have improved, occupational segregation remains an issue with women under represented in certain occupations and grades. In addition, a gender pay gap still exists (although this is narrowing) particularly for part time workers.

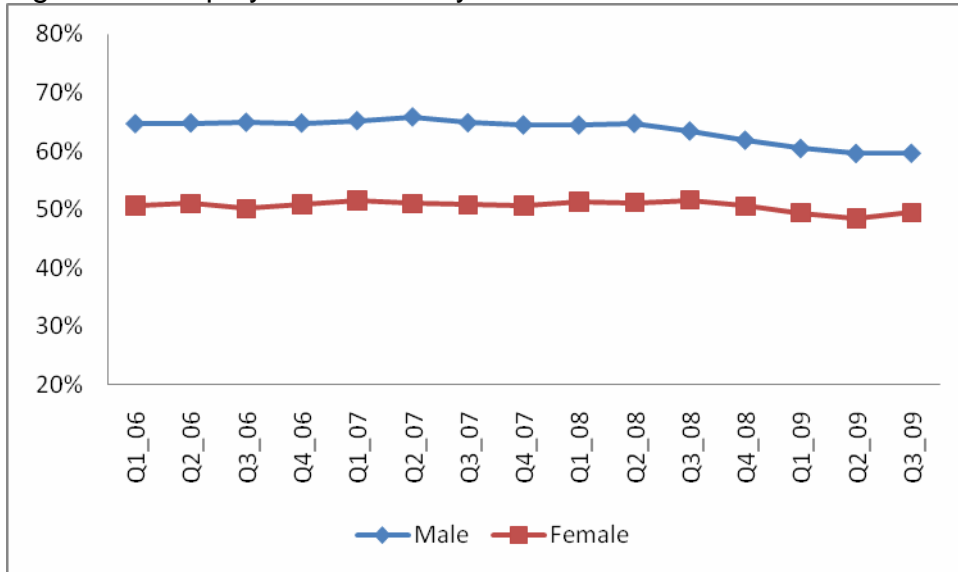
Women in Northern Ireland, up until the recession at least, have been experiencing historically high levels of employment, although the employment rate in Northern Ireland (62.2%) is lower than that in Great Britain (69.1%) (DETINI, 2009). The vast majority of women in Northern Ireland are employed in the service sector, accounting for 93% of all those employed.

In a recent issue of Gender Focus (2009)¹⁰, a new e-bulletin to brief MLAs and Ministers on issues affecting women and the women's sector in Northern Ireland produced by a women's lobby group in Northern Ireland, the issue of the invisibility of women in discussions of the current recession was raised. It was argued there that women are likely to be more affected by this recession than previous recessions because more women are now in employment; more women contribute to the household income; and the vast majority of lone parent households are headed by women; women are more likely to be in low paid and/or temporary jobs, have less savings and more likely to experience poverty. It is also argued in this bulletin that when the government implements systems of support and assistance for those who lose their jobs, that these supports are gender sensitive, recognising the differing needs of male and female workers in our society today.

The literature has indicated the current recession might be a male recession. Figures presented in figure 5.5 illustrate that this might be the case for Northern Ireland. In the period q3 2006 to q3 2009 the female employment rate fell from 50.1% to 49.5%, whereas male employment fell from 64.9% to 59.6%. When the working age population only is considered, then the employment rates of females and males are much closer at 63.9% and 68.8% respectively (which is unsurprising given the greater proportion of women who are post state pension age) and have also converged over the recession.

¹⁰ www.wrda.net/wrdanews/data/upimages/Gender_Focus_Newsletter_1.doc

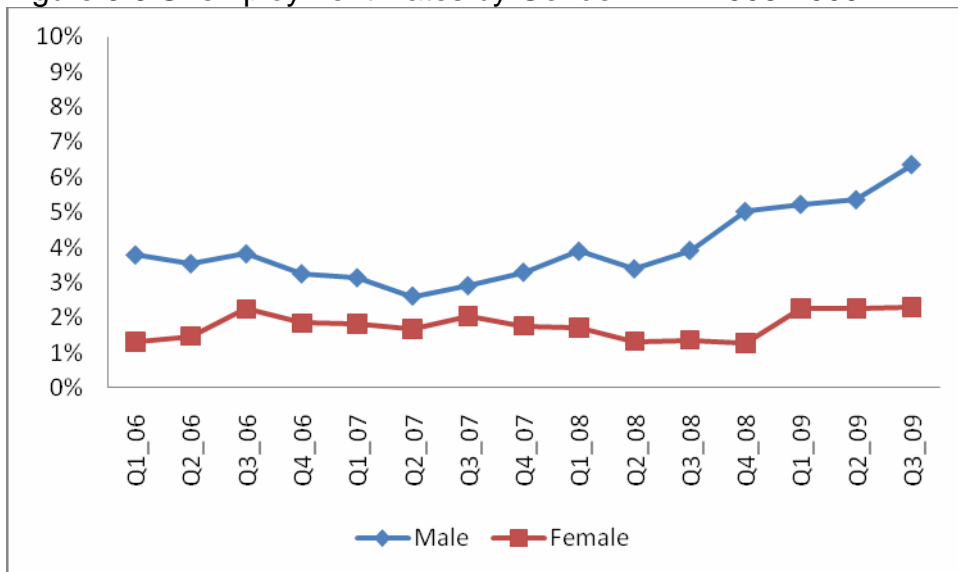
Figure 5.5 Employment Rates by Gender in NI 2006-2009



Source: Labour Force Survey

For unemployment (Figure 5.6) there have been increases for both groups. Female unemployment increased from 2.2% to 2.3% in the period q3 2006 to q3 2009; while in the same period male unemployment increased from 3.8% to 6.4%.

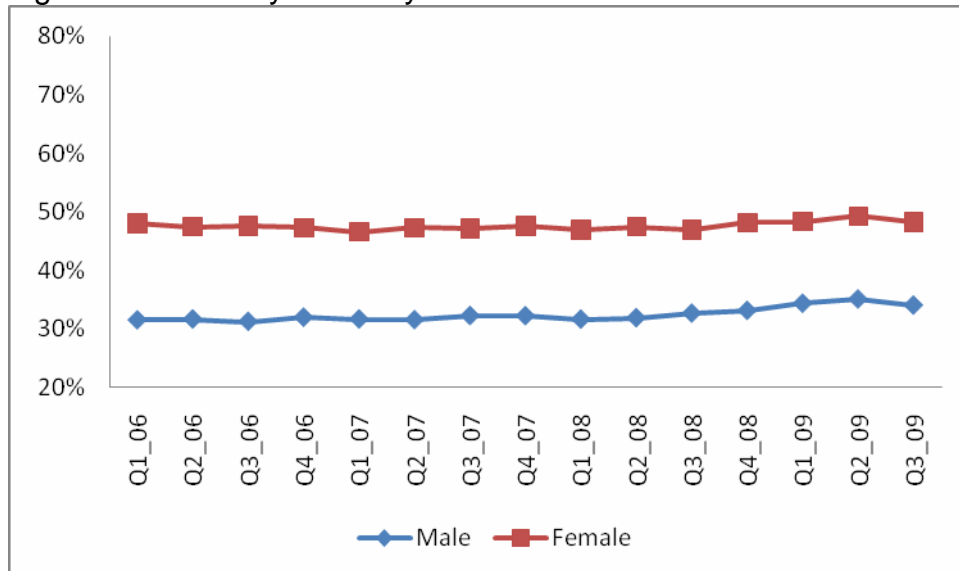
Figure 5.6 Unemployment Rates by Gender in NI 2006-2009



Source: Labour Force Survey

For inactivity (Figure 5.7) there were increases for both genders but again the greatest increase was for males. From q3 2006 to q3 2009 female inactivity increased from 47.6% to 48.2% and male inactivity increased from 31.3% to 34.0%.

Figure 5.7 Inactivity Rates by Gender in NI 2006-2009

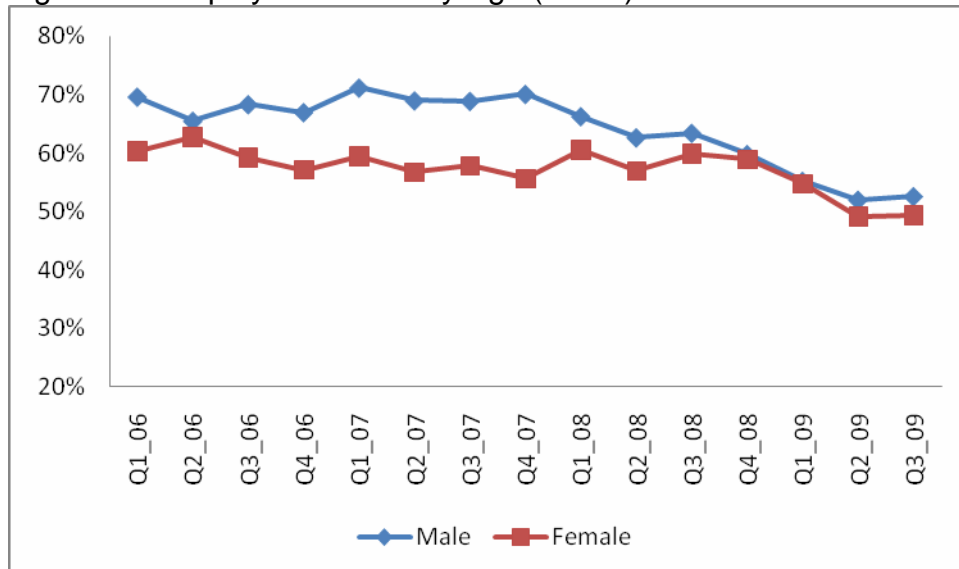


Source: Labour Force Survey

We also examined the interaction between age and gender to see, for example, if young men were being more affected than young women.

For the 18-24 age group (Figure 5.8) there was a decline in the employment rates for both genders in the period q3 2006 to q3 2009. The male employment rate declined from 68.3% to 52.6%; and for females it declined from 59.2% to 49.3%. Although both males and females saw declines of 15.7 and 9.9 percentage points respectively, the male decline is much sharper. As stated in the previous section, some of the decline in employment for this age group will be for students who are no longer working and are now classed as inactive.

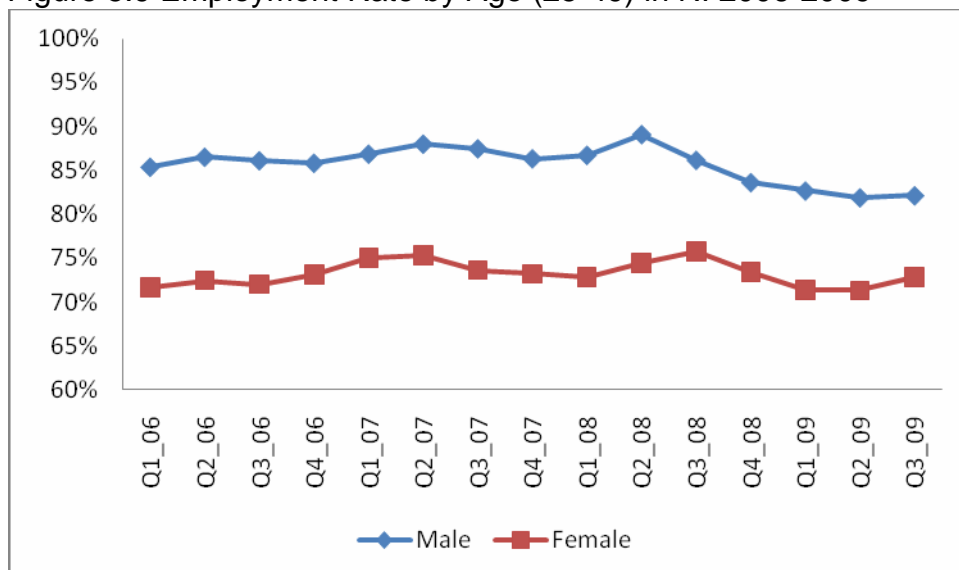
Figure 5.8 Employment Rate by Age (18-24) in NI 2006-2009



Source: Labour Force Survey

For the 25-49 age group, figure 5.9, male employment rates fell from 86.1% to 82.2% while the female employment rate increased from 71.6% to 72.0%.

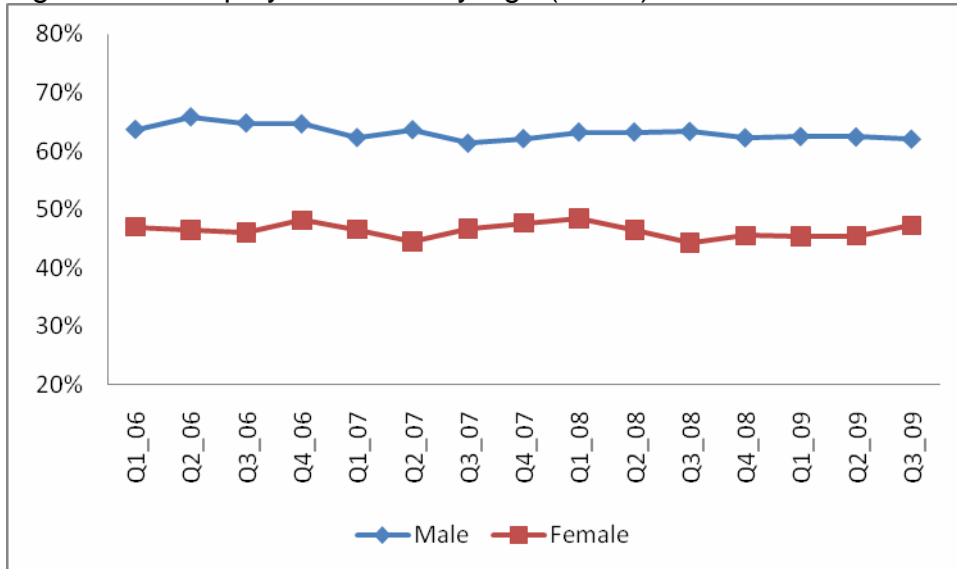
Figure 5.9 Employment Rate by Age (25-49) in NI 2006-2009



Source: Labour Force Survey

For the 50-64 age group, figure 5.10, male employment rates declined from 64.8% to 62.0% while there was a very slight increase in female employment rates from 46.1% to 47.3%.

Figure 5.10 Employment Rate by Age (50-64) in NI 2006-2009

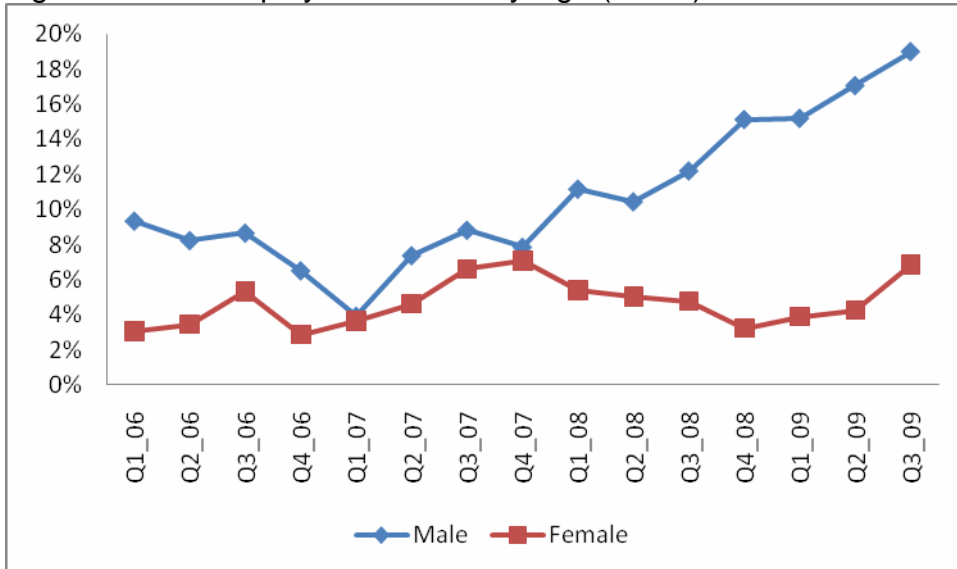


Source: Labour Force Survey

From these figures it is clear that males across all age groups are being more affected by the recession and this impact is greatest for men in the 18-24 age group. Female employment rates have by contrast increased in the main working age groups and for older workers; however it should be noted that in the 18-24 age group female employment rates have also seen a significant decline.

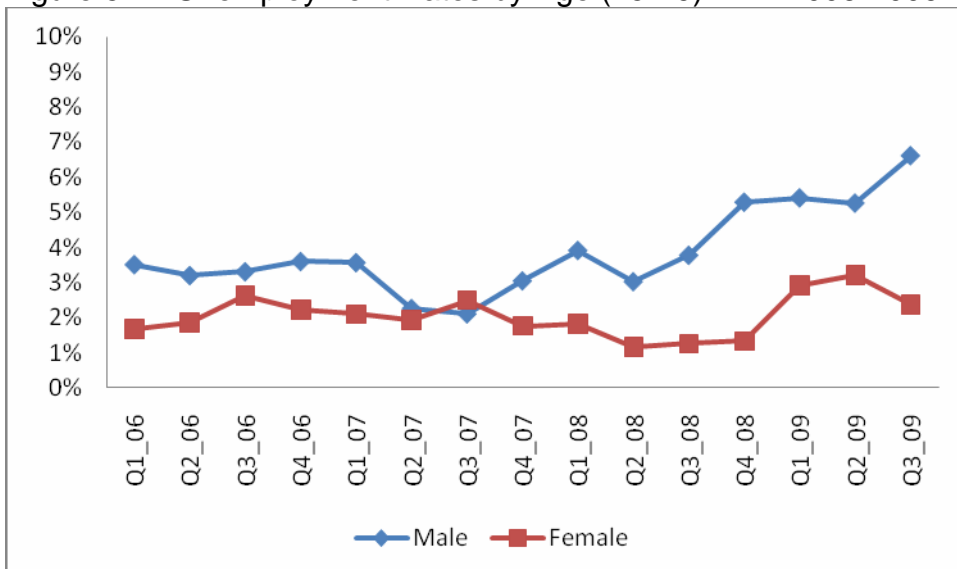
In terms of unemployment (figure 5.11 to 5.13) there has been rises for both genders, but again the rises have been greatest among men. For the 18-24 age group there has been an increase from 8.7% to 19.0% for men and an increase of 5.3% to 6.9% for women in the period q3 2006 to q3 2009; for the 25 to 49 age group there has been an increase from 3.3% to 6.6% for men and a decrease from 2.6% to 2.4% for women; and for the 50 to 64 age group there have only been small decrease in ILO unemployment from 3.5% to 2.8% for men and a slight increase from 1.1% to 1.2% for women. This shows that not only are young people more affected by unemployment but it is particularly young men.

Figure 5.11 Unemployment Rates by Age (18-24) in NI 2006-2009



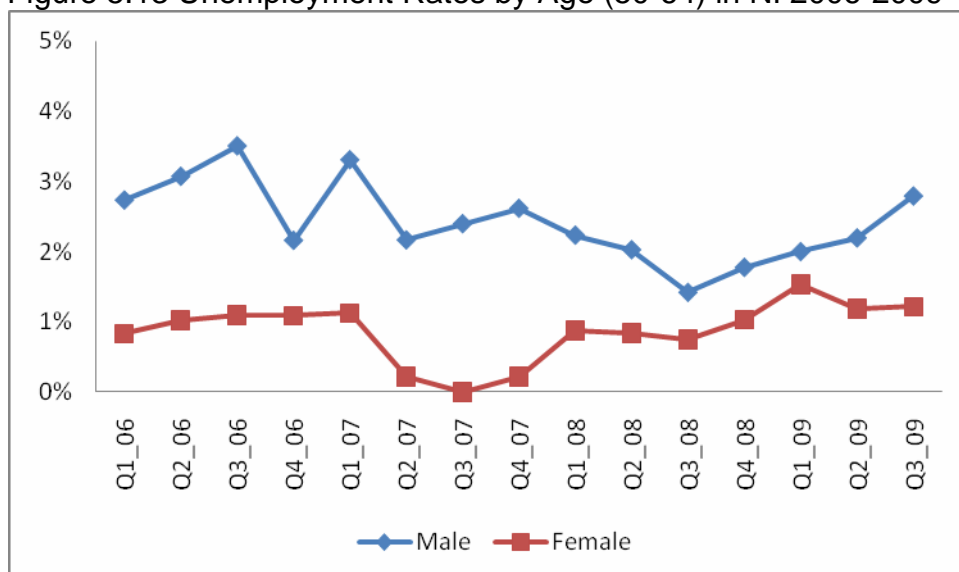
Source: Labour Force Survey

Figure 5.12 Unemployment Rates by Age (25-49) in NI 2006-2009



Source: Labour Force Survey

Figure 5.13 Unemployment Rates by Age (50-64) in NI 2006-2009



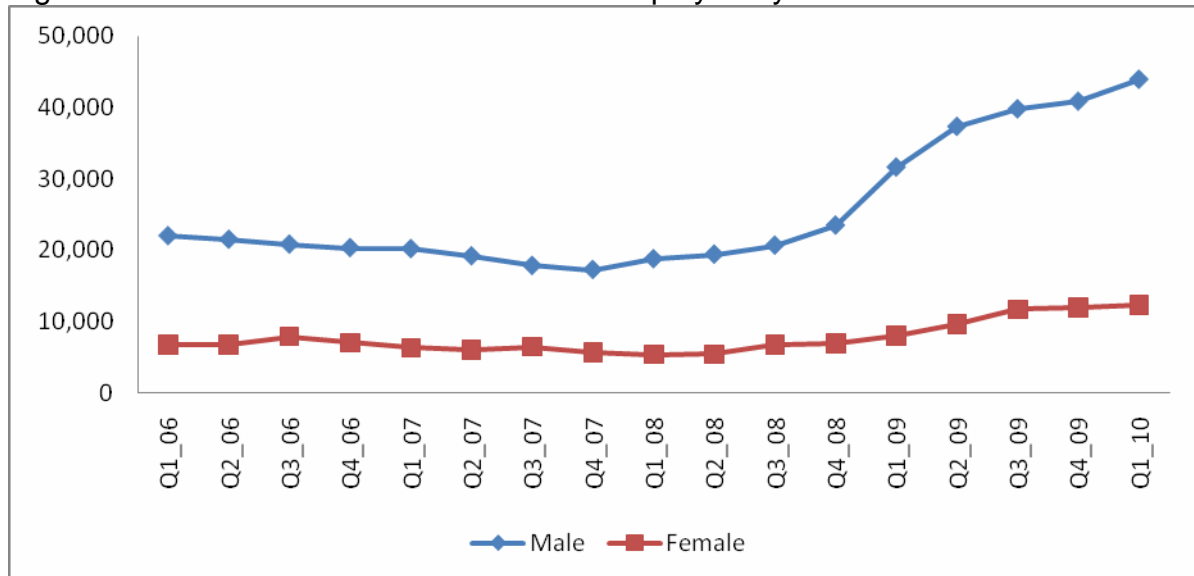
Source: Labour Force Survey

There have also been changes in inactivity across the age groups. Again the largest increases are in the 18-24 age group, where in the period q3 2006 to q3 2009 inactivity for men has increased from 23.0% to 28.4% and female inactivity has increased from 35.5% to 43.8%. These increases may represent increases in the young people staying on in higher or further education and the higher figure for females may represent the higher number of women entering higher education. In q1 2008, of the inactive 18-24 year olds, 77.4% of males and 64.0% females (69.5% total) were students. A year later the figures were 88.6%, 74.5% (and 80.5%) respectively. So there was an eleven percentage point increase in the share of the inactive in this age group who were students, for both genders.

The other age groups experienced smaller changes in inactivity with the rates for males age 25-49 increasing from 10.5% to 11.2% and the rates for females in the same age group actually decreasing from 25.3% to 24.7%. For the older age group of 50-64 year olds there were larger increases in inactivity, particularly among men: male inactivity increased from 31.7% to 35.2% and female inactivity decreased from 52.8% to 51.5%.

We also examined differences in the claimant count by gender, although it is recognised that women are less likely to show up in this measure. Figure 5.14 shows that the claimant count for males has increased from 21,960 to 43,865 between January 2006 and January 2010, while the number of female claimants has increased from 6,776 to 12,305 in the same period.

Figure 5.14 Number of Claimant Count Unemployed by Gender 2006-2010

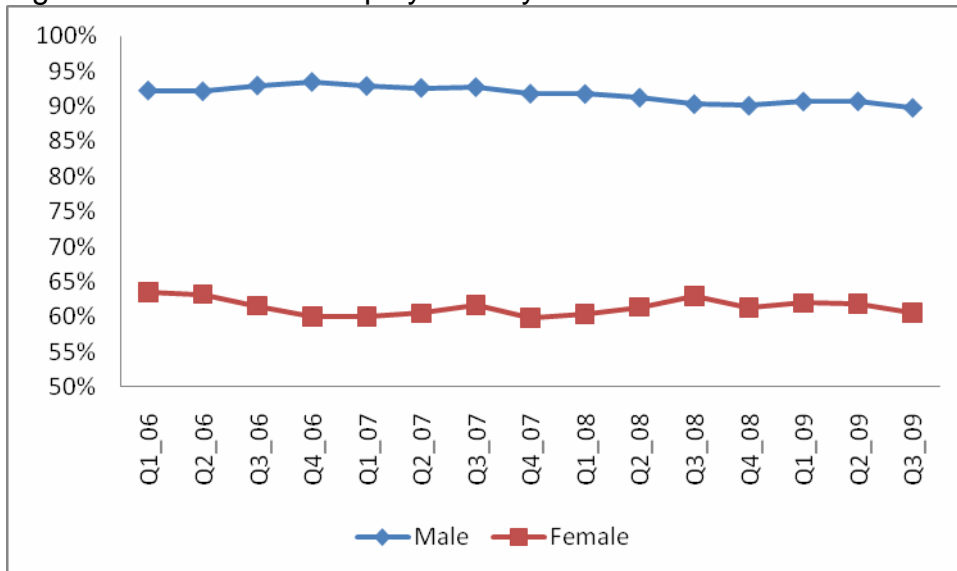


Source: NOMIS

We also examined the interaction between gender and part-time work as this is an important aspect of part time working with the majority of part time work being undertaken by women. For both genders (figure 5.15) full time employment has declined from 93.0% to 89.8% for men; and from 61.6% to 60.6% for women. At the same time part time work has increased (figure 5.16) for both genders from 7.0% to 10.2% for men; and from 8.4% to 39.4% for women.

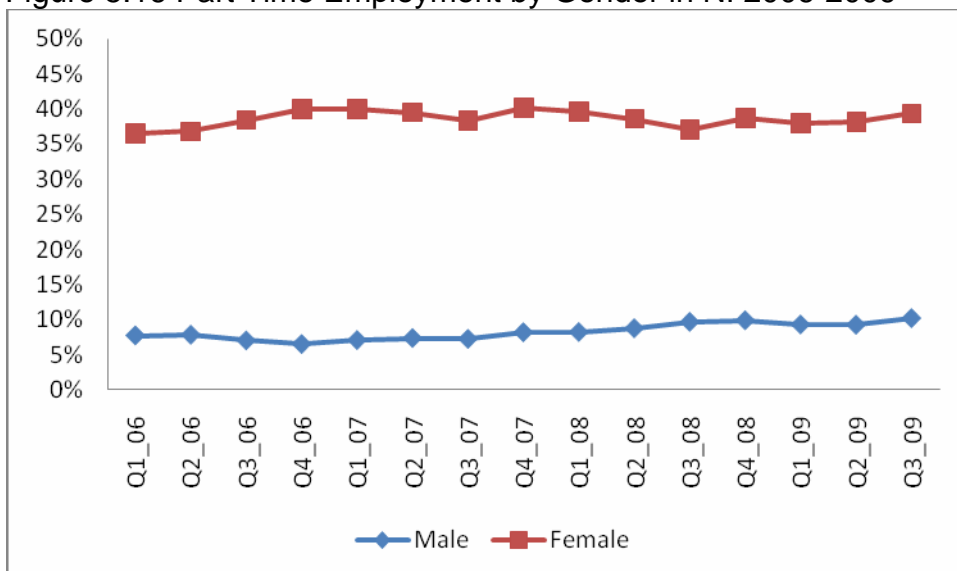
As the LFS uses a self definition of part time work we have also looked at the data from the Quarterly Employment Survey (QES – see Technical Annex 1). This shows that from q3 2006 to q3 2009 male full time employment as a share of all employment decreased from 82.4% to 80.5%, while part time employment has increased from 17.6% to 19.5%, indicating a slight shift to part time employment for men over time (note that there is a small revision for statistics before December 2007). For women full time employment and part time employment has remained static at 50.8% and 49.2% respectively (figure 5.17).

Figure 5.15 Full Time Employment by Gender in NI 2006-2009



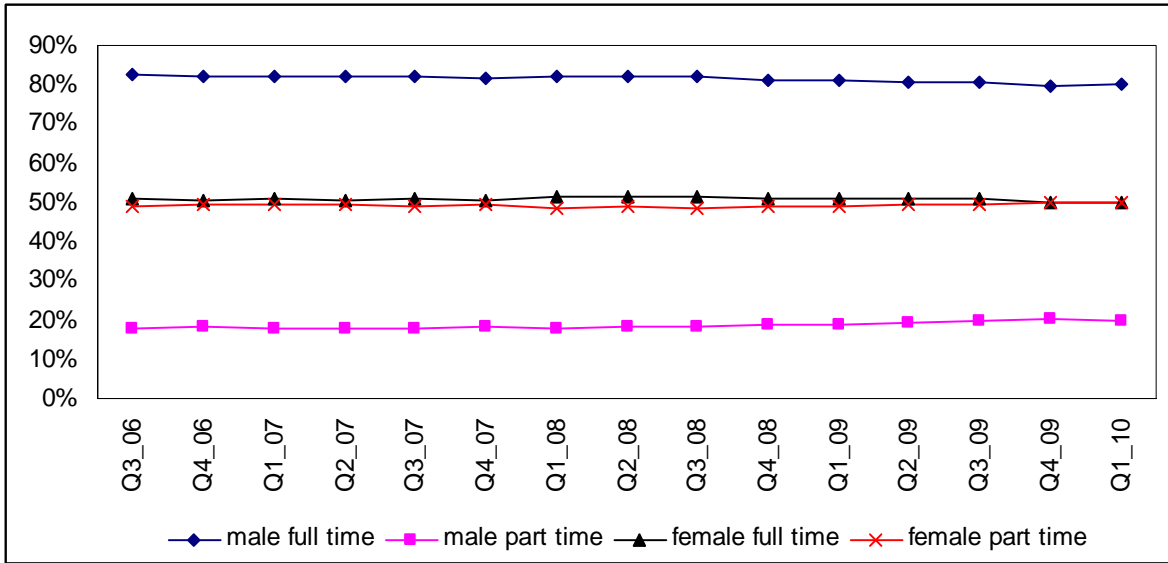
Source: Labour Force Survey

Figure 5.16 Part Time Employment by Gender in NI 2006-2009



Source: Labour Force Survey

Figure 5.17 Full and Part Time Employment Rates by Gender in NI 2006-2009



Source: Quarterly Employment Survey

The indication from the interviews with stakeholders was that the recession has had a greater impact on men with many redundancies and job losses in the construction and manufacturing sectors. The data analysis does suggest this as well and it was raised in many of the interviews that men have been more affected. However, many sub-groups of women were seen as being vulnerable such as lone parents (the vast majority of whom are women), BME groups and older women.

From the interviews it was clear that the employment of women in Northern Ireland in the last 10 years has been seen as a positive story with women increasing in employment, and the labour market in general becoming more open to women (although there are areas where women are still significantly under represented). However, occupational segregation was still seen as an issue with women having a far weaker presence in higher level and better paid positions. Legislative changes were seen as having a very positive impact on women in the labour market such as the right to request flexible working, the minimum wage, extended maternity provision.

It was felt that the impact of the recession on construction and manufacturing has been well published in the media but there has perhaps been less attention on the impact of declines in retail, hotel and catering, areas where higher proportions of women are employed.

The concentration of women in the public sector was seen as a potential issue in the future by stakeholders. Women are disproportionately concentrated in the public

sector and future cuts in this area may have a particular impact on women's employment. The public sector was also seen as an area where good practice in flexible working was demonstrated and may be at risk. It was also stated that cuts in the voluntary sector will impact disproportionately on women who account for the majority in that sector.

Summary

The impact on employment rates, ILO unemployment and the claimant count demonstrate that this recession has impacted more on men. Even when broken down by age groups the impact on men is greater. This in part can be related to the high number of job losses in the construction and manufacturing sectors which are male dominated industries. The unemployment figures for young men are a particular concern especially if these translate into long term unemployment. However, the figures do indicate that young women have also experienced a sharp increase in unemployment.

Although women's share of employment in Northern Ireland has increased substantially in recent years the recession has not had a direct impact in terms of jobs losses when compared to men. However, it should be noted that many women in Northern Ireland are in a vulnerable position in the jobs market in low paid, part-time employment and that their job losses do not always translate into the unemployment statistics. Furthermore, the concentration of women in the public sector and the voluntary sector may mean that public sector cuts may disproportionately impact on women.

5.3 Disability

The Disability Discrimination Act (DDA) 1995 came into force in 1996 and introduced measures aimed at ending discrimination in employment. Nonetheless, there is strong evidence to suggest that people with disabilities are disadvantaged in the labour market and have employment rates far below that of the non disabled population (although it should be noted that employment rates vary with type of disability). People with disabilities are more likely to be in part-time and low skilled employment, or self-employment. People with disabilities are also more likely to have no qualifications. For example, for those who report a 'work-limiting disability' and 'DDA' disability nearly half have no, or only low qualifications, which is twice the proportion of those with no disability and in addition their employment rates are less than half of those people who are not disabled (Government Equalities Office, 2010). However, it should be noted there has been considerable improvements in the

last ten years with employment rates of people with disabilities increasing from 41.2% in 2009 to 47.7% in 2009 (Stafford and Duffy, 2009).

Hogarth et al. (2009) state that there are a number of factors which make people with disabilities more vulnerable in an economic downturn: they tend to be concentrated in low skilled and low wage jobs which are vulnerable in a downturn; disabled workers tend to be older (older people have been impacted more in previous recessions); employers tend to regard disabled workers as being less productive. However, as Hogarth et al. (2009) note, since the last recession the DDA has been introduced which has brought significant protection to people with disabilities in employment. In previous recessions large numbers of people were moved from unemployment benefits on to disability benefits. Changes in benefits entitlement such as the introduction of the welfare reform bill mean that this is unlikely to happen in this recession. However, as discussed below, those with a work limiting disability who are not DDA registered appear to have been most affected by the recession so far.

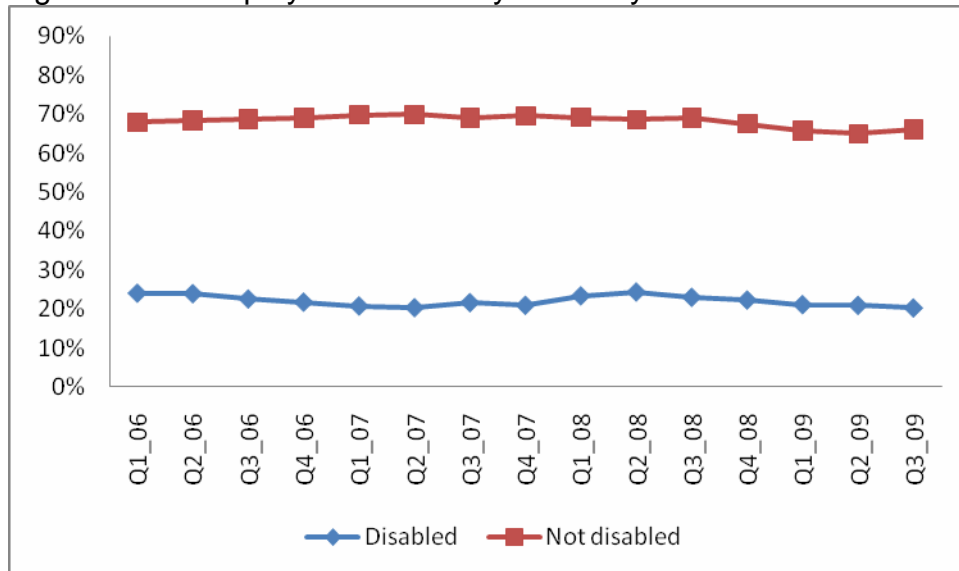
One review noted that there had only been a very small decline in employment rates among disabled people of working age to April 2009, much smaller than the decline in employment among the overall population of Great Britain, suggesting the recession had (at that point) limited impact (Government Equalities Office, 2009, : 18). Hogarth et al. (2009) also state that there is not a great deal of evidence to suggest that people with disabilities are experiencing a disproportionately negative outcome, although unemployment remains higher within the disabled population.

Sources of data on people with disabilities in Northern Ireland, such as the Northern Ireland Survey of Activity Limitation and Disability, shows that, in 2006/07, 18% of all people living in private households in Northern Ireland have some degree of disability (the prevalence rate for adults was 21% and 6% for children).

Data from the LFS were used to examine the employment impact of the recession on people with disabilities. The LFS uses the DDA definition of disability which defines as disabled a person with a physical or mental impairment which has a substantial and long term adverse affect on their ability to carry out normal day-to-day activities. Disability is also self-reported in the LFS in response to a question which asks a person if they have a work limiting disability or are disabled according to the DDA. Hence the LFS provides data on those classified as: DDA only (a very small group); DAA plus a work limiting disability; having a (self reported) work limiting disability only; and those with no (work related) disability (see Figure 5.18b).

Figure 5.18a compares the employment rates of those who are disabled and are not disabled. It should be borne in mind that many do not declare themselves as being disabled when they have a disability. Over the period q3 2006 to q3 2009 there was a very slight decline in the employment rate of the disabled from 22.6% to 20.3% (if only those of working age are considered then the figures fall from 34.8% to 30.6%).

Figure 5.18a Employment Rates by Disability in NI 2006-2009



Source: Labour Force Survey

It is worth unpacking the disabled category to provide some additional insights. Figure 5.18b compares the employment rates of the different sub-categories of disabled. Not-disabled employment rates fell slightly around 2008-2009. DDA only (a very small group) employment rates moved slightly just above 10%¹¹; DAA plus a work limiting disability rates rose in early 2008 then fell slightly, but overall were fairly constant; having a (self reported) work limiting disability only showed a fall throughout the period but a particularly sharp fall at the end of 2008¹²; and those with no (work related) disability (see Figure 5.18b). So while those classified as DDA do not appear to have been particularly affected by the recession, in terms of employment rates, those who have a work limiting disability (but not DDA) appear to

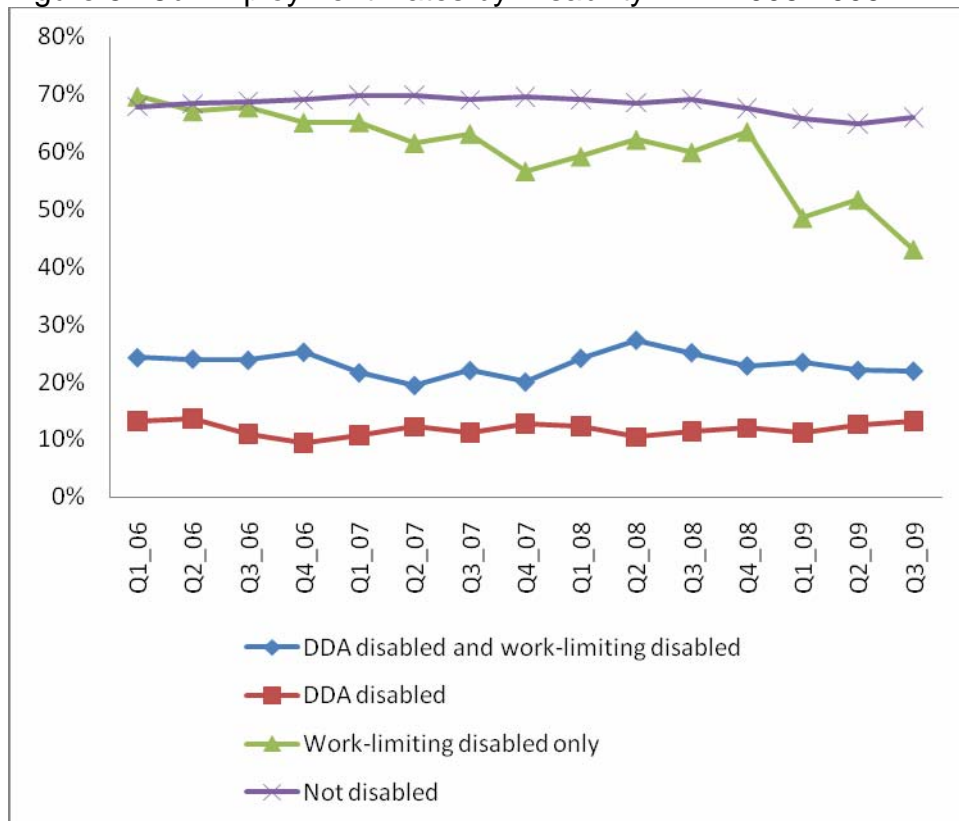
¹¹ The sample sizes are very small and so some of the movement may be due to sampling issues

¹² Care must be taken as sample sizes are fairly small

have been affected adversely. When the absolute numbers are considered then it may be that after q1 2008 the numbers of work limiting disability (but not DDA) fell considerably and from q3 2006 to q3 2009 employment numbers fell by 36.4%. However, the sample numbers are quite small, policies may have influenced people's classification and some of these work limiting disability people may have moved on to being DDA registered or inactive, so further research is required.

It should be noted that when only the working age population is considered rather than the 16+ population (graphs are available for the working age population), then the employment rate of DDA disabled remains similar to that of not disabled people (around 80% of the working aged group – the higher percentage is because many of the DDA people are post state pension age) and has not been affected appreciably by the recession; the DDA plus work limiting disability remains fairly constant at just above 20%; and the work limiting disability (but not DDA) rate falls during 2006 and particularly since late 2008.

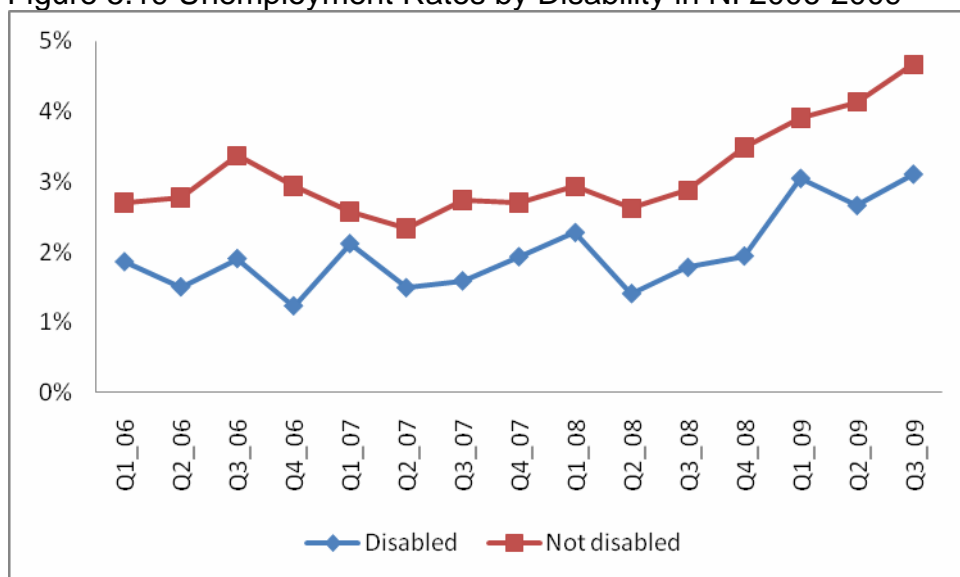
Figure 5.18b Employment Rates by Disability in NI 2006-2009



Source: Labour Force Survey

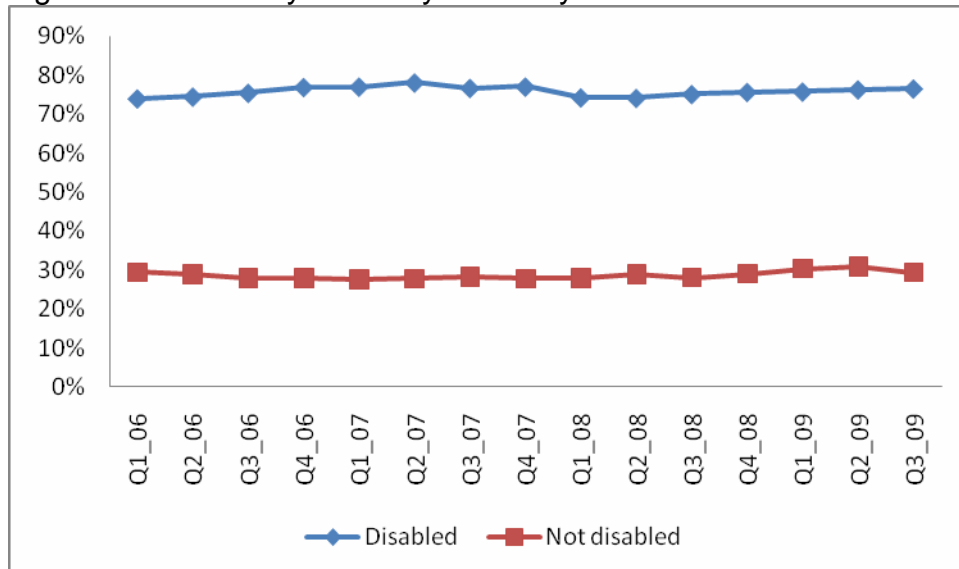
The unemployment rate for those with a disability (Figure 5.19) was generally similar to that of those without a disability, although it was somewhat more volatile (perhaps due to the effects of a smaller sample size leading to larger sample errors each month). There was however a larger increase in unemployment from 1.9% to 3.1% (figure 5.19) (or 3.0% to 5.0% for those of working age, which is slightly lower than the rates for non-disabled (3.9% and 5.4% respectively)). The increase in unemployment might also represent a movement of people from IB/ESA to JSA, in addition to those leaving work. The rate of inactivity increased from 75.5% to 76.6% (if only those of working age are considered the rate rose from 62.2% to 64.4%) (Figure 5.20).

Figure 5.19 Unemployment Rates by Disability in NI 2006-2009



Source: Labour Force Survey

Figure 5.20 Inactivity Rates by Disability in NI 2006-2009



Source: Labour Force Survey

Evidence from the interviews was that the recession may be having an impact on people with disabilities. It was also clear from the interviews that people with disabilities were already disadvantaged in the labour market with significant barriers including attitudes of employers, fewer qualifications and access to transport. The recent NISRA survey (NISRA, 2007) indicates an over representation of people with disabilities in entry level jobs and an under representation in higher level and professional jobs.

When asked about changes in the employment of people with disabilities over the last ten years there was a perception among stakeholders that progress had been made and people with disabilities were moving into employment, there was also increased flexibility and more engagement from employers. Clearly important progress has been made in this area, although the employment of people with disabilities remains far below the rest of the population.

Stakeholders had differing perspectives on the impact of the recession on people with disabilities. Some organisations did not see the recession as having an impact on people with disabilities yet. However one organisation was starting to see an impact from the recession where it was becoming increasingly difficult to get people with disabilities into work placements, leading to less employment outcomes. This was related to recruitment freezes and cutbacks by employers rather than any form of discrimination. An impact was also seen on those in work, particularly where employers were demanding increased flexibility from their workforce, but some people with disabilities may be limited in the roles they can do and thus feel under

increased pressure both from their employer and work colleagues. It should be emphasised that people were not moving out of work for that reason but were feeling under increased pressure whilst in work. It was also reported that there was an increase in the number of queries from people with disabilities in work who are worried about their sickness record.

The main concern with the employment of people with disabilities was that the recession might mean the loss of the gains that had been made:

“we are at risk of losing some of the gains that have been made over the last ten years”

As with all the equality grounds, legislative changes were seen as having a positive impact on the employment of people with disabilities with more people asking for reasonable adjustments to be made. The DDA was seen as useful in challenging unfair dismissal and redundancies and increasing people’s awareness of their rights. However, it was stated that there is still a strong resistance among many to declare a disability, especially in the case of mental health.

Summary

It has been well established that people with disabilities face a number of disadvantages in the labour market and that their employment rates remain well below that of the rest of the population.

The indication is that the recession is not yet having a significant impact on people with disabilities but there were areas of concern developing. For Northern Ireland there has been a slight decline in employment rates, a higher increase in unemployment and a slight decline in rates of inactivity. Although moves out of work are a likely explanation, moves from IB to JSA should not also be discounted for this group.

It was generally felt from the interviews that progress has been made for people with disabilities in terms of employment outcomes and from legislative changes. Concern was raised about declining job placements for people with disabilities and increasing feelings of insecurity at work. Clearly these are issues that need to be addressed.

5.4 Dependents

Lone parents are those un-partnered persons of working age caring for a dependent child. The majority of lone parents are female. Demographic and social changes mean that there are more lone parents than in previous recessions and the percentage of families headed by a lone mother has tripled over the last 30 years.

The growth of lone parents in the 1970s and 1980s was due to increases in divorce and separation, but since then the increases have been due to the increase in births outside of marriage (Stafford and Duffy, 2009).

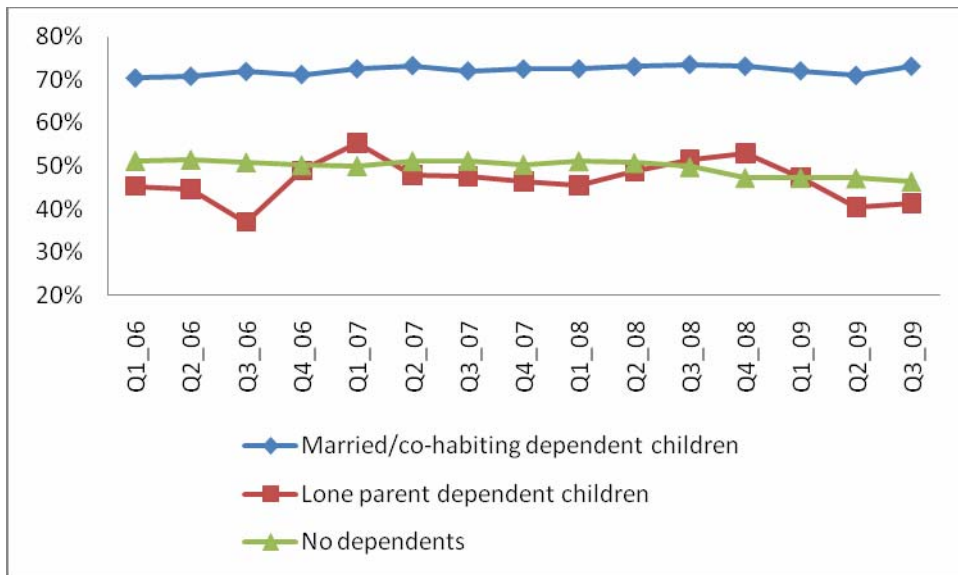
It should also be noted that those who have a weaker attachment to the labour market and families less dependent on the labour market for their income, such as lone parent, are less likely to be affected by periods of recession (Muriel and Sibietta, 2009).

In Northern Ireland it is estimated that there are nearly 92,000 lone parents with 150,000 children in Northern Ireland (Spence, 2005). It is estimated that the proportion of one parent families has tripled in Northern Ireland between 1972 and 1998 (Gray and Carragher, 2008). Figures from the Continuous Household Survey (2006)¹³ indicated that 9% of households in Northern Ireland were lone parents with dependent children which is more than double the 4% figure of 1983. Gray and Carragher (2008) note that many of the problems faced by lone parents in Northern Ireland are structural such as lacking skills, qualifications or recent employment experience; lack of affordable quality childcare; and the low pay positions that many lone parents have to take.

For our analysis we compared married/co-habiting with dependent children; lone parents; and those with no children. In terms of employment in the period q3 2006 to q3 2009 there was an increase in the employment rate of those married with children from 71.9% to 73.1%; those with no dependents saw a decline from 50.9% to 46.5%; and lone parents employment rate increased from 37.0% to 41.3%, as illustrated in figure 5.21. However, as many people beyond the state retirement age have no dependants, the figures are somewhat different for the working age population. When the working age population only is considered, then the employment rates for married/co-habiting with dependent children and for lone parents hardly change, but those with no dependents saw a decline from 72.7% to 65.9%.

¹³ Available from <http://www.csu.nisra.gov.uk/survey.asp132.htm>

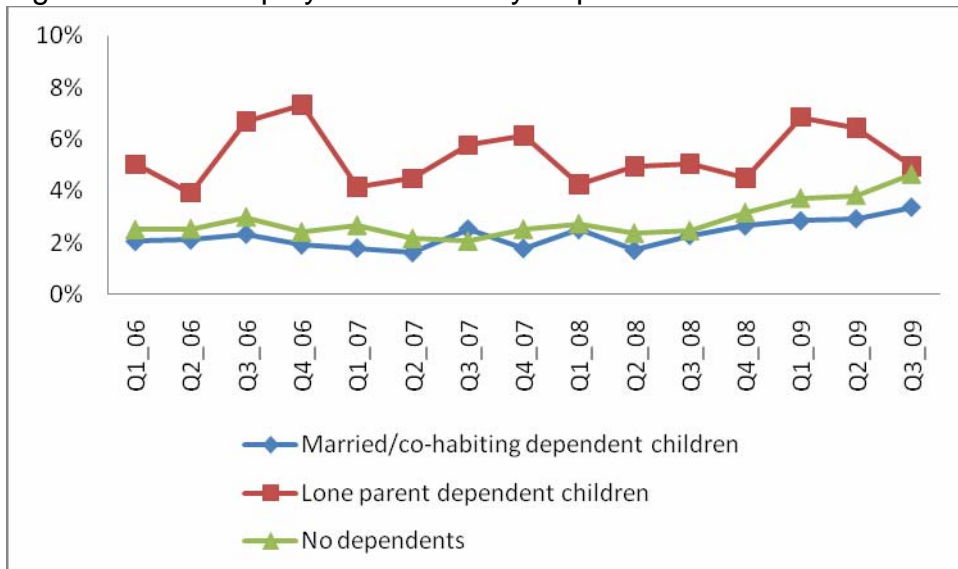
Figure 5.21 Employment Rates by Dependent Children in Northern Ireland 2006-2009



Source: Labour Force Survey

Unemployment (figure 5.22) rose across most groups in the period q3 2006 to q3 2009. Those married with children rose from 2.3% to 3.4%; those with no dependent rose from 3.0% to 4.6% (or 4.5% to 6.9% for the working age population, the other two groups showing no change between 16+ population and the working age population); however, lone parents' unemployment declined slightly from 6.7% to 4.9%.

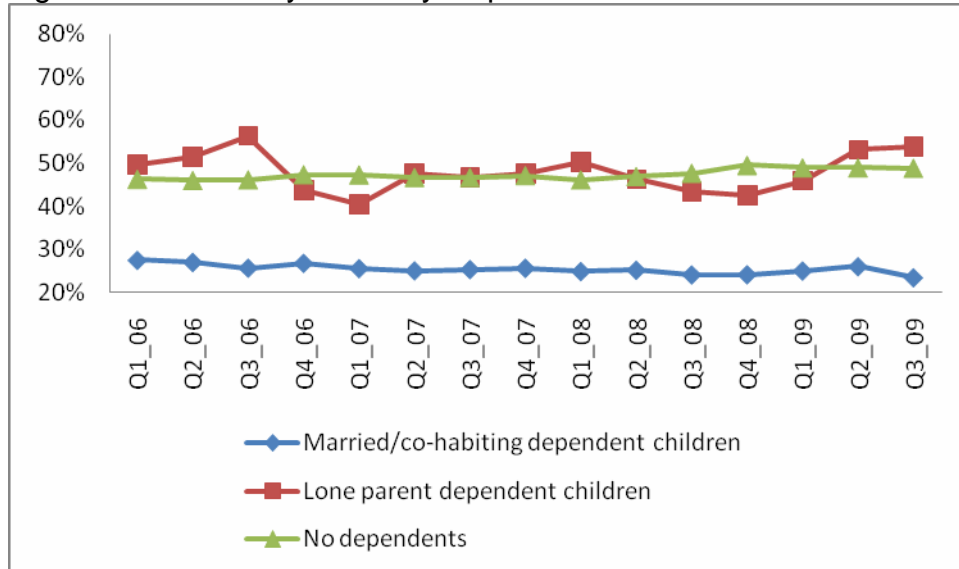
Figure 5.22 Unemployment Rates by Dependent Children in NI 2006-2009



Source: Labour Force Survey

Changes in rates of inactivity (figure 5.23) between q3 2006 and q3 2009 varied across the groups. For those married/co-habiting with dependents inactivity declined from 25.7% to 23.5%; those with no dependents increased from 46.1% to 48.9% (or 22.8% to 27.1% for the working age population); lone parent's inactivity decreased from 56.3% to 53.8%.

Figure 5.23 Inactivity Rates by Dependent Children in NI 2006-2009



Source: Labour Force Survey

Throughout the stakeholder interviews lone parents were seen as a group who were already vulnerable in the labour market and whose situation might be made worse by the recession. It was reported that many lone parent in Northern Ireland rely on low paid and part-time work and a lack of childcare means that they have to rely on school hours for childcare. In addition many lone parents have to rely on in work benefits to supplement their income.

Lack of childcare was seen as an issue for Northern Ireland as a whole and as a particular barrier for lone parents. Northern Ireland was reported by a number of organisations as having the poorest provision of childcare in Western Europe. For example, Northern Ireland continues to have one of the lowest levels of childcare provision within the UK with only 92.5 day nursery places per 1,000 children aged 0-4 years (based on 2005 mid-year estimates), compared with 195.5 in England in 2006 (ECNI, 2007).

The last ten years was seen as a period where there has been a significant increase in the employment of lone parents, although it was stated that some of this increase was in low paid part time work, as reflected in increases in those claiming in-work

benefits such as Working Tax Credit. Changes in legislation such as rights to request flexible working were seen as benefiting lone parents and changing workplace cultures.

The recession was not seen as having an impact on those lone parents in work. However, it was noted that one of the reasons might be because many lone parents are in low paid, part time work, that hasn't yet been affected by job cuts. Indeed, it was also reported by one organisation that employers were still willing to participate in employee placement programmes as they were still aware of the benefits, even in an economic downturn, of employing lone parents.

Where the impact of the recession was reported for lone parents was in the access and provision of employment support programmes. One organisation reported that employment support programmes directed at disadvantaged groups have seen a downturn in how they are rolled out on the ground in the last 12 months. There is anecdotal evidence that there is a decline in the number of lone parents being referred to employment support programmes by their advisors. This they attribute to the increasing number of people who have recently been made redundant putting pressure on services.

Again, it was recognised by stakeholders that future spending cuts may impact on many lone parents in the public sector.

It should also be remembered that mothers with a partner also often suffer disadvantage through the need for long career breaks and part-time employment, but data availability for this study was limited.

Summary

For GB and Northern Ireland the last ten years has seen a significant improvement in the employment prospects for lone parents. This is partly explained by important legislative changes (flexible working, minimum wage and in work benefits) and by a buoyant labour market.

The indication from the data was that for lone parents there has been a slight decline in employment rates, but also a small decline in unemployment and an increase in inactivity. This indicates that the recession is only having a small impact on lone parents.

The feedback from the interviews was that lone parents were not being adversely affected by the recession. However, there was an indication that there had been a decline in lone parents being able to access employment programmes. The issue of

low levels of childcare provision in Northern Ireland was raised by a number of organisations.

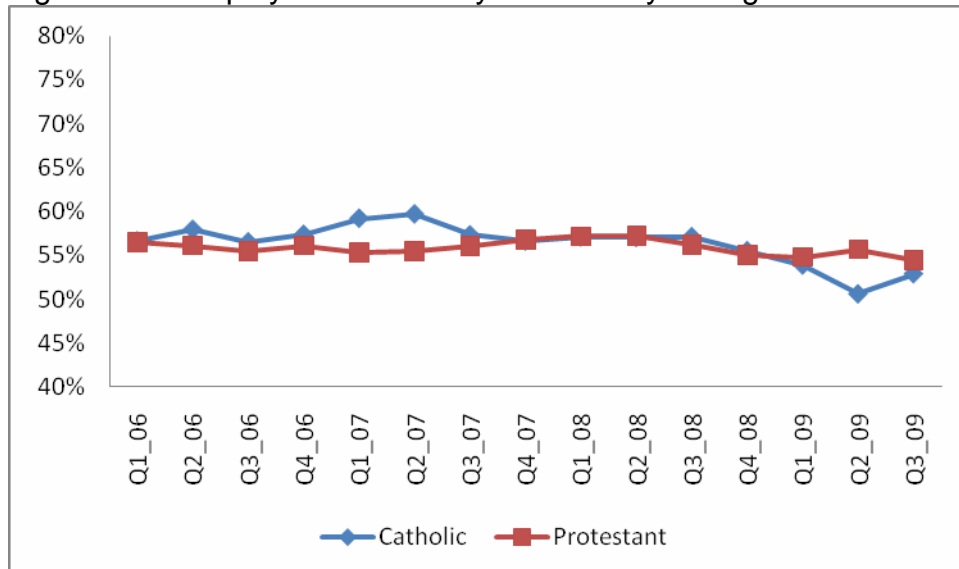
5.5 Community Background

The general trend in terms of employment has been one of convergence between the two populations, although the employment rate of the Protestant community remains higher than that of the Roman Catholic community. In addition, unemployment rates have decreased across the two communities, with a decrease in the percentage gap from 9% in 1992 to 2% in 2007 (OFMDFMNI, 2009). It should be noted however, that the higher rate of economic inactivity in the Roman Catholic community has persisted over time (OFMDFMNI, 2009).

The following graphs examine the relationship between religion/community background and employment.

Figure 5.24 shows that the employment rates for both communities have declined. The employment rate for Roman Catholics declined from 56.5% in q3 2006 to 52.9% in q3 2009; and for Protestants it declined from 55.4% to 54.5% in the same period. When the working age population only is considered, then the falls in the employment rates showed a similar pattern with Roman Catholics declining from 64.9% in q3 2006 to 61.2% in q3 2009 and Protestants from 71.5% to 71.1%. The differences between the communities may be partly accounted for by the age differences in the two communities. For example, the Roman Catholic community has a younger age structure and is likely to be more affected by increases in youth unemployment, as in 2007 in the 16-24 age group, 42% were Protestant and 50% were Roman Catholic.

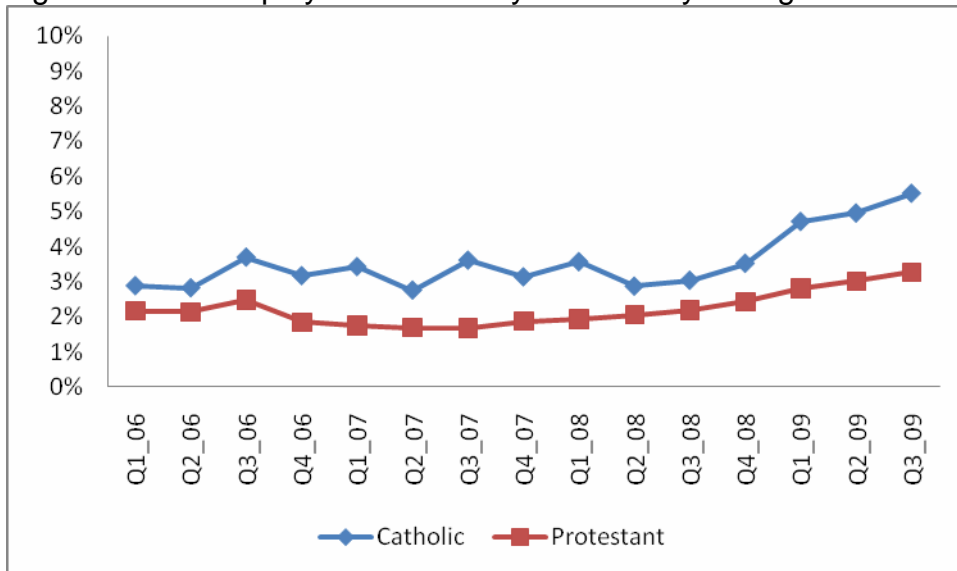
Figure 5.24 Employment Rates by Community Background in NI 2006-2009



Source: Labour Force Survey

Figure 5.25 compares ILO unemployment and shows that there have been increases for both communities, with a higher increase for the Roman Catholic community; unemployment for Roman Catholics rose from 3.7% in q3 2006 to 5.5% in q3 2009 (if only those of working age are considered then the figures rise from 4.3% to 6.6%); for Protestants it rose from 2.5% to 3.3% in the same period (3.4% to 4.3% for the working age population). Again these differences may be accounted for by the age differences between the two communities.

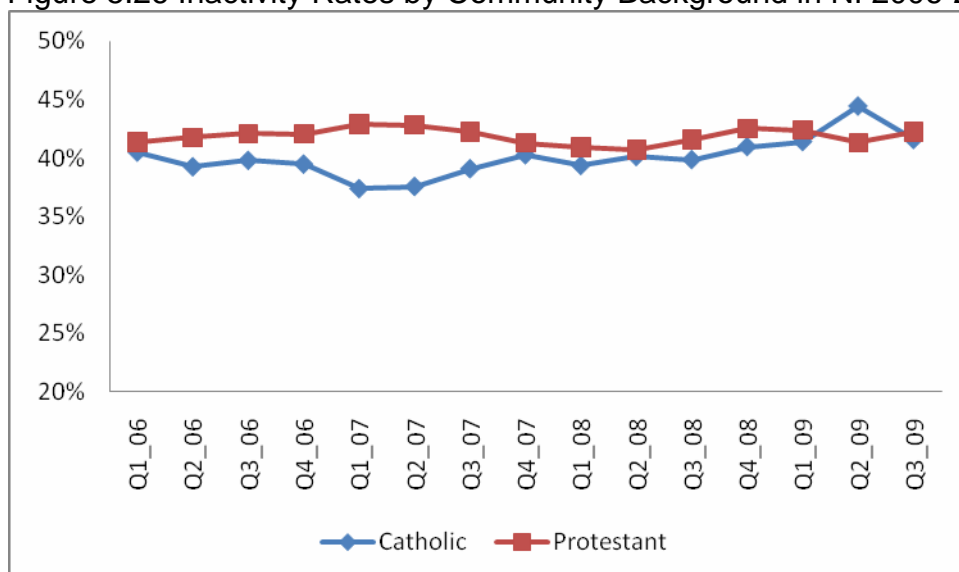
Figure 5.25 Unemployment Rates by Community Background in NI 2006-2009



Source: Labour Force Survey

Figure 5.26 compares rates of inactivity. Both communities have seen slight increases from 39.8% to 41.6% for the Roman Catholic community in the period q3 2006 to q3 2009 (if only those of working age are considered then the figures rose from 30.8% to 32.2%); and increases from 42.1% to 42.2% for the Protestant community (25.2% down to 24.5% for the working age population). The higher levels of inactivity in the Protestant community for the 16+ population may be due to the older age structure of this population, as their working age population rates are lower. Hence it is worth considering the rates for each community for different age groups.

Figure 5.26 Inactivity Rates by Community Background in NI 2006-2009



Source: Labour Force Survey

Age and community background

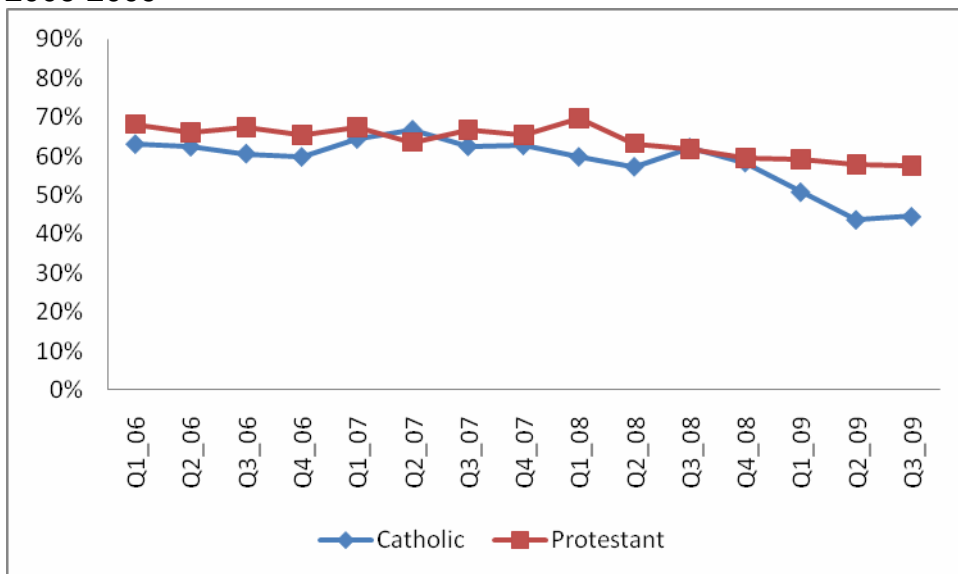
We also carried out analysis by age and community background as it is known that there are differences in the age structures of the two populations with the Roman Catholic community having a younger age structure than the Protestant community.

Figures 5.27 to 5.29 outline the employment of those in the 18-24 age group and show that in this age group employment rates have declined for both communities in the period q3 2006 to q3 2009. However the decline for the Roman Catholic community has been greater, declining from 60.6% to 44.6%, while the Protestant community has declined from 67.3% to 57.5%. This difference may be accounted for by Roman Catholic students who have lost employment or by declines in employment in which young Roman Catholics have been employed in (see graphs 5.36 to 5.38). There have also been corresponding increases in ILO unemployment for both communities with Protestant unemployment increasing from 9.2% to 12.4% and Roman Catholic unemployment increasing from 5.8% to 13.9%. It is notable that in the case of changes in unemployment there is little difference between the two communities-both have seen significant rises. For inactivity there has been an increase in the Protestant rate from 23.6% to 30.1%, and an increase in the Roman Catholic rate from 33.6% to 41.5%.

Again, care needs to be taken when considering 18-24 year old inactive people due to educational participation. In q1 2009 of the inactive 18-24 year olds, 83.6% Roman Catholic, 80.0% Protestant, 100% Other and 53.0% Non-denomination were

students (80.5% in total) – a huge rise on the q1 2008 figures of 66.4%, 71.3%, 59.9% and 84.8% (69.5% total). So much of the increase in inactivity for this age group may be education related. Between q1 2008 and q1 2009 the number of Roman Catholic inactive 18-24 year olds rose by 6588 (23%) while inactive student numbers rose by 10350 (55%) (in other words the inactive non-student number actually fell by 3762). For Protestants the number of inactive 18-24 year olds rose by 6947, while inactive students rose 7150 (55%) (so non-student inactive Protestants fell by only 203)¹⁴.

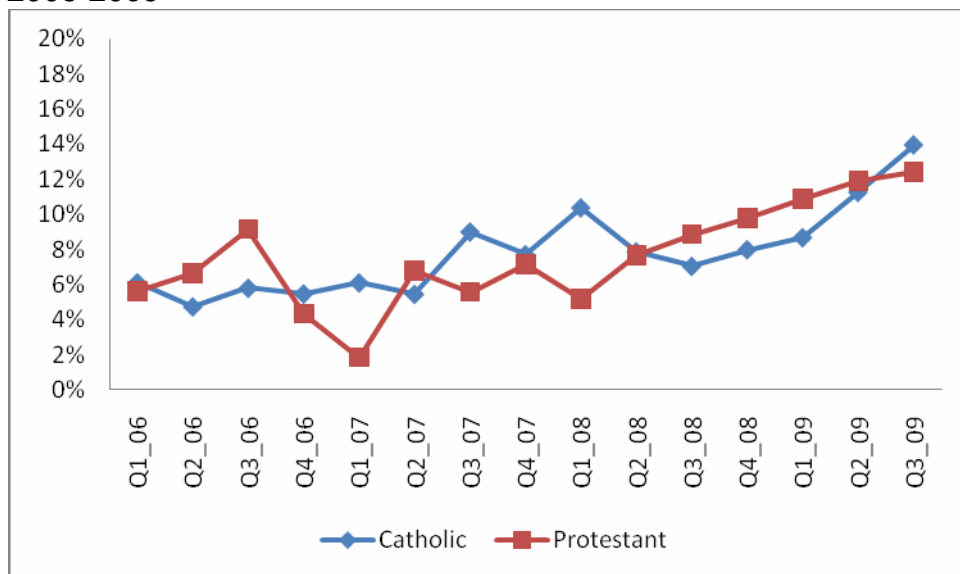
Figure 5.27 Employment Rates by Community Background and Age (18-24) in NI 2006-2009



Source: Labour Force Survey

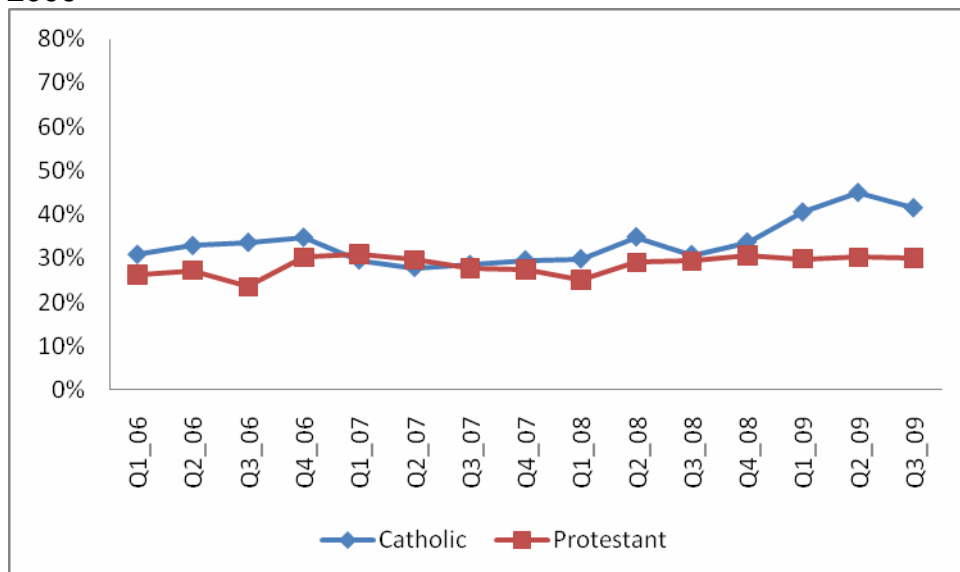
¹⁴ It should also be noted that these figures may be subject to sampling error due to small sample sizes and further research would be useful.

Figure 5.28 Unemployment Rates by Community Background and Age (18-24) in NI 2006-2009



Source: Labour Force Survey

Figure 5.29 Inactivity Rates by Community Background and Age (18-24) in NI 2006-2009

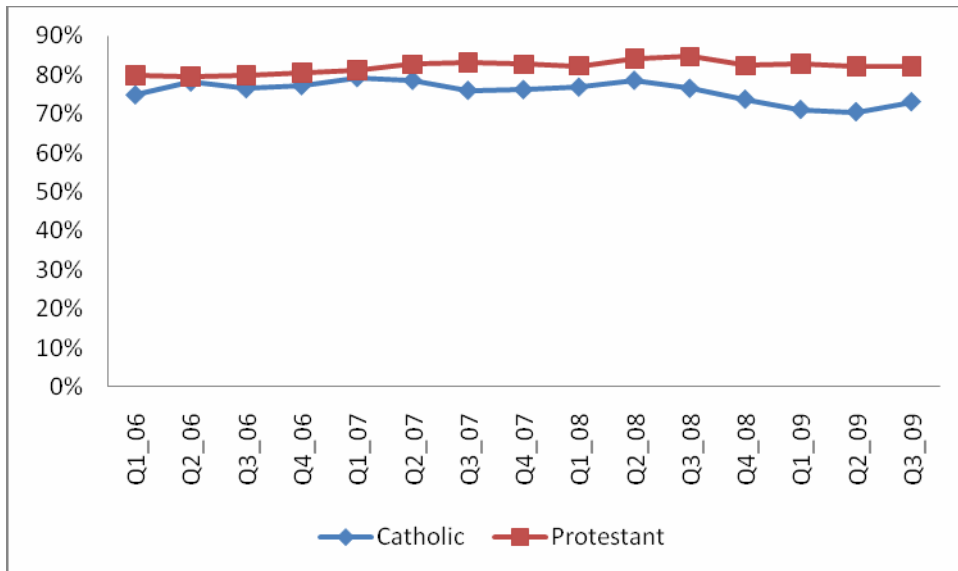


Source: Labour Force Survey

In the 25-49 age group for the period q3 2006 to q3 2009, as shown in figures 5.30 to 5.32, there has been a slight increase in employment rate for the Protestant community from 79.8% to 82.2%; while there has been a slight decrease in the employment rate for the Roman Catholic community from 76.4% to 73.1%. For ILO unemployment there is more of a difference between the two communities with

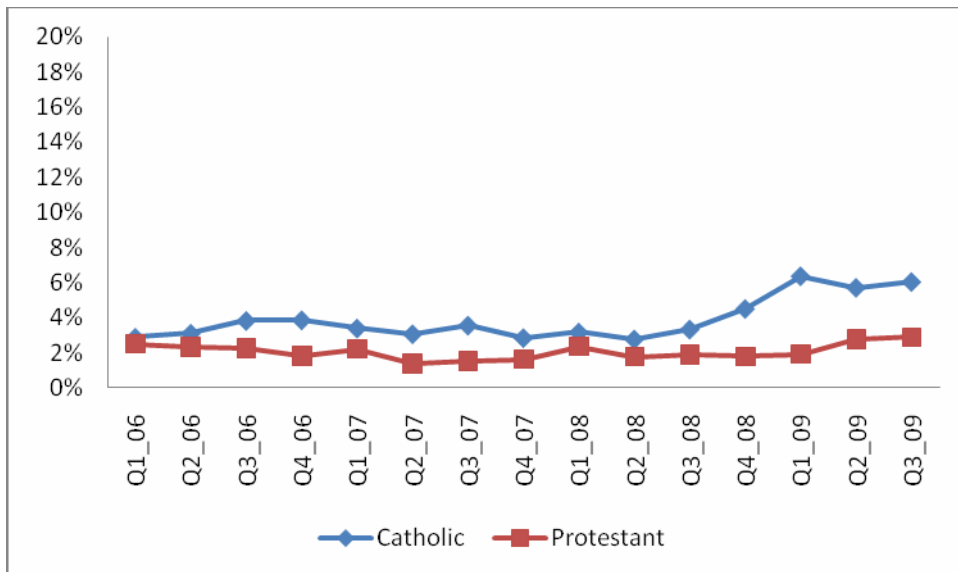
Protestant unemployment increasing from 2.2% to 2.9%, while the unemployment rate for the Roman Catholic community increased from 3.8% to 6.0%. For inactivity there have been decreases for both communities with a decline from 18.8% to 14.9% for the Protestant community and a decline of 19.8% to 20.9% for the Roman Catholic community. The decline in inactivity may be due to welfare reforms in the benefits system which makes it more difficult to access sickness benefits.

Figure 5.30 Employment Rates by Community Background and Age (25-49) in NI 2006-2009



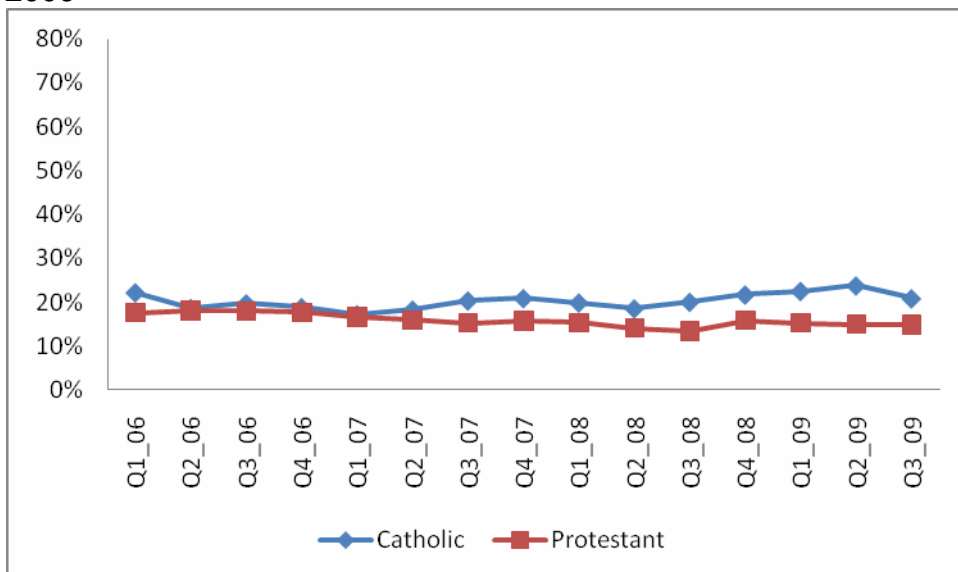
Source: Labour Force Survey

Figure 5.31 Unemployment Rates by Community Background and Age (25-49) in NI 2006-2009



Source: Labour Force Survey

Figure 5.32 Inactivity Rates by Community Background and Age (25-49) in NI 2006-2009

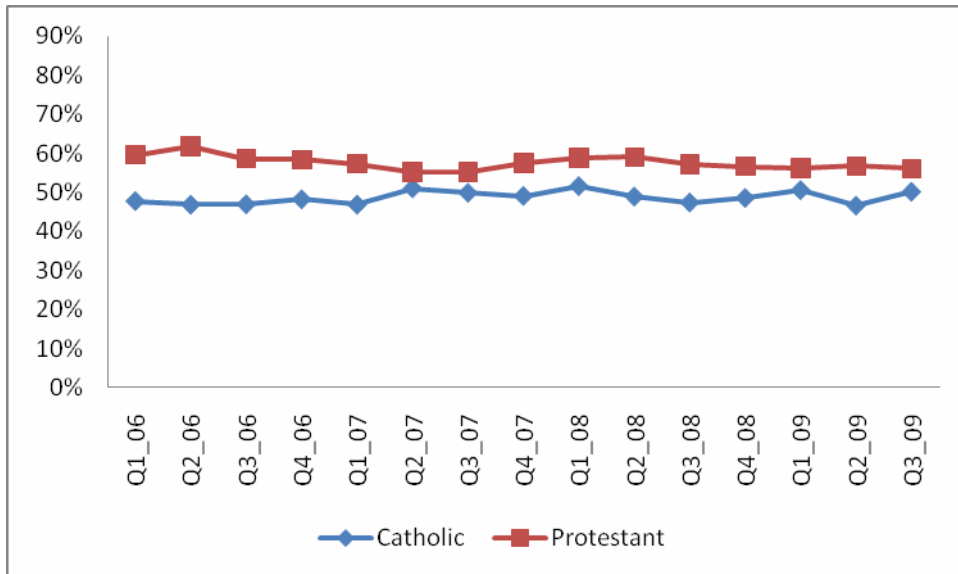


Source: Labour Force Survey

For the 50-64 age group, figures 5.33 to 5.35, in the period q3 2006 to q3 2009 there has been a decline in the employment rate for the Protestant community from 58.6% to 56.1%, while there has been a slight increase in the employment rate for the Roman Catholic community from 47.0% to 50.1%. There has also been an increase in ILO unemployment for the Protestant community from 1.2% to 2.1%, while the

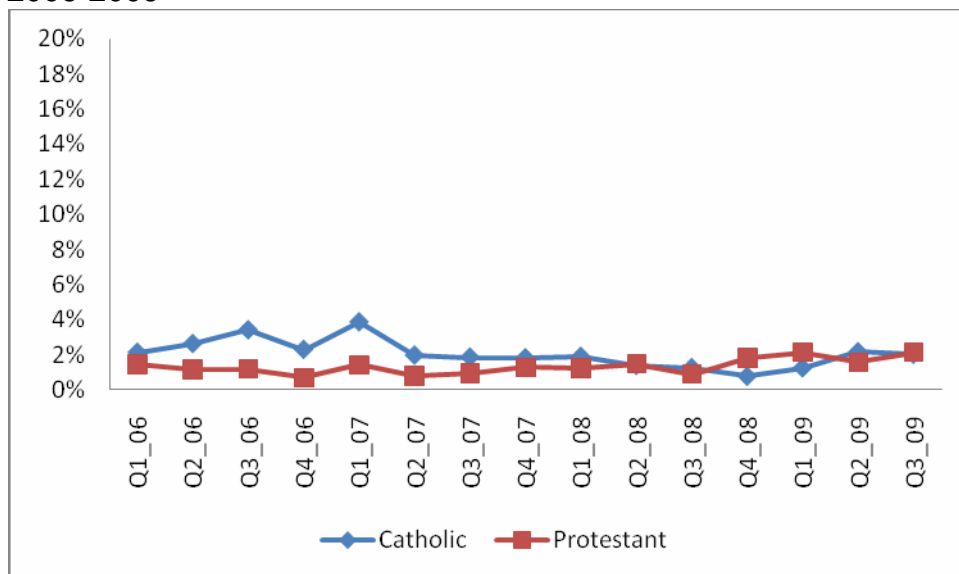
unemployment for the Roman Catholic community has seen a decrease from 3.4% to 2.0%. There is a similar trend for inactivity between the two communities with rates of Protestant inactivity increasing from 40.2% to 41.8% and rates of Roman Catholic inactivity in this age group declining from 49.6% to 47.8%. The differences in this age group could be accounted for by the older age profile of the Protestant community. However, for both communities the recession has had less of an impact on older workers.

Figure 5.33 Employment Rates by Community Background and Age (50-64) in NI 2006-2009



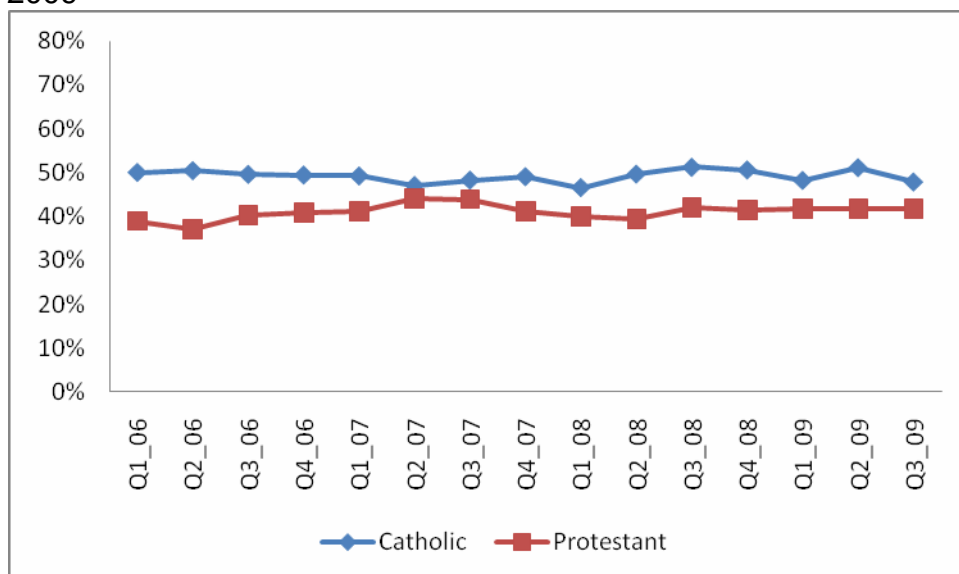
Source: Labour Force Survey

Figure 5.34 Unemployment Rates by Community Background and Age (50-64) in NI 2006-2009



Source: Labour Force Survey

Figure 5.35 Inactivity Rates by Community Background and Age (50-64) in NI 2006-2009

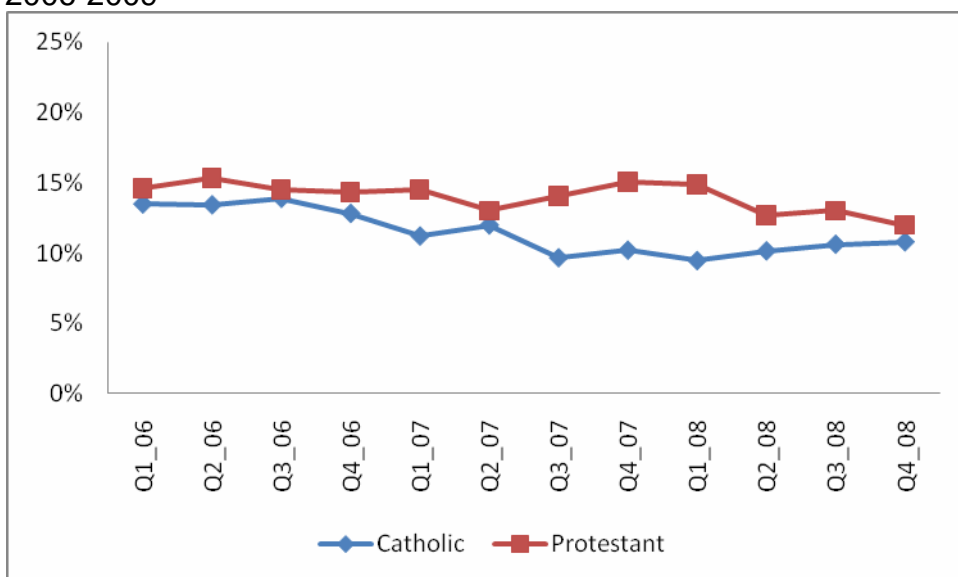


Source: Labour Force Survey

It was apparent from the LFS data that there were some differences in the employment outcomes of the two communities. In order to investigate this further we also looked at the industries in which the communities tended to be concentrated. Although we carried out analysis across the nine SIC sectors, we found that there were interesting trends across the three industries that so far have been impacted by

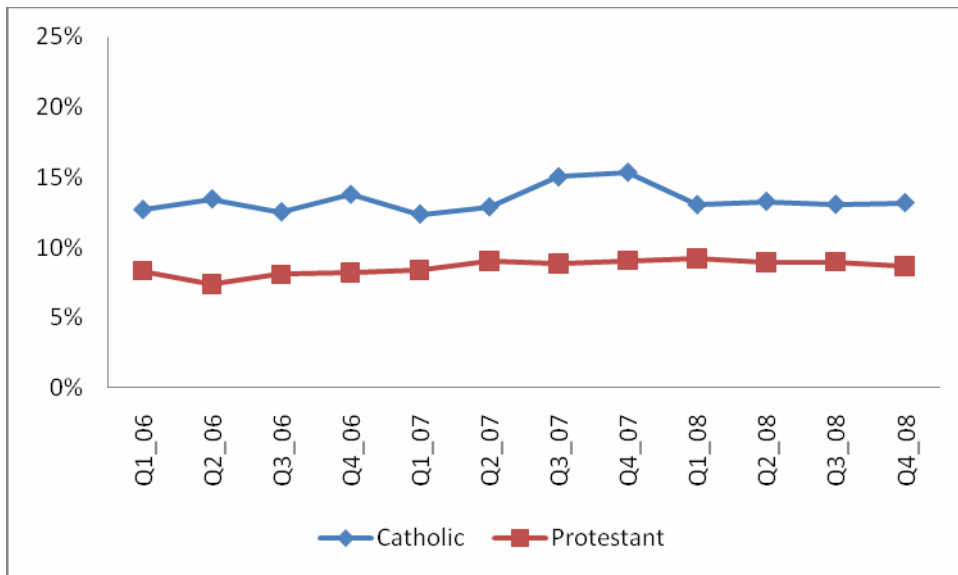
the recession, namely construction, manufacturing and distribution, hotels and catering. The changes in employment by these three industries are illustrated in figures 5.36, 5.37 and 5.38. The figures show that in the period q3 2006 to q3 2009 the proportion of the protestant community employed in manufacturing declined from 14.5% to 12.9% and proportion of the Roman Catholic employed declined from 13.9% to 10.0%. For construction the Protestant community declined from 8.1% to 7.3% and the Roman Catholic community increased from 12.5% to 13.4% (although since q4 2007 there has been a decline from a high point of 15.3%). In distribution, hotels and catering there has been a small decline in the proportion of Protestants employed, from 21.0% to 20.7%, and a decline in the proportion of Roman Catholics from 19.3% to 16.4%.

Figure 5.36 Employment Rates by Community Background and Sector (Mfg) in NI 2006-2009



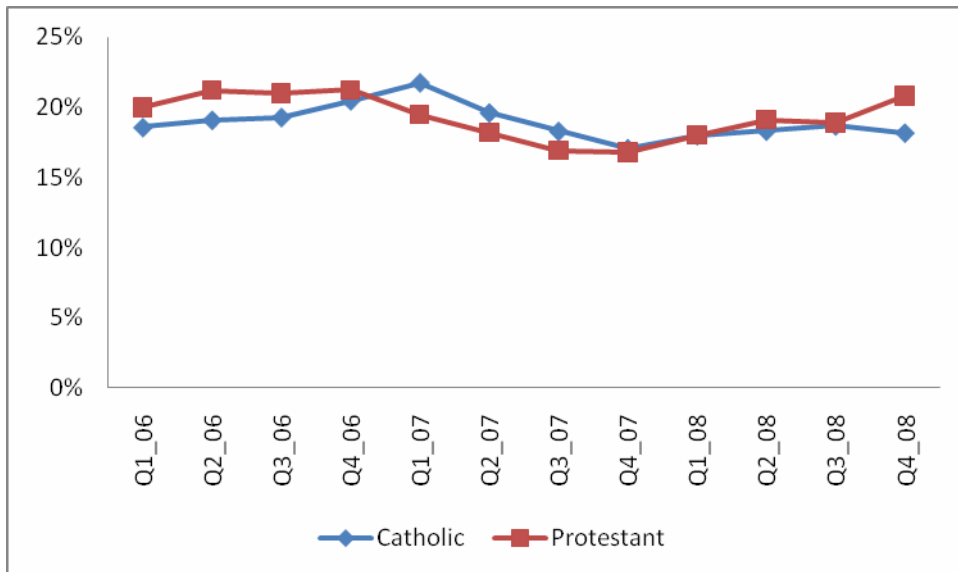
Source: Labour Force Survey

Figure 5.37 Employment Rates by Community Background and Sector (Constr.) in NI 2006-2009



Source: Labour Force Survey

Figure 5.38 Employment Rates by Community Background and Sector (Distr.) in NI 2006-2009



Source: Labour Force Survey

Summary

In terms of the impact of the recession on community background there has been a decline in employment and a rise in ILO unemployment for both communities,

although the increase in ILO unemployment for the Roman Catholic community has been slightly greater.

Further analysis by age group highlighted further differences by community background. This was particularly the case for the younger age group where there were significant declines in employment rate for the Roman Catholic community which is partly explained by students losing their jobs and moving onto inactivity. For the younger age groups there were significant increases in ILO unemployment for both communities. Even in the 25-49 age group there were greater increases in unemployment for the Roman Catholic community. This may be partly explained by the greater numbers of Roman Catholics employed in the construction industry.

The data does indicate that there were differences in employment outcomes for both communities during the period of the recession. However, further breakdown by age and industry also shows these to be important contributory factors in understanding the impact of the recession on employment.

5.6 Racial group

This section examines the impact of the recession by racial group for Northern Ireland. For this analysis we examined those from black, minority ethnic groups and migrant workers. We also considered Irish travellers but there was no data on employment available in relation to this.

Overall the employment rates of the BME population tend to be lower than that of the white population. However, broad analyses that compare BME employment with that of the white population very often conceal wide variations within BME groups. For example, those from Chinese and Indian communities tend to have better employment rates than those from Pakistani and Bangladeshi communities (DWP, 2009).

At the UK level it has been identified that nearly all minority groups are less likely to be in paid employment than White British men and women. This is particularly the case for women from minority ethnic groups with 44% of Pakistani and 49% of Bangladeshi women economically inactive compared to 20% or fewer of other groups (Government Equalities Office, 2010).

During the 1990s recession the employment rate for ethnic minorities dropped significantly more than the overall population leading to an increase in the employment gap (DWP, 2009). Furthermore, Hogarth et al. (2009) report that during the previous recession the relative employment position of ethnic minorities declined considerably, largely due to the contraction of manufacturing employment.

Research carried out by the DWP (2009) suggests that over the period 2008-9 the employment rate for ethnic minorities has risen slightly. There was however a small rise in ILO unemployment of 0.5% but this is a smaller increase than the overall population. However, it should be noted that ILO unemployment for ethnic minorities stands at 11.6%, higher than the 7.3% for the overall population.

A TUC report (TUC, 2010) also noted that ethnic minority groups have not been as badly affected by the current recession which they attribute to the concentration of ethnic minority groups in London and the South East, where the recession has not had such a significant impact. Furthermore, Hogarth et al. (2010) state that at the UK level ethnic minority groups have been less adversely affected by the current recession than white people, but go on to state that Black ethnic groups may have been impacted on, and that ethnic groups in some geographical areas such as Nottingham and the West Midlands have been affected.

In contrast to these reports, recent analysis carried out by IPPR (2010)¹⁵ using data from the LFS for the period Q1 2008 to Q3 2009 has shown that almost half of black people (48%) aged between 16-24 are unemployed, this compares to a rate of 20% for white young people. Their research has also shown that mixed ethnic groups have seen the biggest overall increases in unemployment, rising from 21% in March 2008 to 35% in November 2009. By breaking down analysis by age group and gender this analysis highlights the nature of vulnerable BME groups.

There are a number of possible reasons for the higher levels of unemployment among certain BME groups including their younger age profile which means they are more likely to be unemployed; lower qualifications (although this varies between ethnic groups) and the time taken for certain groups to assimilate into UK society especially new migrants and those with language difficulties (see Stafford and Duffy, 2009).

The Office for National Statistics defines migrant workers as those 'born outside the UK'. The proportion of the resident population of the UK who were born outside the UK has continued to increase in recent years. In the year to March 2005 the percentage of non-UK born residents living in the UK was 8.9% rising steadily to

¹⁵ Available from <http://www.ippr.org.uk/pressreleases/?id=3846>

11.1% in the year to March 2009. The figures show increases in the non-UK born population between 2008 and 2009, indicating that the recession had not yet had a negative impact on the proportion of the migrant population (NOMIS, Annual Population Survey to March 2009). However, the recession has raised a number of questions about the future of migrant workers in the UK, in particular whether they will continue to arrive at previous rates and also whether recent migrants will choose to remain in the UK.

Research by Pollard (2008) states that arrivals from the EU accession states will start to fall consistently with the next few years as migrants go home or go elsewhere. They go on to state that the number of A8 migrants arriving has started to slow down with 17% fewer Workers Registration Scheme registrations in the second half of 2007 compared to the same period in 2006. This they attribute to a number of factors including the economic slowdown.

Dobson et al. (2009) carried out an analysis of migration flows during previous recessions and found that foreign immigration tends to fall as unemployment rises but picks up again; in addition outflows also tend to fall after an initial rise. They suggest that the current recession is following this pattern with net immigration remaining relatively stable. They also argue that rather than migrants taking jobs from the indigenous population they play a vital part in the recovery as they are doing jobs that are unlikely to disappear even during a downturn; they are often highly qualified; and they may be able to fill skill shortages that have arisen as a result of the downturn.

Similarly in the Republic of Ireland, Kring et al. (2009) explores the impact of the recession on migrants from EU A8 states and suggest that although fewer people are now arriving in Ireland it does not necessarily follow that they leave in large numbers. They found that non-Irish workers have experienced a sharper rise in unemployment and that there has also been a higher increase in non-Irish workers applying for jobseekers benefit or jobseekers allowance. This suggests that migrants in Ireland are more affected by the crisis. Using evidence from a qualitative panel survey they further suggest that continuous employment, social welfare arrangements and the role of social networks may be important reasons why people have not left in greater numbers. However, it should be noted that this evidence is drawn from a small sample size.

There is little information available on the BME population in Northern Ireland largely due to its small size, especially when compared to the rest of the UK. The 2001 census indicated that less than 1% of the population were from an ethnic minority group. There are a number of settled migrant communities in Northern Ireland,

second and third generations running their own businesses or working in professions or the health service. However, in the years since the census, migrant workers in Northern Ireland have become a key feature of population change, accounting for much of the increases in population in recent years.

The LFS was unable to provide a large enough sample size to carry out any analysis of the BME population in Northern Ireland.

Northern Ireland has experienced a significant increase in the number of migrant workers in the last 5 years, such that flows of migrant workers to Northern Ireland from A8 states now account for the largest proportion of the BME community in Northern Ireland (McVeigh and McAfee, 2009). It has been argued that since 2004 migrant workers in Northern Ireland have made a significant positive contribution to the Northern Ireland economy, by filling labour shortages and bringing a strong work ethic welcomed by their employers (Oxford Economics, 2009). However, as with the rest of the UK, there is the question of how the recession has impacted on these workers and whether they have returned home.

Geographically, migrant workers have found employment right across Northern Ireland, with the highest absolute numbers of migrant workers found in Belfast and high concentrations in Dungannon, Craigavon and Newry & Mourne (Oxford Economics, 2009). Sectorally, migrants account for the highest share of Northern Ireland employment in hospitality and manufacturing (10 percent, up from 1.5 percent in 2001). Eastern European males, for example, have made a notable contribution filling labour shortages in the region's recent construction boom (Oxford Economics, 2009). Feedback from the stakeholders was that the majority of migrants in Northern Ireland work in low skilled positions like food processing, agriculture, catering, hotels and restaurants.

A number of studies have examined the potential impact of the recession in Northern Ireland on migrant workers. McVeigh and McAfee (2009) carried out a survey of 420 Polish migrants in Northern Ireland. They found from this survey that 20% of migrants were unemployed (although it should be noted that the survey used a very broad definition of unemployment), but only a small number of these were claiming JSA due to the difficulties of obtaining benefits and a lack of awareness of rights. They also found that half of migrants intended to settle in Northern Ireland and the other half intended to return home.

A study of the economic impact of migrant workers in Northern Ireland, carried out by Oxford Economics (2009) argues that the 2008-2009 recession will not lead to the 'mass exodus' of migrant workers from either Northern Ireland or the UK, because

economic conditions remain weak in many other countries and also because of the importance of 'non-economic' drivers of migration, such as the desire to learn English. Furthermore, they suggest that Northern Ireland is likely to remain an attractive destination for migrants and that migrant workers will remain an important part of the Northern Ireland economy through the economic recovery and beyond. These studies suggest that although the recession may impact on migrant workers in Northern Ireland, they have not been leaving in large numbers, although it should be noted that should the recession deepen or 'double dip' then there may be different responses.

There was a strong indication from stakeholders that the recession was impacting on migrant workers, for example, it was indicated that in the last year (2009) many more migrants have been dismissed or made redundant than in previous years. This was attributed to the fact that many migrants are on temporary or casual contracts, which makes them more vulnerable to redundancy or dismissal. It was also reported that in some instances migrant workers were being dismissed first to keep the rest of the workforce happy and because migrant workers were seen as less likely to challenge any decisions. A further complication for migrants was that many who were made unemployed were then told that they are not entitled to benefits as they have not paid enough national insurance contributions. This has raised the issue of the destitution of migrant workers who are not entitled to benefits or are not aware of their entitlements.

Indeed, one of the key issues identified by stakeholders was lack of awareness of rights and entitlements among migrant workers. This was often due to language barriers, lack of union representation, not having proper employment contracts. For example, one organisation reported that they had quite a lot of incidents of pregnant women being dismissed or having their hours reduced, and having difficulty accessing maternity benefits.

It was also widely recognised that migrant workers tended to be well qualified and were very often working in jobs for which they were over qualified. It was felt that employers were often not taking advantage of the potential of these workers by offering training or up-skilling. It was recognised that encouraging those with better skills to remain in Northern Ireland would be to the long term benefit of the economy, although there is no policy for this. Many highly skilled migrants are a potential pool of skilled labour for Northern Ireland as it moves out of recession. It should also be remembered that due to the new points system there are likely to be far less non-EU migrants coming to Northern Ireland; it is also unlikely that there is going to be a repeat of the influx of workers from A8 countries.

When asked about migrants returning home it was stated that this was very difficult to measure, but the indication from the number of children at school and births to foreign mothers was that the numbers have stayed the same. The general impression was that there has not been a massive return.

In general it was stated that more support was needed for migrant workers in terms of information, advice, language classes. However, there was a concern about the cuts to support services to migrants. For example, a migrant worker help line, which provides vital support to those without union representation, faces uncertainty about future funding for their services.

Stakeholders also stated that there needs to be a greater diversity and integration in the workplace in Northern Ireland. In particular, the focus on the integration of the religious groups in the workplace in Northern Ireland was seen as being at the detriment of integrating ethnic minorities in the workplace and creating more diverse workplaces. Although there were reports from stakeholder of harassment at work, hate crimes outside of the workplace seem to be more of an issue.

Summary

The employment prospects of BME groups have improved in the last ten years, although there are significant variations by sub groups. For example, young black men still are disproportionately disadvantaged in the labour market. The indication is that the recession is not yet having a particular impact on the BME population, although a number of notable exceptions have been identified, such as young black males.

Migrant workers in the UK now make up a sizeable proportion of the BME population, and although the numbers arriving have declined, there has not been a large scale out migration as a consequence of the recession.

Northern Ireland has a small BME population and the influx of migrant workers in recent years has made a significant contribution to the ethnic mix of the population in Northern Ireland. Migrant workers in Northern Ireland are a diverse group from a number of countries, with a wide range of skills, thus making it difficult to make generalisations. However, there is a tendency for migrant workers to be located in low skilled positions despite many of them having high levels of skills and qualifications.

The recession has been seen to have an impact on migrant workers in Northern Ireland with reports of many being made redundant or dismissed, mainly due to them being on casual or temporary contracts. However, there is little evidence of migrant

workers returning home because of the recession, although the numbers arriving in Northern Ireland has declined.

If migrant workers are to remain in Northern Ireland, more should be done to harness their skills and to provide assistance to those unable to access benefits. It is clear that more needs to be done to make migrants aware of their rights and entitlements in relation to employment.

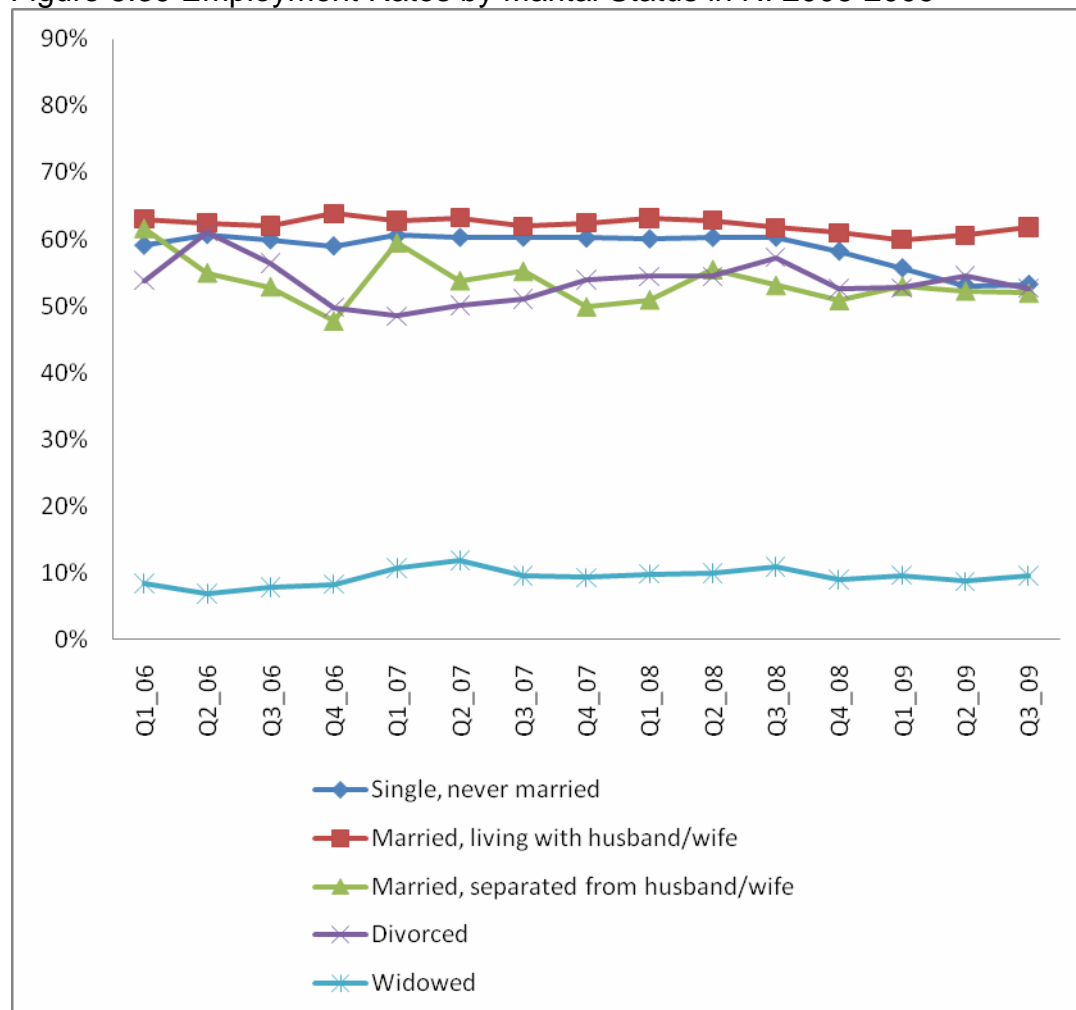
5.7 Marital Status

For this group we compared single never married; married living with husband or wife; married separated from husband or wife; divorced; widowed.

For employment in the period q3 2006 to q3 2009 all groups showed a decline, as illustrated in figure 5.39. Most stable was the married group; the biggest decline was for the single group with a decline from 60% to 53.2%. This is likely to be because the single group will be made up of a larger number of young people. The widowed group has the lowest overall employment rate; this will be because this group has large numbers of older people. However, even for the working age population the employment rate of widows is slightly lower than for other groups. Small sample sizes mean that the figures vary from year to year partly due the sampling.

Those in civil partnerships were also investigated, but the sample sizes were too small to draw conclusions.

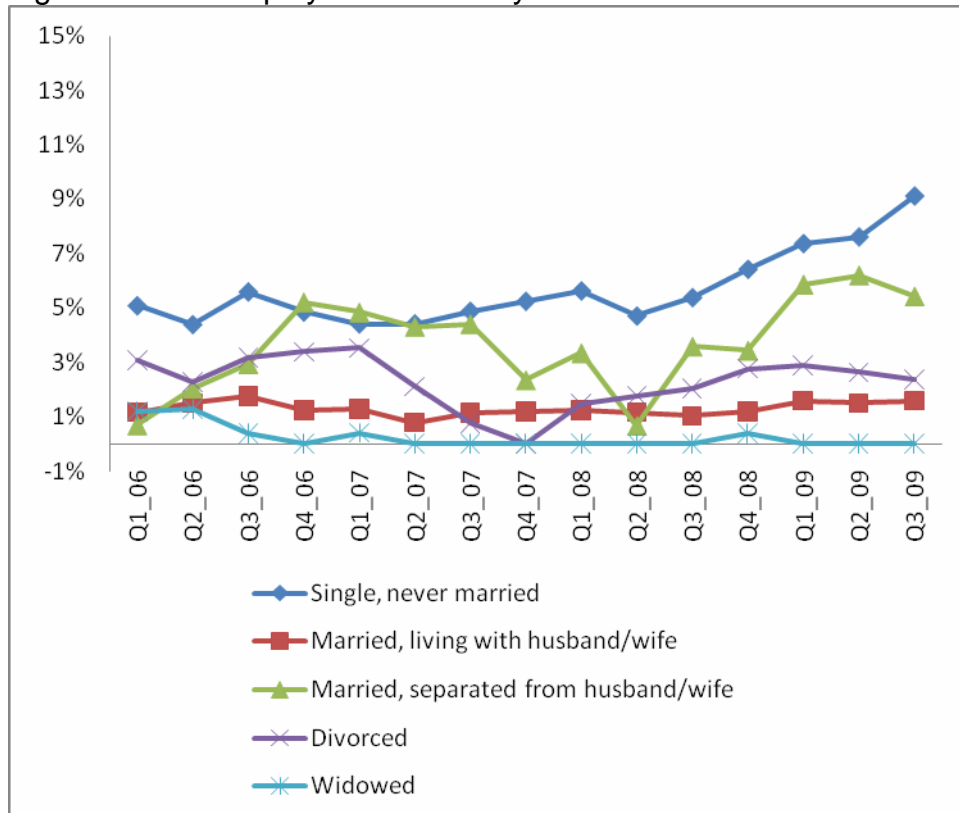
Figure 5.39 Employment Rates by Marital Status in NI 2006-2009



Source: Labour Force Survey

The impact of the recession is a little clearer when we look at unemployment (figure 5.40) by marital status. For all groups, except widowed and divorced, there is an increase in the unemployment rate. The biggest increases for the period q1 2006 and q3 2009 were for the single group from 5.6% to 9.1% and for the separated groups from 2.9% to 5.4%. The divorced groups showed a decline in unemployment from 3.2% to 2.4%.

Figure 5.40 Unemployment Rates by Marital Status in NI 2006-2009



Source: Labour Force Survey

For inactivity there were increases across all groups.

Summary

The analysis shows that the greatest impact of the recession has been on those who are single or separated. The impact on those that are single is likely to be explained by the fact that this group is likely to be made up of large numbers of younger people. Further analysis by age group and gender might uncover more associations but the sample sizes did not allow for this.

5.8 Sexual Orientation

This section examines the employment impact of the recession by sexual orientation. The focus here was on Lesbian, Gay, Bisexual and Transgender groups. Transgender is included in this section, as the literature in this area tends to include transgender with LGB, even although legislatively transgender comes under the sex discrimination legislation.

There is very little labour market data on employment rates and sexual orientation in the UK, although estimates suggest there are around 6%, or roughly 3.6 million people, of whom 1.7 million are in the UK workforce (Stonewall, 2007).

Research drawing on the LFS has demonstrated that those living in a same sex couples have higher qualification levels, higher rates of employment and higher earning than others (Government Equalities Office, 2010). It should be noted that such data is drawn from a very small sample of the LFS and is likely to reflect those that have the confidence to report their status. However, the report did go on to state that from current evidence there is no reason to expect the earnings or income for LGB groups to be much different from the population as a whole.

There was very little evidence of the employment position of LGBT groups in Northern Ireland. The LFS could have been used to look at the employment of those in civil partnerships as was the case in the Government Equalities Office report, however the small sample size in Northern Ireland precluded this possibility.

When the issue of information on the employment of LGBT groups was raised during the interviews most were unable to comment as information was not collected. It was felt that as services are open to all, there should be no discrimination against LGBT groups. However, if there is no monitoring of LGBT it is difficult to establish whether this group is being discriminated against or not.

Although there is not direct information on the employment of LGBT groups in Northern Ireland there are a number of publications that highlight the issues facing this group. For example, McNamee (2006) examines the mental health needs of same-sex attracted young men in Northern Ireland; the Shout Report is an examination of the needs of young people who identify as LGBT in Northern Ireland; and Invisible women examines the exclusion and discrimination experienced by lesbian and bisexual women Northern Ireland. Although broadly focusing on the health needs of these groups and issues of discrimination, the survey of 190 same sex attracted young men by McNamee (2006) identified that one-third of the respondents experienced negative attitudes at work because of their sexual orientation.

In addition a survey carried out by the ECNI in 2008 (ECNI, 2009) of the general public in Northern Ireland regarding equality related issues and attitudes provides interesting insights into attitudes to LGB people at work. The survey found that overall 23% stated they would mind having an LGB person as a work colleague, with men (27%) more likely to respond negatively than women (18%). It is also interesting to note that there has been an increase from 14% to 23% in those stating

they would mind having an LGB person as a work colleague, since the previous survey in 2005. The interviews included representation from an LGBT group who were able to provide a number of useful perspectives on the issue, although the organisation was not able to provide any detailed information on employment of LGBT groups as it was outside their immediate remit. The main needs of LGBT groups were seen as centring around the dual issues of health (in particular mental health and sexual health) and hate crime. In relation to the wider issue of discrimination, a lack of awareness of LGBT needs and issues of people not disclosing their sexuality was seen as important. The need to be more proactive identifying the needs of LGBT was identified. Legislative changes were seen as having a positive impact and the fair employment legislation was seen as being robust in the workplace, however, a lack of monitoring means that it is difficult to establish if workplaces and services are welcoming to LGBT people. This was seen as something that needs to be addressed.

The recession and, in particular, public funding cuts were seen as having a potential impact on their services; and again that cuts may prevent any more progressive initiatives in relation to LGBT groups.

Summary

A lack of data sources relating to sexual orientation makes it difficult to comment on the impact of the recession even at the UK level.

However, a number of important points were raised during the research which highlighted the need for greater information in relation to employment of LGBT groups in Northern Ireland. In particular it was felt that improved monitoring by employers and other organisations would help identify the needs of LGBT groups. Simply stating that services or employment is open to all does not necessarily take into account the difficulties facing certain groups; there was a need to be more proactive.

5.9 Ex-Offenders

Although ex-offenders are not included as one of the equality grounds, in the researchers' experience they represent a vulnerable group in the labour market and so have been included in this research.

The argument here is not for ex-offenders to be seen as one of the equality grounds (although there are strong arguments for this to be the case) but rather to highlight one group that emerged from the research as being disadvantaged in the labour market. It should also be emphasised that we recognise that there are likely to be

other disadvantaged groups in the labour market that we have not touched on here, such as drug users, homeless and Irish travellers.

Recent reviews of the current recession (DWP, 2009 for example) have highlighted the lack of data on ex-offenders which make assessing the impact of the recession difficult for this group. However, it is known more widely that ex-offenders face a number of problems in finding and retaining employment and that this is likely to be exacerbated by any downturn in the economy.

There is overwhelming evidence that employment is a key factor in keeping people out of the criminal justice system, but in practice ex-offenders face a number of structural, legislative and attitudinal barriers which keep them out of the labour market. Additionally ex-offenders face a number of barriers in the labour market as summarised by McEvoy (2008) for UK ex-offenders: they are over represented by lower socio-economic groups; around 25% have been in care (compared to 2% in the general population); high levels of drug and alcohol abuse; high levels of illiteracy and lack of basic skills; a high proportion (e.g. two thirds of young prisoners) are unemployed prior to imprisonment; approximately 40% left school before the age of 16 (compared to 11% of the general male population).

These barriers were echoed in the stakeholder interviews. The lack of legislative protection for ex-offenders was seen as a particular barrier in entering employment. Indeed, legislative protection has long been viewed as key to the prospects of ex-offenders gaining access to employment (McEvoy, 2008). Because of this lack of legislative protection many employers are able to discount ex-offenders in the initial selection process.

The recession was seen as impacting on the employment prospects of ex-offenders by introducing more potentially employable people into the labour market. This was seen as putting ex-offenders even further down the list for employers who now have a much larger, more skilled and essentially more employable pool of labour to draw on, which immediately disadvantages ex-offenders who are not the most attractive group for employers. There was also concern that ex-offenders would be further down the waiting list for employment programmes because of increased demand for such services.

There was feedback from stakeholders that employers were now more reluctant to employ ex-offenders due to the disclosure process, needed for many jobs, and were using this as an excuse not to employ people. In relation to this, it was stated that employers might be more fearful about employing someone with a conviction as it might make them more vulnerable to prosecution.

It was also stated that historically many ex-offenders would have gone into construction where there was less likely to be a formal recruitment process and where people got jobs through word of mouth. Ex-offenders were able to go into those types of jobs with their convictions invisible. However, with the recession and legislative changes there are fewer openings in the construction industry and more stringent recruitment processes.

There is also the added complication in Northern Ireland of those who have sentences as a result of the conflict, although this is an ageing and diminishing population. The OFMDFMNI published guidelines that any convictions before the Good Friday Agreement should not be taken into account. However, interview evidence suggested that many employers are not aware of these guidelines.

Although ex-offenders are facing an increasingly tough job market, a number of organisations continue to work with employers to encourage them to take on ex-offenders.

Summary

At the UK level there is little evidence that the recession is having an immediate impact of the employment of ex-offenders. However, increased competition in the job market is likely to mean that employers may be more reluctant to take on ex-offenders.

At the Northern Ireland level it was indicated that due to the recession ex-offenders were finding it increasingly difficult not only to find work but also to enter employment programmes. Much of this could be explained by extra competition in the job market. It has been shown that employment and training play an important part in reducing recidivism suggesting that this group should not be dismissed during the recession.

6. POLICY INTERVENTIONS

This section examines some of the policy responses to the recession at the UK and Northern Ireland level; the effectiveness of existing policies; and those formulated in response to the recession. The material presented here draws on a review of the literature and the stakeholder interviews.

Labour market policies have an important role to play in helping those most at risk from long term exclusion from the labour market. Labour market interventions may have had an impact on this recession when compared to previous recessions. More effective labour market interventions and welfare reform mean that people are less likely to remain out of the labour market, or be unemployed, for long periods of time.

It has been suggested that since previous recessions have shown that one of the main consequences is long term unemployment, that there is a need for medium to long term responses to assist disadvantaged groups (DWP, 2009).

Since the previous recession the government has introduced a number of Active Labour Market Policies (ALMPs) that are directly aimed at providing directed and timely interventions to help individuals back into work. There has been an increase in programmes aimed at vulnerable groups and those furthest from the labour market (Pathways to Work being one example). Tax credits and national minimum wage have also helped provide in-work support for many and help release them from the 'benefits trap'.

It has been claimed that Jobcentre Plus is making a real difference to claimant unemployment levels with the level of on-flows now falling to the lowest level since October 2008 (TUC, 2010). It is argued that the services provided by Jobcentre Plus, and the wide range of services and support are making a difference when compared to previous recessions.

Martin (2009) points out that while active labour market policies have an active role in lessening the impact of the recession, the spending in ALMPs has been modest across many OECD countries when compared to the scale of fiscal stimulus. He goes on to argue that a key priority is to provide effective employment services to a rapidly rising pool of jobseekers and to ensure that the most vulnerable do not lose contact with the labour market. Furthermore he states that the focus should be on a "train-first" approach to ensure that workers have the necessary skills for emerging jobs.

In Northern Ireland a number initiatives have been implemented by the Department of Employment and Learning to help people back into work or those facing redundancy, these include¹⁶:

- Bridge to Employment
- Progress2work
- Rapid Response Northern Ireland
- Skillsafe-Apprenticeships
- Steps to work –(this subsumes the main New Deal Programmes)
- Training for Success

During the stakeholder interviews respondents were asked a number of questions about how effective policy responses had been to the recession, what more could be done to address the recession, and what the future focus should be coming out of the recession. Outlined below are the main responses to these issues.

6.1 Response to recession

The indication from the interviews was that, in general, government and other agencies had responded quickly to the recession.

Many of the organisations interviewed had been involved with the Cross Advisory Forum set up by the OFMDFMNI. This forum brought together representatives from government departments, public sector, private sector, trade unions and the voluntary and community sector to look at the impact of the recession. For those involved this was seen as a positive way of reacting quickly to the issues raised by the recession, although there was the indication that policy responses had been slower.

DELNI has introduced a number of measures to help the increased number of unemployed back into work such as: increased provision of short accredited training

¹⁶ It should be noted that many of these schemes were in place previous to the recession.

courses (including offering higher qualifications in recognition of the fact that many of the newly unemployed are already qualified); increased travel allowances; increased childcare allowances; help for graduates to do a post graduate qualification; training and work placements for those aged 18-24 who have been unemployed for 6 months or more. A temporary six month employment programme for those who have been unemployed for over 30 months was also introduced in recognition that there was now increased competition in the job market from the newly unemployed. However, feedback from one organisation was that although this programme was very valuable, six months was not long enough to engage with the multiple issues that face the long term unemployed. Amendments have also been made to existing programmes such as the Steps to Work programme which replaced New Deal. For example, the Steps to Work programme has been made more flexible by offering different levels of intervention, so if a client only needs 6 weeks, then they get 6 weeks.

There was widespread recognition that ‘the unemployed’ had become a much more diverse group than previously, which raised a number of issues when dealing with the unemployed:

“newly unemployed people might have all the skills for the job that they held 20 or 30 years ago, but the actual shock or difficulty of becoming unemployed, they need to understand the changing market.”

Dealing with the issue of the long term unemployed was raised by a number of organisations. There was a worry that one of the impacts of the current recession would be ‘to take the eye off the ball’ in terms of providing support for the long term unemployed. Most organisations were aware that there will be an employment lag, with job losses continuing after the recession. There was widespread concern about not creating structural problems such as long term unemployment. In previous recessions a lack of effective preventative action in the early years led to long-term issues. The social impacts, for example, in ex-mining areas, are still being felt many years after the initial economic shock. The cost to the taxpayer of dealing with these has been significant (Audit Commission, 2009)

A number of stakeholders indicated that continuing to reach those who are the most disadvantaged in the labour market should not be overshadowed by the impact of the current recession. Indeed, Cox et al. (2009) found from stakeholder evidence that young people from vulnerable groups, including people with Learning Difficulties or Disabilities, teenage mothers, and those leaving care, are now facing greater competition for work and training places.

However, for most organisations the focus at present is on maintaining their current services rather than developing any new initiatives:

“it is going to be bread and butter as opposed to jam on it.”

One organisation stated that there is a need to monitor which services will be cut in the future to ensure that certain sectors are not disproportionately affected.

In recognition of the potential impact that the recession will have on the voluntary and community sector, NICVA has produced a toolkit for organisations on how to deal with the recession and has encouraged organisations to prepare themselves for the potential impact (see NICVA, 2010). They have also provided training on issues like contracting and redundancy. It was also noted that some community and voluntary organisations have already imposed pay freezes, made staff redundant and reduced services in response to the current recession. The voluntary sector saw themselves as being at the front line of future cuts.

As can be seen in the previous sections of this report, all organisations were concerned about the possible impact of public sector cuts on employment. However, it was less clear if this was being planned for.

It was raised by a number of organisations that some monitoring of employment programmes in Northern Ireland should be undertaken to ensure that particular groups are not being discriminated against. For example, monitoring of programmes would highlight whether lone parents, the long term unemployed or people with disabilities were not accessing such programmes in sufficient numbers.

6.2 Employers' responses

A number of organisations have engaged with employers to address the impact of the recession. DELNI alongside Invest Northern Ireland have introduced a number of measures to try and assist employers to train and up skill their workforces, as a way of helping them through the recession. For example, it has been suggested that in those companies where short time working or pay freezes have been introduced, that employees could be engaged in training when they are not working. In addition DELNI have offered funding for management and leadership training for companies to help them deal with the recession, which has been reported as being very successful by those companies that have taken this up.

Indication that although progress has been made in engaging with larger employers, the health service, civil service and public sector, engaging the SMEs has been more

difficult. This is partly attributed to their small size, large number and geographic spread.

It was also raised that more could be done to help small businesses who are struggling to get credit. The self-employed were also seen as being potentially vulnerable. It was highlighted that some self employed people who were now struggling in the recession were not able to access benefits as they had not paid enough national insurance contributions.

Positive aspects identified were that increase in part-time work among men and greater sharing of childcare responsibilities, more men in female dominated occupations.

6.3 Welfare Reform

Although not directly related to the recession, or specific to Northern Ireland, a number of organisations raised the issue of how welfare reform is likely to impact on vulnerable groups in the labour market. For lone parents it was seen as putting unnecessary pressure on those who want to work but due to childcare issues and declining job opportunities, are less able to do so. Welfare reform was seen by many organisations as putting already vulnerable groups at risk and pressure to find work. For example, the welfare reform bill brings in additional conditions for those over 50, which are seen as being unfair to those over 50 who face problems in getting into work, unless additional support is provided for this group. The bill will also potentially mean that more people will be moved off Incapacity Benefit on to Job Seekers Allowance who may need the support of disability advisors. It may be then that there is a need for more employment support service for those with health conditions and disabilities. It was also highlighted that a further impact will be that resources for people with disabilities will be concentrated on those nearest to the job market and thus disadvantage those with severe disabilities.

Many of the above measures were put in place by the Labour administration, but the indication is that the current government is likely to continue with further reforms in this area. Announcements in the June 2010 budget (HM Treasury, 2010) are likely to put additional pressure on many vulnerable groups in the labour market such as lone parents having to look for work when the youngest child starts school.

6.4 Summary

It has been widely indicated that effective and targeted policy responses are essential in lessening any employment impacts of the recession. Indeed it has been

suggested that active labour market policies and other initiatives implemented by government have lessened the impact of the recession.

In addition to initiatives from the UK government there have also been a number of responses at the Northern Ireland level. These responses were largely seen as being positive by the stakeholders.

However, there was widespread recognition across stakeholders that current policy may not be addressing those from vulnerable groups who are at the most risk of falling into long term unemployment or inactivity. It was felt that more should be done to target these groups to ensure that they are not left behind by focusing on the newly unemployed who are easier to place in jobs. Additionally it was stated that monitoring should be undertaken of what groups are being most affected by the recession.

A number of initiatives have been put in place to assist employers through the recession. These were seen as been helpful to employers in adjusting to the recession.

Although not directly related to the recession, the welfare reform bill was raised by a number of stakeholders as having a potentially negative impact on vulnerable groups in the labour market. It was felt that the additional conditionality imposed by the bill would put pressure on those groups who already has difficulty in securing employment such as lone parents, people with disabilities and older workers.

7. DISCUSSION

The main aim of this research has been to update understanding of the effects of the economic downturn on the employment of relevant groups across the equality grounds. Overall the recession has had a significant impact on employment in Northern Ireland with declines in employment and increasing unemployment and inactivity. The extent to which these changes have impacted on groups according to equalities grounds has varied with some groups being more affected than others. However, it should be emphasised that the impacts of the recession have yet to be fully realised, and it maybe that some groups will be more affected by future job changes, both in terms of employment losses and speed of recovery from the recession. This may particularly be the case when public spending is reduced, as certain groups have relatively greater representation in the public sector and the supported Third-sector, than in those parts of the economy that have so far been most affected by the recession.

The interaction between equalities groups was also an important consideration, as often the impact of the recession could be better understood when, for example, both gender and age were considered together. This highlighted the importance of taking into account the interaction between equalities groups rather than just considering them separately. However, it should be recognised that the data available limited the extent to which this could be carried out.

The last ten years have been a period of considerable economic and employment growth in Northern Ireland. It has also been a period of significant legislative change both in Northern Ireland and the UK, through the introduction of Section 75 legislation, UK equalities legislation, minimum wage, flexible working legislation, changes to maternity leave and entitlements and the introduction of more active labour market policies. The result of these changes has been that many previously disadvantaged groups have been able to enter the labour market more fully. However, a number of significant weaknesses remain in the Northern Ireland labour market such as the over reliance on public sector employment, an under developed private sector and continued high levels of economic inactivity.

The research found that the recession has had an impact across a number of groups in the labour market. It was particularly apparent that young people have been affected by the current recession, as reflected in their high levels of unemployment. Although the declining employment rates of young people can perhaps partly be explained by students no longer working, it still remains that there has been an increase in the number of young people who are ILO unemployed and on the claimant count. It was also shown that young men in particular are affected by

unemployment, although there were also significant increases for young women. Gender was another area where the differential impact of the recession was identified in Northern Ireland with men showing increasing levels of unemployment and declines in employment. This can partly be related to the significant declines in the manufacturing and construction sectors. There was also an impact on community background with somewhat greater impacts on Roman Catholic community, which may partly be explained by the younger age structure of this community and their greater concentration in the construction sector. For other groups, it was less clear that the recession was having an impact on their employment, although there were small declines in employment for lone parents, migrant workers and people with disabilities. However, the stakeholder evidence was useful in highlighting the particular problems that some of these groups face, but which is not apparent from the data.

One of the key issues to come out of the research was the concern that the recession would have an impact on those already vulnerable in the labour market. This issue was mentioned in particular in relation to the long term unemployed, people with disabilities, lone parents, young unemployed, older workers, ex-offenders and migrant workers. It was felt that the newly unemployed, many of whom are relatively highly qualified and have extensive work experience, would push these groups further back in the 'employment queue' or even out to the active labour market. The potential impact of this is that these groups are not receiving the help and support they need to get back into work because of the pressure to provide services to those more recently unemployed. Therefore coming out of the recession there is the risk that these groups will be at a greater disadvantage as they have not been receiving the help that they need. This highlights that care needs to be taken when resources to help disadvantaged groups are switched (whether intentionally or not) to those groups who are easier to place in employment.

Potential public sector cuts are likely to have an impact on disadvantaged groups because of the concentration of women, BME, lone parents, and people with disabilities in this sector. This perhaps highlights the need for the private sector in Northern Ireland to undertake some of the good practice demonstrated by the public sector in employing those from disadvantaged groups.

The research could only identify general data on employment issues such as in-work and other training, hours worked, pay and other conditions that might affect different groups and also their opportunities in coming out of the 'recession' (e.g. if a person receives less training in their job than others then they may be in a worse position to keep in employment or advance in their job or career later).

The research has shown that the recession has had a variable impact on equalities groups in Northern Ireland. The statistics strongly show that it has been young people and men who have experienced the greatest job losses and rises in unemployment and highlights the importance of moving these, as well as other, groups back into work. The research has also shown that although the employment prospects of many vulnerable groups have improved in recent years, there are still those who are in a disadvantaged position in the labour market (for example, lone parents, migrant workers etc.) and it has highlighted that there is a possibility that the recession may exacerbate their position by moving them further back in the 'employment queue'. Further research would be useful in improving statistics (e.g. especially for LGB groups and for mothers) and in understanding the changes noted in the report above, for instance for different types of disabled people. Finally, the research has also shown that in understanding the barriers facing a particular equalities group, it is important to consider how their employment position is impacted by their intersection with other groups and issues. Indeed it appears that it is often sub-groups within the broad equality groups that are most affected by the recession.

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TECHNICAL ANNEX 1 FURTHER DETAILS ON LABOUR FORCE SURVEY, ASHE AND QES

The Labour Force Survey (LFS)

The Labour Force Survey (LFS) is a survey of households living at private addresses in the UK. Its purpose is to provide information on the UK labour market which can then be used to develop, manage, evaluate and report on labour market policies. The survey is managed by the Social and Vital Statistics division of the Office for National Statistics (ONS) in Great Britain and by the Central Survey Unit of the Department of Finance and Personnel in Northern Ireland on behalf of the Department of Enterprise, Trade & Investment (DETINI).

From 1973 - 1983, as in GB, the survey in Northern Ireland was conducted in alternate spring quarters. From 1984 - 1994 it was carried out annually. This annual survey consisted of 5,200 addresses drawn at random from the Rating and Valuation List - approximately 1% of private addresses in Northern Ireland. Over this period interviewing was conducted only in the spring, with no quarterly element.

In the winter of 1994/95 a quarterly Labour Force Survey was introduced to Northern Ireland. Each quarter's sample consists of approximately 3,000 household responses spread over five 'waves' - 600 in each wave. A rotational pattern was also adopted, identical to that being operated in the GB LFS. Respondents at 'wave' 1 are interviewed face-to-face with subsequent interviews at 'waves' 2-5 taking place, where possible, by telephone. Computer assisted interviewing has been used in the Northern Ireland Labour Force Survey since 1992. Quarterly UK LFS estimates are available from winter 1994/95.

Income questions have been asked in the Northern Ireland LFS since the survey went quarterly in Winter 1994/5 but results were not weighted until early 1998. LFS income data on a UK basis is now available for each quarter from Winter 1994/5. From Spring 1997, the income questions in both the GB and Northern Ireland LFS have been asked of respondents in waves 1 and 5, producing a larger sample size than when previously asked only of wave 1 respondents.

Since April 1998, the Department of Enterprise, Trade and Investment (DETINI) have published a Northern Ireland Labour Market Statistics Release to the same timetable as publication of the Labour Market Statistics First Release.

Population weighting

Population weighting serves two purposes. First it enables tables showing population estimates to be produced, second it compensates for differential non-response among different sub groups in the population. The LFS collects information on a sample of the population. To convert this information to give estimates for the population we must weigh the data. Each case is given a weight which can be thought of as the number of people that case represents. In a perfect world each person in the population would have an equal probability of being selected for the LFS (as in a simple random sample). The weight would simply be the reciprocal of this probability. However, because of differential non-response, some people are more likely to be in the sample than others. People with a lower probability of being in the sample, such as young people in London (see previous section), should have a higher weight.

It is impossible to measure directly what probability each member of the sample had of being selected. Instead, the population is split into sub-groups (or cells) where the number of people in each sub-group is known (based on population estimates). The known population weights are calculated by assigning each case in the sub-group the weight calculated by dividing the population in that subgroup by the number of cases in the sample in that subgroup. As a result the weighted estimates of the total population for that sub-group equals the actual population and the weighted estimate of the total population from the sample will equal the known estimate.

There is one limitation to this method. If the cells are too small, there is a possibility that none of the sample will come from that subgroup. The weighted estimate of the population in that sub-group will be zero and hence the estimate of the total population will be too small. To avoid this (and to make the task of producing the population control totals easier) a multistage population weighting procedure is used. Each stage corrects for a different cause of non-response: stage 1 corrects for non response at a local area level, stage 2 corrects for non-response amongst young people by age and sex; and stage 3 corrects for non-response by region, age (banded) and sex.

Rewighted Labour Force Survey (LFS), Annual LFS (ALALFS) and Annual Population Survey (APS) micro data were published on 14th May 2008. The micro datasets have been weighted to the latest (2007/08) population estimates whereas previously they were based on population totals published in 2003. Initial analysis of the micro data indicated that there were significant changes in certain estimates, particularly at the local authority level, which may have implications for the monitoring of progress against Local Public Service Agreement targets. Up-to-date

population estimates that are in line with the revised Census figures have been used in the current reweighting project.

It should be noted that the underlying weighting methodology was changed for the 2007 reweighting exercise, which is another factor that has contributed to changes in the reweighted estimates. The raking ratio estimation method used prior to 2007 has been replaced with calibration weighting within a Generalised Regression (GREG) framework using the Statistics Canada Generalised Estimation System (GES). The change in methodology has had a minimal impact on estimates at higher levels of geography but changes may be apparent when estimates at lower levels of geography such as local authority are examined.

The Annual Survey of Hours and Earnings (ASHE)

The Annual Survey of Hours and Earnings (ASHE) is a UK wide survey that provides a wide range of information on hourly, weekly and annual earnings by gender, work pattern, industry and occupation including public versus private sector pay comparisons. The sample used covers approximately 1% of all employees in Northern Ireland who were covered by PAYE schemes, and therefore is subject to an associated level of sampling error (for details see: http://www.detini.gov.uk/ashe_2009_ni_statistical_bulletin-4.pdf).

Quarterly Employment Survey (QES)

The Quarterly Employment Survey (QES) estimates of the number of employee jobs. It covers all public sector employers, all employers with 25 or more employees and a representative sample of smaller firms. It provides employee jobs estimates by gender, working pattern (full / part-time) and by Standard Industrial Classification 2007 (SIC07) for Northern Ireland as a whole (for details see: <http://www.detini.gov.uk/deti-stats-index/stats-surveys/stats-qes.htm>).

TECHNICAL ANNEX 2 DEFINITIONS OF EMPLOYMENT MEASURES

The Employment Rate

The employment rate is the number of people who are employed as a percentage of the total population (employed, unemployed or inactive) for a specific age group (e.g. as a percentage of the 16+ population).

ILO Unemployment

The International Labour Organization (ILO) definition of unemployment includes all individuals who, during a reference period (when they were interviewed), are: without work – not in paid employment or self-employment; *and* currently available for work – were available for paid or self-employment during the reference period; *and* seeking work – actively taking specific steps to find paid employment or self employment in the reference period. In summary they are: people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.

Economically inactive

Economically inactive people include those not in employment or classified as unemployed (by the ILO measure).

Claimant Count

The claimant count measures the number of people who are claiming job seekers allowance. It should be noted that the LFS uses the ILO definition of unemployment which measures the number of people without jobs who are looking for work, while the claimant count measures how many people are claiming Jobseekers Allowance. The ILO measure has a broader definition of unemployment and thus tends to be higher than the claimant counts (although the two measures tend to follow the same general trends).

Long term unemployed

According to the Office for National Statistics, the definition of long-term unemployed is: if a person is ILO unemployed and has had previous employment, they will be classified as long-term unemployed only if they have been looking for work for more than a year and they left their last paid job over a year ago. If the person is ILO unemployed but has never had a paid job, they will be classified as long-term unemployed if they have been looking for work for more than a year. For eligibility for EU and other support, the time period for being classified as long term

unemployed varies by age and includes: those out of work for over six months and aged under 25 years; or those out of work for over twelve months and aged 25 or more years.

TECHNICAL ANNEX 3 DEFINITIONS OF EQUALITY GROUNDS AND LEGISLATION

Age

[The Employment Equality \(Age\) Regulations \(Northern Ireland\) 2006](#) (the Age Regulations) came into force on 1st October 2006, making it unlawful for employers and others to discriminate on grounds of age in the areas of employment, vocational training and further and higher education. The Regulations do not extend to discrimination in the provision of goods, facilities and services, the management or disposal of land or premises, or to the provision of education in schools.

Gender

[The Sex Discrimination \(Northern Ireland\) Order 1976](#) (the SDO), as amended by the [Sex Discrimination \(Northern Ireland\) Order 1988](#), the [Sex discrimination \(Indirect Discrimination & Burden of Proof\) Regulations \(Northern Ireland\) 2001](#) and the [Employment Equality \(Sex Discrimination\) Regulations \(Northern Ireland\) 2005](#), makes it unlawful to discriminate against an individual on the grounds of his or her sex in the fields of employment; training and related matters; education; the disposal and management of premises; and the provision of goods, facilities and services. The SDO also makes it unlawful to discriminate against married persons in employment.

The [Gender Reassignment Regulations \(Northern Ireland\) 1999](#) amends the SDO to make it unlawful to discriminate on grounds of gender reassignment (sex change) in employment and training.

On 6 April 2008, the [Sex Discrimination \(Amendment of Legislation\) Regulations 2008](#) came into operation in Northern Ireland, and introduced protection from direct discrimination on grounds of gender reassignment in the provision of goods, facilities, services or premises.

Disability

[The Disability Discrimination Act 1995](#) (the DDA) as amended by the [Disability Discrimination Act 1995 \(Amendment\) Regulations \(Northern Ireland\) 2004](#), the [Disability Discrimination \(Transport Vehicles\) Regulations 2005](#), the [Disability Discrimination \(Northern Ireland\) Order 2006](#), the [Special Educational Needs and Disability Order \(Northern Ireland\) 2005 \(SENDO\)](#) and the [Special Educational Needs and Disability \(Northern Ireland\) Order 2005 \(Amendment\) \(Further and](#)

[Higher Education\) Regulations \(Northern Ireland\) 2006](#) provide protection for disabled persons against discrimination on the grounds of disability.

The DDA recognises that various barriers exist within society which may present practical difficulties for disabled persons who are seeking employment, who are currently in employment and for many when accessing goods, facilities services or premises. Accordingly, in order to address some of the practical difficulties that these barriers present, the disability legislation, unlike other anti-discrimination legislation, creates a positive duty on employers and service providers to make 'reasonable adjustment' to their policies and premises where reasonable and appropriate.

Unlike the other anti-discrimination legislation, indirect discrimination is not dealt with explicitly. Rather in the DDA, it is addressed by the combined effect of the direct discrimination provisions and the duty to make reasonable adjustments.

Racial Group

[The Race Relations \(Northern Ireland\) Order](#) (the RRO), as amended by the [Race Relations Order \(Amendment\) Regulations \(Northern Ireland\) 2003](#) outlaws discrimination on the grounds of colour, race, nationality or ethnic or national origin. The Irish Traveller community is specifically identified in the RRO as a racial group which is protected against unlawful racial discrimination.

The RRO makes it unlawful to discriminate in the fields of employment, education, the disposal and management of premises, and the provision of goods, facilities and services. The RRO also provides that segregation on racial grounds constitutes discrimination.

Community Background

[The Fair Employment and Treatment \(Northern Ireland\) Order 1998](#) (FETO), as amended, makes it unlawful to discriminate on the grounds of religious belief and/or political opinion in the fields of employment, the provision of goods facilities and services, the sale or management of land or property and further and higher education. The 1998 Order was amended by the [Fair Employment and Treatment Order \(Amendment\) Regulations \(Northern Ireland\) 2003](#) in December 2003 to meet the requirements of the [EU Framework Directive for Equal Treatment in Employment and Occupation](#).

Sexual Orientation

The Employment Equality (Sexual Orientation) Regulations (Northern Ireland) 2003 make it unlawful to discriminate against an individual on grounds of sexual orientation in employment and training.

Under the Regulations, "sexual orientation" means a sexual orientation towards –
persons of the same sex;
persons of the opposite sex; or
persons of the same sex and of the opposite sex.

TECHNICAL ANNEX 4 INTERVIEW SCHEDULE FOR STAKEHOLDER INTERVIEWS

Below is a copy of the topic guide, or interview schedule, used in the stakeholder interviews. It should however, be noted that in many cases the questions were adapted slightly or changed to take into account the particular organisation being interviewed.

Interview Schedule

Impact of recession

1. What are the greatest employment impacts of the current recession?
2. What groups have been most affected by the current recession? (what evidence is there on this)
3. How is the recession impacting on particular equalities groups? (prompt for gender, disability, age, BME, religion, dependent status, sexual orientation)
4. What difficulties are there in identifying the needs of different equalities groups?
5. To what extent do the issues facing equalities groups reflect long term labour market barriers, or are they a direct impact of the recession? (for each equalities group)
6. What have been the employment experiences of different equalities groups over the last decade? (for each of the equalities groups, in terms of growth in employment, unemployment etc)
7. What have been the geographical impacts of the current recession in Northern Ireland ?(have some areas been more affected than others, and why)
8. What industries and/or occupations have been most affected by the current recession?
9. What impact has the recession had on the recently unemployed?
10. What impact has the recession had on the long-term unemployed?
11. What has the impact been of the recession on those in work (for example in terms of training, promotion, hours, flexible working provisions, pay and conditions)?
12. How are employers responding to current recession?

13. Do previous recessions provide any useful lessons on how to deal with current recession?

14. Does the recession in Northern Ireland differ from other parts of UK (for example groups affected, intensity, duration etc.)?

Responses to the recession

1. What have been the main policy responses in Northern Ireland to the recession and to what extent do they take into account the needs of equalities groups?
2. What is being done to address impact of recession on particular equalities groups?
3. What are the problems in addressing the needs of different equalities groups in the recession from a policy perspective?
4. How do these policy responses build on existing policy responses in these areas?
5. Do you work with other organisations in tackling the economic downturn (for example other government departments; voluntary sector etc...)?
6. Do you work with employers? if so please describe

Future impact of recession

1. How are different equalities groups likely to be affected coming out of the current recession?
2. Any plans to adjust policy responses accordingly as Northern Ireland comes out of recession?
3. Have you taken into account probable cuts in public sector jobs and what impacts these may have (including impacts on equality groups)?
4. Are there any further comments you would like to make that may be relevant to this research?

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