Secondary Analysis of the 2009 and 2010 ESF Leavers Surveys

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Chapter 1: Combining the 2009 and 2010 ESF Leavers Surveys

1.1 Introduction

The aim of the ESF Leavers' Surveys is to assist in assessing the effectiveness of the ESF Convergence and Competitiveness Programmes in Wales. To date, separate reports based upon analysis of the 2009 and 2010 surveys have been published. Taken together, the combined programme of research has contributed to a step shift change in our understanding of the experiences of leavers from ESF funded projects. The collection of career history data via telephone surveys represented an important methodological innovation that provided a longitudinal view of the labour market circumstances of participants following the completion of ESF projects. Ensuring that the design of the surveys carefully aligned to other sources of labour market data has enabled the use of counterfactual impact evaluation techniques to be applied to UK data in this area. These methods have only previously been applied in the context of administrative data, such as the recent DWP led evaluation of ESF projects (Ainswoth and Marlow, 2011) [1].

Despite this, gaps in our understanding in the characteristics and experiences of ESF participants remain. Reports for both the 2009 and 2010 Surveys presented findings separately for the Priority areas covered by the respective surveys. The scope of the surveys varied in terms of the projects that were covered, with the 2010 Survey covering a wider variety of interventions. The analytical report for the 2010 Survey generally presented findings separately for the four Priorities covered by the surveys that related to two broad groups of ESF participants:

- those being supported by interventions aimed at improving participation in the labour market (Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme);
- those being supported by interventions aimed at improving progression in employment (Priority 3 of the Convergence Programme and Priority 2 of the Competitiveness Programme).

[1] http://research.dwp.gov.uk/asd/asd5/report_abstracts/ihr_abstracts/ihr_003.asp

Whilst all ESF interventions can broadly be regarded as being related to investment in human capital, the interventions supported by the different Programmes are wide ranging. The presentation of survey findings at Priority level may therefore potentially 'average out' the very different characteristics, circumstances and subsequent experiences of ESF participants who are being supported by the different projects that fall under these Priority areas. The question therefore remains as to how outcomes vary between different projects. Whilst project level evaluations are also undertaken, the ESF Surveys provide the opportunity to undertake a consistent comparative analysis across projects.

Although some improvements were made to the design of the 2010 survey in light of lessons learnt from the 2009 study, maintaining continuity and consistency between the two surveys was also important. In its conclusions and recommendations, the report of the 2010 Survey recommended that combining data from across the 2009 and 2010 surveys could considerably enhance the value of the data collected by yielding larger sample sizes that could support examination of the data at a project level or for groups of projects that share similar characteristics. Taking on board that recommendation, this report presents the results of an analysis of combined data from the 2009 and 2010 studies.

The report is broadly divided in to two parts. The remainder of Chapter 1 summarises the contents of the 2009 and 2010 surveys and introduces the broad typology of interventions that is used to make comparisons between different groups of projects throughout the remainder of the report. Chapter 2 examines the characteristics of ESF participants prior to undertaking an ESF project, examining their personal characteristics and their circumstances prior to participating in ESF. Chapter 3 examines the motivations for undertaking an ESF project and also reasons for withdrawing from ESF. Chapter 4 examines the economic activity of respondents measured at the time of the ESF surveys, with particular emphasis being given to examining the

transitions in economic activity experienced by respondents. Chapter 5 presents an analysis of the perceived benefits reported by respondents of participating in ESF projects.

The report of the 2010 ESF Leavers Survey was the first to contain the results of Counterfactual Impact Evaluation (CIE). In several respects, the analysis contained in that report represented the results of a pilot exercise to establish whether such techniques could usefully be applied to ESF Survey data. Using Propensity Score Matching (PSM) techniques, respondents to the ESF survey were matched to respondents to the Labour Force Survey (LFS). The analysis focussed upon transitions into employment made by ESF participants who were unemployed prior to their participation in ESF, comparing the incidence of such transitions with those made by otherwise comparable people identified in the LFS. Whilst the analysis demonstrated that such techniques could be applied to ESF data, a number of issues remained. Firstly, results seemed to be sensitive to the projects included within the analysis, indicating that there was a need to undertake more detailed analysis on specific projects or groups of projects. Secondly, there were a number of methodological limitations associated with using the LFS as a source of counterfactual data. Thirdly, interest was expressed in understanding how the results of this analysis may vary between population sub-groups.

The second half of the report presents the results of analysis applied to the combined ESF survey data that seeks to address the issues identified in the 2010 Survey Report. Chapter 6 introduces the CIE analysis, outlining the main methodological issues that have been addressed in order to undertake the analysis. Most significantly has been the development of a new longitudinal version of the Annual Population Survey that provides an improved source of counterfactual data. Chapter 7 considers the transitions in to employment made by those who were unemployed prior to their participation in ESF. The analysis focuses on the experiences of the unemployed, although the experiences of the economically inactive are also

considered. Chapter 8 examines the types of jobs that those who were previously unemployed enter following their participation in ESF projects.

1.2 Overview of the 2009 and 2010 ESF Leavers Surveys

The two ESF surveys that form the basis of the combined analysis in this report are summarized in Table 1.1 below. The design of the 2009 Survey consisted of 2 Waves, with the first Wave being conducted in February/March 2010. During this first wave 4,050 interviews were achieved from a starting sample of 9,672 ESF participants. The 2010 Survey comprised of a single wave of interviews conducted during June and July of 2011. Some 7,509 interviews were achieved from a starting sample of 22,108 ESF participants. The range of projects that were able to be included within the sampling frame for the 2010 survey was more comprehensive than those covered by the 2009 survey. The lower response rates achieved during the 2010 survey could therefore reflect differences in the composition of the participant database (i.e. the inclusion of additional projects where participants have characteristics associated with lower levels of response). However, the increased length of time that had elapsed between the completion of an ESF project and the time of the interview for those in the sampling frame for the 2010 survey (an additional four months) could also have been a contributory factor.

Table 1.1: Overview of the 2009 and 2010 ESF Leavers Surveys

	2009 (Wave 1)	**2010**
Sample used (i.e. an initial telephone number)	9,672	22,108
Of which:		
Unobtainable / wrong number	2,201	6,152
Called 9 or more times and no definite outcome	1,969	7,221
Refusals	731	1,160
No recall of learning, still on course, don't know if completed/left early	705	1,066
Completed interviews	**4,066**	**7,509**
Response rates (population base in parentheses)		
Sample loaded i.e. with an initial telephone number	42%	34%
Sample with a correct telephone number - i.e. excluding unobtainable numbers or wrong numbers	54%	47%
Sample with the correct telephone number and an eligible learner i.e. excluding 'unobtainable / wrong numbers', 'no recall of learning' and 'still on course / don't know if completed or left early'	60%	50%

Table 1.2 shows the range of projects in which respondents to the 2009 and 2010 Surveys participated and how these contribute to the overall combined sample of respondents. The table highlights that the projects which were able to be included within the sampling frame for the 2010 survey were more comprehensive than those covered by the 2009 survey. The 2009 Survey only covered Convergence Programme participants whilst the 2010 sample included participants from projects operating under the Competitiveness Programme. However, the number of respondents who participated in projects under Priority 1 of the Competitiveness Programme was relatively small (57). Table 1.2 also demonstrates that the 2010 Survey was more comprehensive in terms of the range of Convergence projects. It is therefore noted that merging 2009 and 2010 ESF data does not necessarily always help to support project level analysis. Even among the Convergence Programme, there are seven projects where interviews were only achieved with participants during the 2010 Survey. This underlines the importance of developing a broader typology of projects that can benefit from both a) merging of data over time and b) combining projects that are felt to have similar aims and objectives.

Table 1.2: Number of Respondents to the ESF Surveys by Project

Project	**2009**	**2010**	**Total**
Convergence P2			
Number of Projects	3	7	7
Number of Participants	1,973	3,182	5,155
Convergence P3			
Number of Projects	4	7	7
Number of Participants	2,085	3,502	5,587
Competitiveness P1			
Number of Projects	0	3	3
Number of Participants	0	57	57
Competitiveness P2			
Number of Projects	0	2	2
Number of Participants	0	766	766
Total Survey Samples			

	4,058	**7,507**	**11,565**

1.3 Developing a Typology of ESF Projects

To establish appropriate categories for a more detailed analysis of the ESF Leavers Survey 2009 and 2010 data, a piece of work was undertaken by WEFO Research, Monitoring and Evaluation (RME) and Programme Management teams to develop a broad typology of projects. This work included reviewing business plans to establish project aims, objectives and methodologies. The comparative spend per individual for different projects was also examined. The final agreed categories were as follows:

Convergence P2/Competitiveness P1

1. Training (Basic / Non-Occupational) – projects offering training in essential skills (reading, writing, IT etc) and lower level qualifications (NVQ 3 and below) not related to specific occupational training.
2. Redundancy Training – projects with a specific focus on training pre and post redundancy. It was decided that this should remain a distinct category as participants are in such specific circumstances (e.g. highly 'work ready' etc).
3. Employability Support – projects focused on pre-employment job search and soft skills development.
4. Work Placements or Employment – projects using work placements or short term employment.

Convergence P3/Competitiveness P2

1. Training (Basic / Non-Occupational) – projects offering training in essential skills (reading, writing, IT etc) and lower level qualifications (NVQ 3 and below) not related to specific occupational training.
2. Occupational Training – training focused on specific industries.

3. Apprenticeships – incorporating projects using apprenticeships as a route to training and development as well as a method of gaining work experience.
4. Policy Area Project – projects which focus on promoting a particular policy area, through individuals and organisations.
5. Work Placements or Employment – projects using work placements or short term employment to develop skills

The projects that make up these categories are shown in Table 1.3. Despite combining data between surveys and across different projects, it can be seen that for a couple of project groupings, sample sizes remain relatively small. This is evident for projects embodying work placements to enhance employability under Convergence P2/Competitiveness P1 and for projects related to occupational training under Convergence P3/Competitiveness P2. Results for these two project groupings cannot be presented separately across each stage of the analysis.

Table 1.3: Sample sizes across the typology of ESF projects

Project Title	2009	2010	Total
Basic Training - Employment			
Number of Projects	1	1	1
Number of Participants	1,122	1,098	2,220
Redundancy Training			
Number of Projects	0	1	1
Number of Participants	0	555	555
Employability Support			
Number of Projects	2	6	6
Number of Participants	851	1,531	2,382
Work Placements - Employment			
Number of Projects	0	2	2
Number of Participants	0	55	55
Apprenticeships			
Number of Projects	2	3	3
Number of Participants	1,969	3,227	5,196
Occupation Training			
Number of Projects	0	2	2
Number of Participants	0	69	69
Basic Training - Skills			
Number of Projects	0	1	1
Number of Participants	0	446	446
Work Placements - Skills			
Number of Projects	75	371	446
Number of Participants	1	2	2
	75	376	451
Policy Area Project			
Number of Projects	1	1	1
Number of Participants	41	150	191
All Projects	**4,058**	**7,507**	**11,565**

Chapter 2: Circumstances Prior to Participation in ESF

2.1 Personal Characteristics of ESF Participants

An insight in to the validity of the derived typology of ESF projects is to examine the personal characteristics of respondents participating in these different interventions. Table 2.1 presents an overview of the personal characteristics of respondents to the 2009 and 2010 ESF Leavers Survey. In this table, and throughout the remainder of the report, we continue to make the broad distinction between respondents who participated in projects aimed at improving participation in the labour market (Convergence P2/Competitiveness P1) and those projects aimed primarily at improving the skills of those in work (Convergence P3/Competitiveness P2). The benefits of using the project typology are clear. For example, even among those interventions aimed at improving participation in employment, clear differences can be seen in the age distribution of respondents participating in these programmes. Those undertaking projects in Basic Training are younger and less likely to suffer from work related ill-health conditions than those participating in Employability Support Projects. Those participating in Redundancy Training are generally older and possess higher levels of educational attainment prior to participating in ESF. Approximately 85% of participants in this project are male. By comparison, the characteristics of those participating in projects aimed at the employed are relatively uniform. Those participating in Work Placements projects are relatively young and highly qualified.

Table 2.1: Personal Characteristics of ESF Participants (per cent)

	Convergence P2/Competitiveness P1				Convergence P3/Competitiveness P2					
	Basic Training: Emp	**Redundancy Training**	**Employability Support**	**Placements: Emp**	**Apprent-iceships**	**Occupation Training**	**Basic Training: Skills**	**Placements: Skills**	**Policy Area**	**All**
Male (%)	59.8	84.7	43.2	69.1	43.5	68.1	34.5	46.1	0.0	47.8
Age										
16-18 yrs	45.7	0.0	1.9	7.3	3.8	0.0	1.4	0.2	0.5	11.0
19-21 yrs	17.9	1.3	9.1	18.2	19.9	13.0	7.2	25.1	2.1	15.8
22-24 yrs	3.2	4.7	7.2	20.0	11.7	11.6	8.7	38.1	7.9	9.7
25-30 yrs	6.4	11.0	13.2	7.3	13.5	21.7	16.6	17.7	12.6	12.3
31-40 yrs	9.5	28.1	20.3	9.1	18.0	14.5	24.2	8.4	31.6	17.3
41-54 yrs	13.0	41.8	29.5	30.9	27.5	21.7	31.2	8.7	35.3	25.3
55+ yrs	4.2	13.2	18.9	7.3	5.6	17.4	10.8	1.8	10.0	8.7
Non-white (%)	1.3	1.1	1.6	3.6	2.1	0.0	2.9	5.8	2.1	2.0
Education (%)										
None	15.6	7.2	17.8	12.7	8.8	4.4	9.0	0.2	0.5	11.4
NQF Level 1 or less	21.1	9.7	14.4	27.3	14.2	8.7	13.5	0.4	5.8	14.7
NQF Level 2	33.3	18.7	20.1	16.4	29.1	21.7	14.1	2.9	7.9	25.5
NQF Level 3	8.5	15.7	13.1	16.4	19.4	27.5	20.2	26.8	19.4	16.2
NQF Level 4+	3.7	19.8	10.4	10.9	9.8	15.9	19.7	66.7	52.4	12.6
Unspecified	17.8	28.8	24.3	16.4	18.7	21.7	23.5	2.9	14.1	19.7
Work limiting illness (%)	10.6	6.1	26.1	16.4	4.1	1.5	8.3	5.3	5.2	10.3
Sample	2220	555	2382	55	5196	69	446	451	191	11,560

2.2 Labour market circumstances of project participants prior to ESF

Many of the differences observed in the personal characteristics of ESF participants by project typology reflect differences in the groups being targeted and the nature of the interventions. The labour market circumstances of ESF participants immediately prior to their interventions are presented in Table 2.2. The largest difference between the two broad groups of respondents is the large majority of Priority 3 respondents under the Convergence Programme and Priority 2 under the Competitiveness Programme who were in paid employment prior to participation in an ESF project, reflecting the specific targeting of the employed by these projects. The exception to this is 'Work Placements - Skills', where only approximately a third of participants (35%) reported that they were in work prior to ESF. Over 40% of this group reported that they were in education or training prior to ESF, clearly reflecting that the scheme is aimed at graduates. Among Convergence P2/Competitiveness P1 projects (i.e. those aimed at improving participation in the labour market) generally over 80% of respondents report that they were either unemployed or economically inactive. This figure is slightly lower among those participating in Basic Training due to the higher proportion of such respondents who report that they were undertaking either education or training prior to ESF (22%). Almost a third of respondents (29%) participating in Employability Support (29%) projects report that they were economically inactive prior to ESF. This is significantly higher than the other project categories.

Table 2.2: Labour market characteristics of respondents immediately prior to ESF intervention (per cent)

	Convergence P2/Competitiveness P1				Convergence P3/Competitiveness P2					
	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**Work Placements - Emp**	**Apprent-iceships**	**Basic Training - Skills**	**Occupation Training**	**Work Placements - Skills**	**Policy Area Project**	**All**
Economic Activity										
Paid Employment	8.5	14.4	12.6	9.1	87.8	84.8	100.0	35.0	98.4	51.3
Education & Training	21.9	2.3	4.5	7.3	7.4	4.9	0.0	41.2	1.6	10.4
Unemployed	62.5	80.7	53.6	70.9	4.0	7.9	0.0	22.0	0.0	30.2
Economically Inactive	6.7	1.3	29.0	12.7	0.7	2.5	0.0	1.6	0.0	7.8
Missing, Don't Know	0.5	1.3	0.4	0.0	0.2	0.0	0.0	0.2	0.0	0.3
Total	2220	555	2382	55	5196	69	446	451	191	11,560
Sample	100	100	100	100	100	100	100	100	100	100

Table 2.3 presents information on the duration of non-employment and the reasons why respondents faced difficulties in finding work prior to their participation in an ESF project. This analysis is restricted to participants in interventions aimed at improving participation in the labour market (i.e. Convergence P2/Competitiveness P1). Information provided by the unemployed and economically inactive respondents in previous analyses (presented in the 2009 and 2010 survey reports) indicates that unemployed respondents have been out of paid employment for less time than those who are economically inactive. It can be seen that those participating in Redundancy Training exhibit the shortest duration of non-work prior to ESF, with nearly all of such respondents reporting that they have been out of work for less than a year. The longest durations out of paid work are exhibited by those on Employment Support projects, where approximately two-thirds have been out of paid work for longer than 12 months. This finding will reflect the relatively high incidence of participants who report being economically inactive prior to ESF.

The reason most frequently cited by respondents across all project types for their difficulties in finding work was a perceived lack of appropriate jobs in the area where they lived. This is particularly evident among those respondents who were undertaking Redundancy Training (76%).[2] This group place comparatively little emphasis on transport difficulties (12%), reflecting that they have recently held jobs and the ability to get to work is not a barrier to finding employment. This group also place less emphasis on reasons associated with a lack of qualifications or skills (33%) or a lack or relevant work experience (23%) compared with those participating in other projects. These reasons are most frequently cited among those respondents participating in Basic Training (49% and 55% respectively). Transport difficulties are also frequently cited among this young group of ESF participants (41%). Transport difficulties are also important among those participating in Employability Support projects (cited by 37% of these

[2] It is actually most evident among respondents who were undertaking work placements (80%) but the sample size for this category was very small (55 respondents).

participants); potentially reflecting the relatively limited resources of these groups (i.e. economically inactive, longer spells out of work).

Table 2.3: Duration and reasons for non-employment prior to participation in an ESF project (per cent)

Coverage: Unemployed and Economically Inactive, Conv P2, Comp P1	Basic Training:	Redundancy Training	Employability Support	Work Placements	Total
Duration of Non-Work					
<12 months	57.3	94.5	34.6	50.0	50.7
1-3 years	23.2	4.2	26.2	28.3	22.5
3 years+	12.7	0.4	35.1	21.7	22.1
Don't know	6.7	0.9	4.0	0.0	4.7
Reasons for Non-Employment Prior to ESF					
A lack of qualifications or skills	49.3	33.4	40.7	56.5	43.5
Lack of relevant work experience	54.3	23.2	40.4	54.3	44.1
Lack of affordable childcare	9.3	3.5	18.0	13.0	12.8
Having caring responsibilities	12.1	5.1	26.8	13.0	18.2
Alcohol or drug dependency	2.2	0.2	3.0	2.2	2.3
Having a criminal record	5.4	1.5	4.2	6.5	4.4
Lack of appropriate jobs where you live	64.7	75.7	60.5	80.4	64.2
Transport difficulties and it being hard to get to appropriate work	40.5	11.9	36.5	41.3	35.2
Only wanting to work part time	14.1	4.4	22.9	8.7	17.0
Believing you would not be better off financially in work	12.3	6.0	14.8	10.9	12.7
Medical/health issues	8.4	4.4	23.4	19.6	15.1
My age (too old/young)	15.8	14.6	14.7	26.1	15.3
The recession/economic climate	1.1	2.7	1.2	4.3	1.4

The majority of respondents participating in projects aimed at improving skills (Convergence P3/Competitiveness P2) were in employment prior to their ESF project. Table 2.4 compares the jobs held by these respondents. The majority of those on Apprenticeships and Occupational Training programmes were employed in full time, permanent positions prior to ESF. The incidence of temporary employment is highest among those on Work Placements (36%). A third of this group were also employed in part time jobs (less than 30 hours per week). However, it must be remembered that this group are relatively well qualified, including graduates, among whom it is often commonplace to enter part time or temporary non-graduate jobs immediately following graduation.

This has implications for understanding and interpreting the effects of ESF interventions on the employment outcomes of these participants. Perhaps more notable is the high proportion of participants on Basic Training courses who, prior to participating in an ESF project, were employed on temporary contracts (18%) and worked part time (42%). These forms of contractual arrangement are less likely to be short term phenomena among those who do not possess graduate level qualifications.

Table 2.4: Employment Prior to ESF (per cent)

Coverage: Employed, Conv P3, Comp P2	Apprent-iceships	Basic Training - Skills	Occupation Training	Work Placements	Policy Area Project	Total
Permanent contract (%)	93.3	81.5	92.5	64.0	83.4	91.4
Hours worked						
1-20 hours	9.6	20.7	2.9	23.4	5.3	10.5
21-30 hours	13.1	21.0	2.9	9.7	11.7	13.4
31-40 hours	62.6	50.3	66.2	55.8	73.9	62.0
41 hours+	14.8	8.1	27.9	11.0	9.0	14.2
All	100.0	100.0	100.0	100.0	100.0	100.0

Chapter 3: Undertaking an ESF Project.

3.1 Characteristics of ESF Projects

Chapter 2 described how differences in the characteristics of survey respondents between those who participated in projects under the two different ESF Priorities reflected differences in the groups that were being targeted. The different nature of these interventions is also reflected in the nature of their delivery. As noted in Chapter 2, the majority of Priority 3 respondents under the Convergence Programme and Priority 2 respondents under the Competitiveness Programme were in employment prior to their participation. As would be expected, in Table 3.1 it can be seen that the majority of respondents undertaking Apprenticeships or Work Placements do so at the workplace (65% and 61% respectively). Other forms of support are generally provided at colleges, community centres and training centres. Despite an increased emphasis upon provision being provided at the workplace, participants in projects aimed at improving skills also indicated that their courses took place in the evenings or on weekends. Interventions aimed at improving participation in the labour market (Convergence P2/Competitiveness P1) take place almost exclusively during the working week.

The duration of ESF interventions varies across projects. The intervention with the shortest duration is Redundancy Training, where approximately three quarters of respondents indicate that they were on the project for less than a month. Across nearly all projects, a majority of respondents report that their project lasted for less than 6 months. Finally, approximately 60% of respondents were aware that the project was funded by ESF, with levels of awareness being relatively uniform across different projects.

Table 3.1: Characteristics of ESF Projects (per cent)

	Convergence P2/Competitiveness P1				Convergence P3/Competitiveness P2					
	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**Work Placements - Emp**	**Appren-ticeships**	**Basic Training - Skills**	**Occupation Training**	**Work Placements - Skills**	**Policy Area Project**	**All**
Location of delivery:										
College	18.7	9.7	8.4	0.0	21.5	8.3	47.8	12.2	8.9	16.7
Community centre	4.5	2.5	38.7	12.7	1.1	41.5	1.5	2.2	7.9	11.3
Training centre	62.8	73.0	38.3	25.5	8.4	36.3	10.1	5.1	34.6	29.6
At home	0.1	1.4	0.4	0.0	2.5	0.2	2.9	2.7	0.0	1.4
Workplace	11.6	8.5	5.0	60.0	65.2	4.7	37.7	61.2	10.5	36.2
School	2.3	4.9	9.2	1.8	1.4	9.0	0.0	16.6	38.2	4.8
Duration:										
Less than 1 month	11.0	73.0	40.3	7.3	2.8	42.6	95.7	39.5	18.9	19.3
1 to 6 months	51.3	16.8	33.1	92.7	13.9	20.6	1.5	52.3	70.7	28.2
6 to 12 months	22.3	6.9	18.2	0.0	37.3	27.4	0.0	4.2	3.7	26.4
12 to 24 months	6.4	0.4	2.9	0.0	27.3	5.2	0.0	0.4	0.0	14.3
24+ months	1.3	0.2	0.6	0.0	11.1	0.7	0.0	0.9	0.0	5.4
Don't Know	7.7	2.9	5.1	0.0	7.6	3.6	2.9	2.7	6.8	6.5
When taken										
Evenings/weekends:	1.4	9.2	10.7	1.8	16.7	39.2	0.0	10.4	5.8	12.4
During the working week:	99.0	95.3	90.2	100.0	93.6	62.6	100.0	94.5	95.8	92.9
Was aware that ESF helped pay:	50.0	67.8	60.1	74.6	61.0	67.3	56.5	51.0	88.0	59.4

Respondents to the survey were asked to provide reasons why they embarked on an ESF project (Table 3.2). Reflecting the relative labour market positions of respondents from the different projects, the main reason consistently given by respondents participating in Convergence P2/Competitiveness P1 projects was to help them get a job. This is particularly evident among participants in Redundancy Training, with 45% reporting that they are undertaking ESF to help them get a job and a further 28% reporting that it is helping them to improve or widen their career options. The acquisition of skills is clearly of less relevance to this group compared with others participating in Convergence P3/Competitiveness P2 projects. Given the employment position of respondents participating in Convergence P3/Competitiveness P2 projects, getting a job is of less relevance to these groups as they are already employed. However, these respondents do consistently emphasise the importance of improving their career options (20-27%). The main reason generally cited by respondents participating in such projects is to develop a broader range of skills (22-32%).

The acquisition of skills is an important reason behind the decision to participate in an ESF project. Table 3.3 compares the levels of educational attainment held by respondents prior to ESF with those held at the time of the survey. Whilst some respondents will take further qualifications following ESF, the differences in educational attainment largely reflect qualifications achieved directly as a result of participating in an ESF project. It can be seen that participation in Convergence P2/Competitiveness P1 projects is associated with a reduction in the proportion of respondents possessing no qualifications and an increase in the proportion holding qualifications at NQF level 2. The only exception to this is Redundancy Training which is generally associated with the provision of focussed and practical support following redundancy rather than the attainment of higher level qualifications. The impact of participation in Convergence P3/Competitiveness P2 projects upon levels of educational attainment is less uniform. As would be expected, participation in Apprenticeships is associated with an increase in the proportion of respondents possessing qualifications at NQF Level 3.

Table 3.2: Reasons for undertaking an ESF project (per cent)

	Convergence P2/Competitiveness P1				Convergence P3/Competitiveness P2					
	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**Work Placements - Emp**	**Apprent-iceships**	**Basic Training - Skills**	**Occupation Training**	**Work Placements - Skills**	**Policy Area Project**	**All**
Main Reason										
Develop a broader range of skills	17.4	10.1	19.3	21.3	26.3	21.5	22.6	24.2	31.8	22.2
Develop more specialist skills	7.3	10.9	6.1	6.4	12.8	7.6	12.9	15.8	17.1	10.3
Improve or widen career options	22.5	28.0	17.3	17.0	25.0	20.3	3.2	27.1	25.0	22.9
Help get a job	36.5	44.9	31.8	46.8	6.0	8.6	4.8	19.4	2.3	19.6
Improve pay, promotion or other prospect	1.6	2.5	1.6	2.1	7.7	4.6	14.5	3.1	11.9	4.9
Employer requested or required it	1.9	1.0	3.8	4.3	10.6	12.9	37.1	3.6	4.6	6.9
Learn something new for personal interest	7.2	1.8	14.7	0.0	6.4	17.7	4.8	2.4	4.6	8.2
Help progress to another education, training or learning course	5.8	1.0	5.6	2.1	5.2	6.8	0.0	4.3	2.8	5.1

Table 3.3: ESF and the Accumulation of Skills (per cent)

	Convergence P2/Competitiveness P1				Convergence P3/Competitiveness P2					
	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**Work Placements - Emp**	**Apprentice ships**	**Basic Training - Skills**	**Occupation Training**	**Work Placements - Skills**	**Policy Area Project**	**All**
Qualifications held before the course										
None	15.6	7.2	17.8	12.7	8.8	9.0	4.4	0.2	0.5	11.4
NQF Level 1 or less	21.1	9.7	14.4	27.3	14.2	13.5	8.7	0.4	5.8	14.7
NQF Level 2	33.3	18.7	20.1	16.4	29.1	14.1	21.7	2.9	7.9	25.5
NQF Level 3	8.5	15.7	13.1	16.4	19.4	20.2	27.5	26.8	19.4	16.2
NQF Level 4 or above	3.7	19.8	10.4	10.9	9.8	19.7	15.9	66.7	52.4	12.6
Qualifications held at time of survey										
None	7.9	4.7	11.8	7.3	1.9	5.8	4.4	0.2	0.0	5.3
NQF Level 1 or less	20.6	7.6	14.2	18.2	4.4	11.2	4.4	0.2	2.6	9.8
NQF Level 2	38.7	21.3	24.0	27.3	30.2	17.3	24.6	2.2	6.3	28.1
NQF Level 3	11.0	17.3	14.7	20.0	30.9	22.4	27.5	15.5	23.0	22.0
NQF Level 4 or above	3.9	20.4	11.0	10.9	13.9	19.7	17.4	78.9	53.9	15.2
Total	100	100	100	100	100	100	100	100	100	100

3.2 Withdrawing from an ESF project

Both the monitoring data of ESF participants supplied by WEFO to the research team and the survey dataset provide information on early withdrawal from ESF projects. Comparisons of completion status from these two sources suggested that there are some inconsistencies between the information held on respondents from monitoring records and the information supplied by participants in response to the survey. This points to the potential difficulties in establishing what constitutes withdrawal and the successful completion of ESF projects. For the purpose of this analysis we define withdrawers from ESF projects as those people where the survey responses indicate that they withdrew from an ESF project early. The estimated rate of withdrawal derived from the survey is estimated to be 14%. Rates of withdrawal based upon monitoring records supplied for the purpose of conducting the two surveys are estimated to be approximately 23%. This higher rate of withdrawal reflects higher rates of non-response to the survey among early withdrawers.

Rates of withdrawal from ESF projects are presented in Table 3.4. Due to the relatively small number of respondents participating in certain types of projects, data on withdrawal from ESF is presented for a narrower selection of projects. It can be seen that approximately 1 in 5 participants in Basic Training projects report that they withdrew from their project early. This is common among both types of Basic Training projects, i.e. those aimed at improving participation in the labour market and those aimed at supporting employment. It is also shown that 1 in 6 respondents participating in Employability Support projects also report that they withdrew early.

Table 3.4 also highlights the variety of complex reasons given by respondents for leaving an ESF project early. The most commonly cited reason among early leavers who had participated in interventions aimed at those out of work was having left to start a new job. Excluding Redundancy Training where the numbers withdrawing from ESF are very small, approximately 1 in 5 early leavers in Basic Training and Employability Support indicate that they left ESF

early because they gained employment, highlighting that withdrawal from an ESF project may reflect a successful outcome. Those on Employability Support projects were more likely to emphasise issues surrounding a lack of support, a lack of time or family/personal circumstances.

In terms of projects aimed at supporting those in work, very few respondents withdrew from Work Placements. It is noted that participants in this project category are relatively well qualified and therefore it is not surprising that among the limited number who did withdraw, the most commonly cited reason was due to having gained employment. Among those who withdrew from Basic Training, almost 4 out of 10 reported that this was due to the course not meeting expectations. One in four pointed to a lack of support or help, whilst 1 in 10 also indicated that they withdrew because they were too busy. These issues are likely to reflect relative difficulties of this group associated with participating in an ESF project (during both the working week and the evenings/weekends) whilst also being in paid employment.

Table 3.4: Withdrawal from an ESF project **(per cent)**

	Convergence P2/Competitiveness P1			Convergence P3/Competitiveness P2			
	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**Apprenticeships**	**Basic Training - Skills**	**Work Placements - Skills**	**All**
Withdrawing from ESF (%)	21.7	5.8	16.2	10.7	21.1	3.1	13.6
All Reasons							
Left to start a new job	21.9	50.0	21.7	12.9	6.3	42.9	17.9
Course too advanced/hard	1.8	0.0	1.7	2.5	7.8	14.3	2.6
Course too easy	0.7	0.0	3.9	1.8	3.1	0.0	1.9
Problems accessing course	6.5	0.0	6.7	2.5	4.7	14.3	5.0
Course did not meet expectations	10.1	12.5	6.7	10.0	37.5	0.0	11.3
Lack of support/help	10.4	0.0	17.2	13.9	26.6	0.0	14.3
Lack of time/too busy	6.8	12.5	15.0	8.2	10.9	0.0	9.4
Family/personal circumstances	9.4	12.5	12.2	8.9	4.7	0.0	9.4
Ill health/disability	8.3	0.0	10.6	4.3	4.7	0.0	6.9
Childcare difficulties	1.1	0.0	0.6	1.4	3.1	0.0	1.2
Course cancelled/closed down	6.1	0.0	10.6	11.4	7.8	28.6	9.1
Lost interest/got bored	6.8	0.0	1.1	4.3	0.0	0.0	4.1
Dismissed/made redundant/left job	1.4	0.0	0.0	20.4	0.0	0.0	7.4
Started another course	8.6	0.0	1.7	2.9	0.0	0.0	4.3
Dismissed/dropped from course	3.6	0.0	0.6	2.1	1.6	0.0	2.3
Did not like it	6.8	12.5	3.3	6.8	7.8	14.3	6.2

CHAPTER 4: Current Activity of ESF Participants

4.1 The Career Paths of ESF Participants

This section examines the employment experiences of survey respondents following the completion of their intervention. A section of the survey provides an historical account of the main activities that the respondent had been engaged in following the completion of their ESF intervention. The sample of survey respondents that are included in this analysis is restricted to all those who were able to provide an account of their labour market experiences that covered a period of at least 12 months following the completion of their interventions.

As noted in the introductory chapter, the 2009 and 2010 surveys differed in terms of their design. The 2009 survey was conducted in 2 Waves. The first wave was conducted during February and March 2010, with the second Wave being conducted approximately 5-6 months later. Therefore, in a majority of cases it was only respondents who provided responses to both the Wave 1 and Wave 2 survey who were able to provide 12 months worth of career history data. The 2010 survey was conducted with a single Wave of data collection in July 2011. As respondents to the survey completed their ESF interventions throughout 2010, the length of time covered by these career histories varied. However, approximately 70% of respondents to the survey were able to provide an account of their careers covering a period of 12 months or longer. The analysis that follows is based on those respondents from both the 2009 and 2010 surveys who are able to provide 12 months of career history data following the completion of ESF.

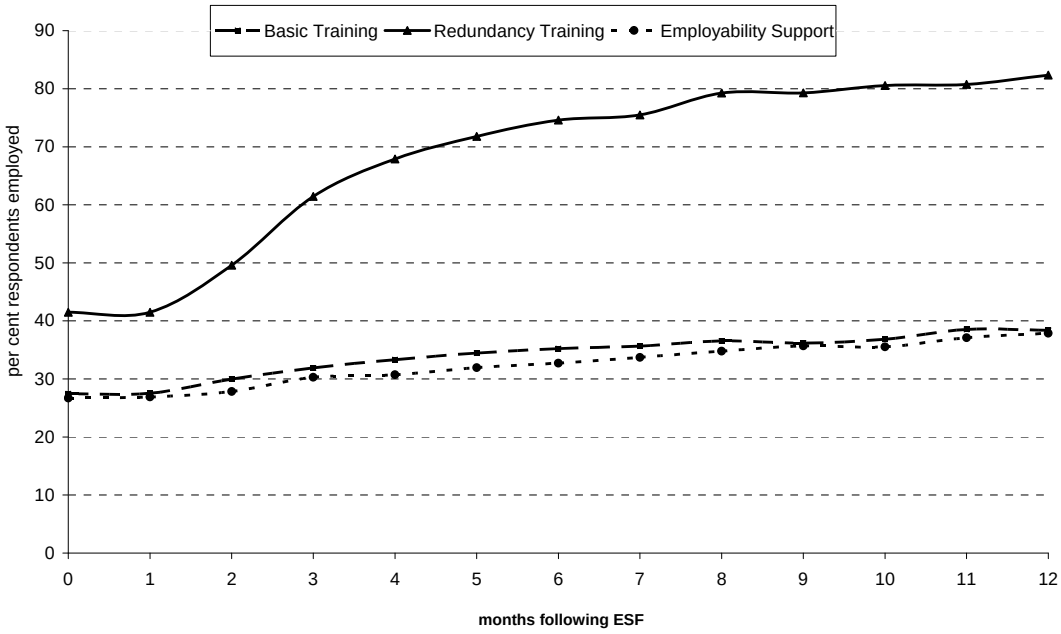
There is considerable continuity in the post intervention career profiles of respondents participating in projects that are aimed primarily at those in employment. This continuity reflects the targeting of these interventions among the employed population and that the objectives of these interventions are about progression in employment. The effects of these interventions on labour market status are expected to be much smaller than those observed

among participants in projects aimed at improving participation in the labour market and employment. We therefore examine the career profiles of respondents from projects under Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme.

Figure 4.1 presents the employment profiles of previously non-employed ESF participants during the 12 month period following the completion of their ESF projects. Several issues emerge. The employment profiles of respondents who previously participated in Basic Training or Employability Support are almost identical in shape. For both of these project groups, almost 40% of previously non-employed participants have gained employment some 12 months following the completion of ESF. However, in both cases the majority of this increase in rate of participation in employment occurs immediately following the completion of an ESF project, with 28% of previously non-employed participants entering work immediately following ESF. The increase in employment over the following 12 months is therefore 10 percentage points.

The employment profile of those who undertook Redundancy Training under ESF is clearly very different in shape. Immediately following ESF, approximately 42% of the previously non-employed gain work; 14 percentage points higher than the two other groups of projects. However, the increase in the rate of employment over the following 12 months is also much greater among participants in Redundancy Training. By the end of the 12 month follow up period, participation in employment has doubled to 82%. This increase in employment share among participants in Redundancy Training occurs during the first 8 months following their intervention, with participation in employment reaching 80% by month 8. Beyond 8 months, there is little change in the rate of participation in employment.

Figure 4.1: Employment Profiles of Previously Non-Employed



4.2 Mapping Transitions in Economic Activity

Table 4.1 considers labour market transitions among survey respondents, contrasting their main labour market activity immediately before embarking on an ESF project with their situation recorded at the time of the survey. These transition matrices are not restricted to respondents who have at least 12 months of career history data and are based upon all respondents to the survey, thereby providing the opportunity to study the nature of transitions in economic activity status in more detail. Once again, these transitions are considered only for those respondents who participated in projects under Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme. Transitions matrices are presented separately for Basic Training, Redundancy Training and Employability Support.

The transition matrices demonstrate that there is a clear increase in participation in paid employment when comparing economic activity before and after participation in ESF projects. Among participants in Basic Training,

participation in employment increases from 9% to 39%. More than three quarters of this increase in employment can be accounted for by respondents moving out of unemployment and in to paid work. Those respondents moving out of education and training in to paid employment largely account for the remainder of the increase in employment. Not all transitions are in a 'favourable' direction, with 5% of respondents moving from unemployment into inactivity. The single largest group in the transition matrix are those who are unemployed both before ESF and at the time of the survey, accounting for 27% of respondents.

Similar patterns are observed among those who undertook projects in the area of Employability Support. A similar proportion of respondents exhibit a move from unemployment in to paid work (20%) and a similar proportion are unemployed both before ESF and at the time of the survey (25%). The overall increase in employment (from 13% to 35%) is slightly lower than that observed for participants in Basic Training. However, the key difference between these two groups of projects is the higher proportion of respondents on Employability Support projects who were economically inactive prior to ESF (29% compared with 7%). A majority of this group remain economically inactive following ESF, with 1 in 5 participants being recorded as being economically inactive both prior to ESF and at the time of the survey. Once again, the single largest group are those who are unemployed both prior to ESF and at the time of the survey, accounting for 1 in 4 of participants from these projects.

Finally, as alluded to by the career history analysis, participants in Redundancy Training exhibit transitions in activity status that are significantly different from other respondents participating in projects that aim to improve participation in the labour market. Participation in employment among this group increases from 15% (many of whom may have been under notice of redundancy) to 83% at the time of the survey. Approximately 4 out of 5 participants in Redundancy Training (82%) were unemployed prior to ESF. A

large majority of this group are in employment by the time of the survey. Moving from unemployment to paid work accounts for 68% of all participants in Redundancy Training and 84% of previously unemployed participants (as calculated by expressing 68% as a proportion of 82%).

Table 4.1: Transitions in Economic Activity (per cent)

	Current main activity				
Main activity before starting course	**Paid employment**	**Education and training**	**Unemployed**	**Inactive**	**All**
Basic Training					
Paid employment	6.0	1.0	1.6	0.1	8.6
Education and training	8.0	7.1	5.3	1.3	21.8
Unemployed	22.6	8.4	27.2	4.7	63.0
Inactive	2.0	1.2	1.6	1.9	6.7
All	38.6	17.7	35.8	7.9	100.0
Redundancy Training					
Paid employment	12.6	0.0	1.3	0.7	14.6
Education and training	1.5	0.2	0.4	0.4	2.4
Unemployed	68.4	0.6	11.0	1.8	81.8
Inactive	0.7	0.0	0.0	0.6	1.3
All	83.2	0.7	12.6	3.5	100.0
Employability Support					
Paid employment	9.5	0.3	2.0	0.9	12.7
Education and training	1.8	1.1	1.1	0.3	4.4
Unemployed	19.7	2.8	25.4	5.8	53.7
Inactive	3.7	2.0	2.3	21.2	29.2
All	34.8	6.1	30.8	28.3	100.0

Having considered the relative importance of different types of transition among ESF participants, we now consider whether these transition rates vary across different population sub-groups. To summarize this, Table 4.2 considers the proportion of respondents who were unemployed or economically inactive prior to ESF who are in paid employment by the time of the survey. Overall, 37% of those previously unemployed or economically inactive are employed following ESF. This figure is highest amongst those

who participated in Redundancy Training (83%) and lowest amongst those who participated in Employability Support (28%).

In terms of gender, overall it can be seen that male participants exhibit higher transition rates in to paid employment than females (43% compared with 31%). Analysis by project reveals that there are no differences in the transition rates by gender among participants of Basic Training or Redundancy Training. A differential of 8 percentage points is observed between male and female participants in Employability Support. However, females are more likely to be economically inactive as opposed to males who are more likely to be unemployed. Therefore, the overall gender differential in transition rates appears to be largely driven by the high proportion of participants in Redundancy Training who are male. Monitoring data reveal that approximately 80% of Redundancy Training participants are male, a pattern that is replicated in the survey data.

Transition rates into employment are generally lower for younger or older participants. The lowest transition rates in to employment are observed among those aged 55 or over participating in Employability Support projects at 15%, approximately half the transition rate observed among participants in these projects as a whole. Among participants in Basic Training and Employability Support training, a generally positive relationship is shown to exist between employment transition rates and levels of educational attainment prior to ESF. No such relationship emerges among participants in Redundancy Training, where rates of transition in to paid employment are high irrespective of educational attainment. The career histories of this group, their family status (primarily males aged 31 to 54) and skills that they have acquired on the job which are not necessarily reflected in formal qualifications may each be contributing to relatively high rates of transition in to paid employment. Finally, across each group of projects, transition rates are lower among those suffering from a work limiting illness. The smallest difference in employment transition rates for those suffering from such a condition is

among participants in Redundancy Training (24 percentage points). By definition, those suffering from a work limiting illness in this group would have recently held a paid job and therefore are more likely to have conditions that do not preclude them from gaining paid work.

Table 4.2: Transitions in to Employment by the Unemployed and Economically Inactive (per cent gaining employment)

	Basic Training - Emp	Redundancy Training	Employability Support	All
Gender				
Male	34.6	83.3	32.8	42.6
Female	36.5	83.1	24.5	30.8
Age				
Under 25	33.5	66.7	30.8	33.9
25-54	38.6	85.4	31.8	42.6
Over 55	31.5	78.7	14.9	24.5
Educational attainment				
None	28.9	95.2	20.7	27.2
NQF Level 1 or less	28.2	89.2	22.0	29.0
NQF Level 2	35.2	84.5	32.5	38.5
NQF Level 3	44.9	81.3	34.7	45.0
NQF Level 4 or above	50.0	86.5	30.5	48.4
Unspecified, other	36.7	77.9	27.0	37.6
Work limiting illness				
Yes	15.6	60.9	12.6	14.9
No	38.1	84.5	34.4	42.9
All	35.3	83.3	28.2	37.4

The transitions in to paid employment among the previously non-employed presented in Table 4.2 disguise the very different circumstances faced by the unemployed and economically inactive. Table 4.3 outlines the relative position of these two groups. Distinctions are not made within projects due to the relatively small sample sizes associated with the economically inactive. This is particularly the case for Redundancy Training where almost all non-employed participants are classified as unemployed prior to ESF. Two significant themes emerge. Firstly, the duration of non-employment is much

lower among the unemployed than it is among the economically inactive. Approximately 60% of the unemployed report that they have been out of work for less than 12 months. In contrast, approximately half of economically inactive respondents report that they have not held a job for over 3 years. Secondly, rates of transition in to paid employment are significantly higher among the unemployed (43%) than among the economically inactive (18%). Within both groups, rates of transition into paid employment decrease as the length of time respondents have been without paid work increases. However, even when making comparisons between economically inactive and unemployed respondents who have been out of work for similar lengths of time, it can be seen that the unemployed are more likely to have gained employment than the economically inactive for any given duration of non-employment. These differentials reflect fundamental differences in the respective definitions of these non-employed groups; namely that the unemployed are those who are out of work and who are looking for work whilst the economically inactive are those who are out of work and who are not looking for work. The employment transitions of these 2 groups are examined in further detail in Chapter 7.

Table 4.3: Transitions in to Employment by Duration of Non-Work and Economic Activity (per cent)

	Unemployed	Economically Inactive	All Non-Employed
Duration of Non-Work			
<12 months	60.2	18.6	52.5
1-3 years	22.4	19.7	21.9
3 years+	14.2	49.3	20.6
Don't know	3.3	12.4	5.0
Total	100	100	100
Employment Transition Rates			
<12 months	54.5	35.0	53.2
1-3 years	31.2	19.6	29.2
3 years+	22.2	11.7	17.5
Don't know	20.8	18.1	19.6
Total	43.2%	17.9%	37.4%

4.3 Nature of Current Employment

Next in this chapter, we consider the quality of jobs held by ESF participants who are in employment at the time of the survey. Relevant figures are presented in Table 4.4. In terms of earnings, excluding those who participated in Occupational Training where the sample size was very small (69), among males, those who received Redundancy Training have the highest level of earnings. This underlines the particular circumstances that surrounds this group of workers who were provided with assistance to find work following redundancy. Across almost all groups of projects, on average women are more likely to be employed in low paid occupations (see Annex 1 for definition of low paid work) than men. Approximately 1 in 3 males in work who were supported by projects aimed at improving participation in the labour market are employed on temporary contracts, higher than that observed among women. However, women are more likely to be employed in part time jobs. Seven out of ten women who gain jobs following participation in employability support are employed in part time jobs.

Finally, this chapter examines the perceptions of respondents regarding the quality of the jobs they held at the time of the survey (i.e. post ESF intervention). Two indexes of job satisfaction are reported. The first is an index based upon the respondents rating their satisfaction with their jobs across a number of dimensions, such as hours worked and job security. The second index is based upon a question that asks respondents to rate their overall levels of satisfaction with their jobs. In each case, a higher satisfaction index indicates higher levels of job satisfaction. It can be seen that levels of satisfaction are relatively uniform, both between males and females and across different project groups. These responses suggest that the context in which a job is held (e.g. following a spell of unemployment) is important to understanding how respondents view their jobs. Levels of satisfaction with work are not lower among those respondents supported by interventions aimed at increasing participation in work, despite the higher incidence of low skilled, temporary, part-time and lower paid jobs held by these respondents.

Table 4.4 Jobs Held by ESF Participants

	Convergence P2/Competitiveness P1				Convergence P3/Competitiveness P2					
	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**Work Placements - Emp**	**Apprent-iceships**	**Basic Training - Skills**	**Occupation Training**	**Work Placements - Skills**	**Policy Area Project**	**All**
Average Weekly Earnings										
Male	198	376	254	219	336	364	376	342		314
Female	159	289	164	168	265	270	327	291	398	253
Low Paid Work										
Male	11.3	4.4	9.9	15.8	18.3	15.0	10.4	6.3	*	13.0
Female	26.8	10.0	19.5	17.6	53.7	55.6	39.5	10.5	26.8	37.6
Temporary Contract										
Male	31.0	29.5	35.4	44.4	8.0	17.9	6.7	25.0	n.a.	17.0
Female	24.9	10.9	26.0	50.0	6.4	18.5	0.0	36.7	16.9	12.3
Part time job										
Male	30.8	8.5	23.0	25.0	5.8	14.1	2.2	13.5	n.a.	11.8
Female	45.4	38.8	69.3	66.7	25.0	36.0	13.6	27.7	7.1	31.7
Job quality index										
Male	2.3	2.0	2.3	2.2	2.6	2.0	2.3	2.7	n.a.	2.4
Female	2.9	2.6	2.6	3.0	2.9	2.4	2.7	2.3	2.7	2.8
Overall assessment of job quality										
Male	4.3	4.1	4.2	4.4	4.3	4.2	4.1	4.2	n.a.	4.3
Female	4.5	4.5	4.4	4.0	4.4	4.3	4.4	4.1	4.4	4.4

Chapter 5: Perceived Benefits of ESF

Respondents to the survey who were in employment both prior to participation in an ESF project and at the time of the survey were asked to consider whether changes had occurred in the nature of their employment and whether they felt that any of these changes happened because of their ESF participation. These questions were asked of both those who, at the time of the survey, were in a different job to the one they held prior to the ESF intervention and also to those who were in the same job. Given the emphasis upon the career progression of those in work and the relatively small number of respondents from Convergence P2/Competitiveness P1 projects who were employed prior to ESF, analysis of responses to these questions are presented for Convergence P3/Competitiveness P2 projects only .

Table 5.1 presents information on the improvements in job conditions reported by ESF participants. Among those respondents employed in the same jobs that they held prior to ESF, the most commonly reported improvements in job conditions since completing their course related to having had more training opportunities (68%), getting more job satisfaction (62%) and improvements in future pay and promotion prospects (53%). In contrast, only 21% of respondents reported that they had had a promotion. Among those who were in a different job to that which they held prior to participating in an ESF project, such respondents are more likely to report a variety of improvements in their jobs. Respondents were also asked whether they felt that these changes happened because of their participation in the intervention. Approximately 10% reported that these changes (whether they be in the same job or in a new job) were directly because of the intervention.

Table 5.1: ESF and improvements in current job (per cent)

Coverage: Employed, Conv P3, Comp P2	Same Job	Different Job
Promotion/new job is at a higher level	21.4	59.9
Pay rate, salary or income increased	41.0	62.9
More job satisfaction	62.4	80.5
Better job security	46.5	72.9
Improved pay and promotion prospects	53.1	73.3
More opportunities for training	68.0	74.2
Sample	3964	891

Table 5.2 presents the reported improvements in job conditions separately for the four project groups covered by Convergence P3/Competitiveness P2. The responses provided by those in the same job and in different jobs are combined. The analysis reveals that the reported improvements in jobs are highest among those who participated in Apprenticeships and Work Placements, with the relative scale of reported improvements being similar across these two groups of projects. Those participating in Basic Training and Occupational Training report lower levels of improvement. In terms of the role of ESF in gaining these improvements, 16% of those who participated in Work Placements reported that these improvements were directly attributable to ESF. Of those undertaking Apprenticeships, 10% report that these improvements were directly attributable to ESF. The role of ESF in contributing to improvements in jobs is less among those who participated in Basic Training (6%) and Occupational Training (3%).

Table 5.2: ESF and improvements in current job by project type (per cent)

Coverage: Employed, Conv P3, Comp P2	Apprenticeships	Basic Training - Skills	Occupation Training	Work Placements	Policy Area Project	All
Improvements in jobs						
Promotion/new job is at a higher level	30.1	12.9	8.7	37.7	18.9	28.4
Pay rate, salary or income increased	47.7	22.3	27.5	46.0	31.5	45.0
More job satisfaction	68.1	43.5	49.3	65.2	58.6	65.7
Better job security	54.2	30.8	42.0	53.2	27.4	51.4
Improved pay and promotion prospects	58.9	35.6	36.8	66.7	51.4	56.9
More opportunities for training	71.2	52.1	67.2	62.8	58.6	69.1
% in same job as pre-ESF	64.8	67.0	95.7	20.2	88.0	62.9
Improvements due to ESF	10.0	5.8	2.9	15.7	6.0	9.6

Finally, we consider how the perceptions of respondents regarding the impacts of these projects vary across different groups of projects. It can be seen that 22% of respondents report that ESF was vital to them in gaining their current job. The proportion of respondents who report this was highest among those who participated in Work Placements, where over 30% reported that their project was vital to them gaining their current job. Those who were unemployed at the time of the survey were asked whether ESF was likely to increase the chance of them finding a job in the future. Excluding those participating in Work Placements (due to the small sample size), those respondents participating in Employability Support projects were least likely to report that their project would help them in the future.

Respondents were asked whether, with the value of hindsight, if they were starting out again, they would: choose to do the same course at the same place; the same course but at a different place; a different course; or to not do a course at all. Responses to these questions are provided in the final column of Table 5.3. Approximately three quarters of respondents indicate that, with the value of hindsight, they would do the course again, with this figure being relatively uniform across projects.

Table 5.3: Perceived Impacts of Course (per cent)

	Vital in Gaining Current Job	More Chance of Finding a Job in the Future	Job Improvements Attributable to ESF	Would do the course again?
Convergence P2/Competitiveness P1				
Basic Training - Emp	20.7	25.0	-	68.8
Redundancy Training	23.5	22.0	-	76.8
Employability Support	21.3	18.4	-	6.9
Work Placements - Emp	30.4	6.9	-	80.0
Convergence P3/Competitiveness P2				
Basic Training - Skills	7.7	-	5.8	81.2
Occupation Training	66.7	-	2.9	75.4
Apprenticeships	23.4	-	10.0	78.0
Work Placements - Skills	30.5	-	15.7	83.8
Policy Area Project	6.3	-	5.5	86.9
Total	22.4	21.5	9.6	76.4

Chapter 6: Counterfactual Impact Evaluation and the ESF Leavers Surveys

6.1 Introduction[3]

The aim of the ESF Leavers' Surveys is to assist in assessing the effectiveness of the ESF Convergence and Competitiveness Programmes in Wales. The interventions supported by the Programmes are wide-ranging, though all relate to the investment in human capital. While the Leavers Surveys provide indicators of the impact of ESF[4], it is difficult to provide robust conclusions on the effectiveness of ESF interventions without understanding what participants would have done in the absence of ESF. To address this issue, the analysis of the 2010 Survey incorporated the results of a statistical matching exercise to create a control group derived from the Labour Force Survey. The analysis considered whether participation in ESF projects is associated with an increase in the likelihood of those participants who were previously out of work gaining employment following their participation in an ESF project. The analysis therefore concentrated on projects where the provision is primarily aimed at those out of work (i.e. Convergence Priority 2; Competitiveness Priority 1)[5].

To estimate the effect of ESF interventions on the likelihood that those out of work prior to participation gain employment following ESF, it is necessary to define a control group or sample whose experiences accurately reflect the hypothetical, unobserved outcomes for the treatment group in the absence of the ESF intervention. Since there is no control group already defined, the Labour Force Survey (LFS) was used to provide suitable comparators for our treatment group. The ESF survey was explicitly designed to collect information in a way

[3] The analysis described in Chapters 6-8 incorporates data from the Annual Population Survey which is produced by the ONS and is accesses via special licence from the UK Data Archive, University of Essex, Colchester. None of these organisations bears any responsibility for the analysis or interpretation undertaken here.

[4] Through survey questions asking individuals to reflect on the extent to which their participation in ESF helped them to get a job.

[5] We have not examined the impact of interventions aimed at those in work. Data sources such as the Labour Force Survey contain detailed information on vocational education and training received by respondents and would be a better source of data to assess the impacts of such interventions on career outcomes. For example, see Dickerson A. (2005) A Study of Rates of Return to Investment in Level 3 and Higher Qualifications: http://www.bis.gov.uk/files/file19870.pdf

that is consistent with questions used in the LFS, therefore allowing data from the two sources to be integrated. Detailed information from consistently defined variables relating to a range of measurable attributes was used as the basis upon which individuals from the two data sources were matched.

Statistical matching was undertaken utilising Propensity Score Matching. The propensity score was derived from a statistical model that estimated how a range of observable characteristics affected the probability of being in receipt of an intervention (as measured by their propensity score). This was based upon the characteristics of ESF participants observed from the ESF survey and of non-ESF participants observed from the LFS. This allowed the identification of which characteristics were associated with individuals being more likely to be ESF participants. An attempt was then made to match each ESF participant to someone from the wider population who is most similar in terms of their probability of being an ESF participant, as measured by their propensity score. In this way a group of individuals were identified who did not participate in an ESF project but who have personal characteristics that are typical of an ESF participant and can therefore usefully act as a control group. Once the two groups were formed, the effect of the ESF intervention was estimated by simply comparing differences in outcome measures between the two groups.

The results of the statistical matching work undertaken on the 2010 Survey are published in final report for that study. Utilising statistical matching techniques, analysis of the 2010 survey revealed that participation of the unemployed within an ESF project aimed at increasing participation in employment increases the rate of transition into paid work by approximately 6 to 9 percentage points. Analysis of the 2010 data also revealed that this differential in employment outcomes was estimated to be larger for males (10-14 percentage points). Participation in ESF was not estimated to have a significant effect on employment transitions for women. The reason for this differential was not clear.

The 2010 analysis was limited to examining the combined effectiveness of all funded ESF interventions, with no consideration being given to examining the relative effectiveness of different types of interventions. The remaining chapters of this report extends the previous analysis by merging data from both the 2009 and 2010 study in order to provide sufficiently large sample sizes to undertake statistical matching for the three large project groups where the provision is primarily aimed at those out of work; namely Basic Training, Redundancy Training and Employment Support. An important innovation for the present analysis has been the development of a new source of longitudinal data based on the Annual Population Survey. This longitudinal APS data set should improve the accuracy with which a control group for ESF participants can be developed. Before discussing the new analytical results based upon the combined ESF data sets, this chapter briefly discusses some of the main methodological issues and how these have been addressed.

6.2 Propensity Score Matching and Limitations of the Labour Force Survey

The key piece of information required from the LFS to assess the relative outcomes of previously out of work individuals is a measure of the change in an individual's economic activity status measured over a period of time that is broadly comparable to the time elapsed between pre-ESF and current activity among respondents to the ESF surveys. For this purpose, the statistical matching applied to the 2010 Survey utilised a question from the LFS which is asked during the second calendar quarter of each year (April-June). During this quarter, the LFS asks respondents about their labour market circumstances one year previously. To ensure that there were sufficient numbers of people in the LFS sample to match ESF respondents against, LFS data from 2008, 2009 and 2010 were combined.

There are clearly a number of potential problems associated with utilising such a question from the LFS to provide a 'benchmark' of economic transitions against which to compare ESF participants. Firstly, LFS respondents are being asked to retrospectively remember what they were doing 12 months earlier which could

introduce problems associated with recall bias. These issues of recall will be further compounded where responses to the LFS are achieved via a proxy respondent; i.e. somebody else in the household who is in a position to respond on behalf of the LFS subject in their absence (typically a spouse). Furthermore, whilst the LFS provides a detailed account of the characteristics of respondents at the time of the survey, it does not contain detailed information on the characteristics of the respondents 12 months earlier. For example, among those LFS respondents who were previously unemployed, we would ideally wish to use their level of educational attainment and their duration of unemployment recorded 12 months earlier as matching variables. Whilst the ESF surveys ask respondents about their educational attainment prior to ESF, such retrospective data are not collected from LFS respondents. Therefore, whilst duration of unemployment would clearly be expected to be an important characteristic in terms of understanding the likelihood with which an unemployed person will find work, it cannot be used in statistical matching work that utilises the LFS as the control group. In terms of educational attainment, the LFS based analysis had to resort to using qualification data as recorded at the time of the LFS interview. This could over-estimate the level of educational attainment held by LFS respondents some 12 months earlier, potentially resulting in the most appropriate matches being missed.

6.3 Propensity Score Matching and the Annual Population Survey

To overcome these problems, a longitudinal database containing detailed information on demographic characteristics and participation in the labour market has been created based upon the data files of the Annual Population Survey. The APS is available on an annual basis from 2004 and these contain observations from three sources: the (main) Quarterly LFS (QLFS), the APS boost and the Local Labour Force Survey. The LLFS was introduced separately in England (from 2000), Wales (from 2001) and Scotland (from 2003) and was designed to enhance or 'boost' the number of observations from the QLFS to provide more robust information at the local authority level. Whilst the information contained within the LLFS is based on the same survey questions as the more widely utilised Quarterly LFS there is one critical difference; addresses sampled as part

of the LLFS are selected for inclusion on the basis of a rotational four year panel. The APS therefore provides the opportunity to track individuals in participating households for up to a period of 4 years.

Data from the January-December versions of the annual APS from 2007 to 2011 inclusive have been pooled. Due to the rotational design of the survey (responses being carried forward to subsequent waves), considerable attention is given to ensuring the longitudinal integrity of the APS. For many questions the responses provided by individuals during the previous Wave are available to the interviewer so that the previous circumstances of respondents can be referred to when certain questions are asked. The APS data therefore contain a number of system variables that allow individuals and households to be uniquely identified. A matching exercise has been performed based on these system variables to link information available for the same individuals over time. The APS data files contain data on individuals collected from both the main LFS survey and the Local Labour Force Survey. In the case of the LFS, a respondent may appear in the APS data files on two occasions one year apart. This corresponds to the interviews they provided in first and fifth Waves of the LFS. In the case of the APS, a respondent may appear in the APS data files on four occasions. This relates to households selected for inclusion in to the APS being interviewed once a year over a period of 4 years. The APS data can therefore provide an alternative source of data on employment transitions against which the experiences of ESF participants can be compared.

The LFS was not designed as a panel survey and, as such, it is the address and not the household or individual that is traced across time. As a consequence the LLFS panel is restricted to households that did not move address which generates a more severe problem of attrition than in dedicated panel surveys where considerable efforts (and resource) is expended in following up individuals who may have left the family home. The panel data base derived from the APS will therefore under-represent some groups of more mobile individuals such as those who are younger, students and non-white. Due to the innovative nature of

the APS panel database, no sample weights are available to correct for these potential biases.

These limitations should not detract from the advantages of the APS data over the LFS in the context of the present analysis. Firstly, transitions derived from the APS data are based on comparing actual observations recorded at the time of surveys rather than relying upon a question that asks respondents to recall what they were doing 12 months earlier. Secondly, the APS data provides the opportunity to include the duration of non-employment in the analysis. This is not asked of respondents to the LFS who are only asked to recall what they were doing 12 months earlier. Finally, characteristics of respondents to the APS can be measured at the beginning of the 12 month transition period. Important in this respect is level of educational attainment which could only be measured in the LFS at the time of the survey as opposed to 12 months earlier. Where possible, the analysis in the chapters that follow presents descriptive information from both the APS and LFS data sets so that the robustness of results can be considered. However, the PSM analysis only utilises APS data due to the significant advantages of this panel data compared to cross sectional data from the LFS.

Finally, it is acknowledged that it is not possible to identify whether or not non-employed respondents in the APS have themselves received education, training and/or support in relation to searching for employment in the previous 12 months. The estimated effect of ESF is therefore being evaluated in comparison to group of otherwise comparable unemployed people from the wider population who may themselves have received some other form of support that may have assisted them to find employment. The most obvious example of this would be the support services provided by job centres. Such 'universal' support is less problematic in the case of the present exercise as these services are also likely to be accessed by unemployed ESF participants. The additionality of ESF could therefore be regarded as being evaluated in comparison to 'baseline' levels of support provided to the wider unemployed population.

Of greater concern is whether or not respondents to the APS have accessed some form of training or provision outside of ESF but which is additional to 'baseline; levels of support. For example, respondents to the APS living in Wales may themselves have received support via ESF administered by WEFO. There is therefore a case for excluding APS respondents who live in Wales from any derived comparator group. However, APS respondents living in deprived areas of England may also have been in receipt of support via ESF administered by DWP. If APS data for Wales was excluded from the analysis, there would also be a strong case for excluding APS respondents living the North East of England from any derived comparator group. Given the importance of local labour market conditions in contributing to whether or not an individual gains employment, excluding APS respondents who lived in deprived areas from contributing to the control group would clearly be to the detriment of developing an effective control group. However, by not excluding such respondents there is a danger that APS respondents have also been in receipt of ESF support. The likelihood of this actually will depend upon the coverage of ESF among the target population. The additionality of ESF is therefore being estimated as that over and above that which was available to APS respondents, which could potentially include support via ESF.

6.4 Defining Transitions and the Study Sample

Due to a) the varying duration of ESF interventions and b) the different end dates at which respondents completed these interventions, the length of time that had elapsed between pre-ESF and post-ESF activities varies considerably between respondents. To take this into account, the statistical matching work uses career history data collected by the survey which asked respondents to provide a dated monthly account of what they had done since the completion of their ESF project. This career history data has been used to identify their activity status exactly at a point 12 months after the beginning of their course. Such data were not available for all respondents to the ESF survey so these respondents were excluded from the analysis. As discussed in Chapter 4, this requirement means that respondents from the 2009 survey will generally had to have participated in both Wave 1 and Wave 2 of the survey. Respondents to the 2010 survey, which took

place during the summer of 2011, will have had more opportunity for 12 months to have elapsed since the beginning of the ESF project.

The LFS and APS data are both able to provide information about transitions in the economic circumstances of individuals over a period of 12 months. Among respondents included in the APS longitudinal database, linking of individual records can provide longitudinal data over a period of potentially 4 years. It is possible that among some respondents to the ESF surveys, 24 months may have elapsed since the beginning of their ESF project (i.e. those completing a project of 6-9 months duration during the 1st quarter of 2009 or 2010). However, the numbers of such respondents is small and insufficient to support an analysis of transitions over a period of 2 years. The analysis is therefore restricted to transitions measured over a period of 12 months, including time spent on the ESF project.

The use of the APS means that a variety of respondent characteristics used for the purposes of statistical matching can now be measured at the beginning of a 12 month period over which their subsequent transitions are observed. However, whilst the APS is able to capture the characteristics of respondents at the beginning of this 12 month observation period, this is not the case for the ESF survey where some questions are asked with respect to the situation of respondents at the time of the survey. These typically relate to the personal characteristics where it is impractical to ask respondents about their personal circumstances in relation to different points in time (e.g. do you currently suffer from an ill-health condition, did you suffer from an ill-health condition prior to ESF). The ability of respondents to recall such information and tolerate being asked such questions may have been limited. However, these limitations are unlikely to be problematic in the context of the present analysis as these personal characteristics would not be expected to exhibit significant change over the relatively short time period during which the transitions of ESF participants are being examined.

Chapter 7: The Effect of ESF on Employment Transitions

7.1 Introduction

This chapter provides an analysis of the relationship between participation in ESF and the likelihood that those who are out of work prior to ESF will be in employment some 12 months after commencing their ESF project. The analysis primarily focuses upon the experiences of the unemployed. The relative homogenous characteristics of the unemployed in terms of their preferences for finding work means that we can feel more confident in comparing the transitions of unemployed ESF participants with the transitions experienced among the wider population. The wider variety of circumstances and preferences exhibited by the economically inactive make it more difficult to make 'like for like' comparisons in employment transitions among this group. Nonetheless, support for the economically inactive is important in the context of ESF and so the employment transitions exhibited by this group are considered at the end of the chapter.

7.2 Transitions into Employment Among the Unemployed

This section makes a simple comparison of the labour market transitions of ESF participants (the treated group) with respondents to the LFS and the APS. Firstly, it can be seen in Table 7.1 that that the employment transition rates from the APS are very similar to those derived from the LFS. Within both sources, employment transition rates among the unemployed are estimated to be 38%. Despite smaller sample sizes, transition rates of different population sub-groups are also similar across these two sources. Among the wider population, based upon APS data, the unemployed who exhibit the highest rates of transition in to paid employment include couples (44-46%), those holding qualifications at NQF Level 4 or above (51%) and welsh speakers (50%). Those with the lowest transition rates into paid employment include those suffering from a work-limiting illness (25%), those aged 56-65 (28%), single people (28%) and those with no qualifications (22%).

Among respondents to the 2009 and 2010 ESF Surveys, the unemployed exhibit a 12 month transition rate in to paid employment of 43%, approximately 5 percentage points higher than that estimated from the APS (and LFS). However, it can be seen that this differential is being driven by the particularly high rates of transition in to paid employment exhibited by those participating in Redundancy Training, where approximately 8 out of 10 participants are in paid employment 12 months after participating in their ESF project. Those unemployed who are participating in Basic Training and Employability Support exhibit similar rates of transition in to paid employment as those in the wider population. Care must be taken in making comparisons between ESF and the wider population for specific population sub-groups due to the small sample sizes that may underpin these estimates. Excluding those participating in Redundancy Training, comparisons with the APS reveal that participation in ESF is associated with higher employment transition rates among those with no qualifications prior to ESF (a differential of 10-13 percentage points). However, participants in ESF who are aged 18-25 or suffer from a work limiting illness appear to exhibit lower rates of transition in to paid employment. Among participants in Redundancy Training, it can be seen that there is relatively little difference in transition rates among different population sub-groups. This would suggest that the overriding characteristic of this group is their high employability having previously been engaged in paid employment. Even those groups who face particular disadvantage, such as those with a work limiting illness or those with low levels of educational attainment, exhibit relatively high rates of transition in to paid employment. The particular characteristics of participants in Redundancy Training are discussed in further detail in section 7.6.

Table 7.1: Transition Rates by Personal Characteristics (per cent)

	Basic Training	Redundancy Training	Employability Support	ESF Survey	LFS	APS
Gender						
Male	35.3	81.7	37.8	45.9	36.9	37.5
Female	36.4	73.9	35.8	38.8	39.4	38.8
Age						
18-20 yrs	30.3	100.0	33.9	31.8	36.0	36.5
21-25 yrs	40.7	71.4	37.1	41.2	43.7	42.2
26-35 yrs	34.1	77.4	35.0	42.9	41.9	37.0
36-45 yrs	42.9	82.9	37.3	48.5	38.2	41.4
46-55 yrs	41.7	83.3	44.5	52.6	37.4	39.4
56-65 yrs	28.6	76.3	27.2	38.7	24.8	28.0
Work limiting illness						
No	38.2	80.8	41.7	47.0	42.1	41.1
Yes	18.3	73.3	17.5	21.3	20.3	25.4
Family Status*						
Single no children	27.2	82.9	35.0	38.3	29.2	28.6
Couple no children	46.8	84.5	47.5	57.1	47.4	45.7
Couple with children	45.0	77.7	38.7	52.8	43.5	44.2
Single with children	31.7	77.8	33.1	34.9	28.6	27.7
Living at parental home	33.8	87.0	34.9	36.6	38.7	39.0
Educational Attainment**						
NQF Level 4+	53.5	79.2	41.8	57.3	53.6	51.1
NQF Level 3	34.9	81.8	35.9	45.2	41.8	43.6
NQF Level 2	36.7	77.6	41.0	43.1	39.4	39.4
NQF < Level 2	31.0	89.7	27.6	35.4	32.9	34.0
None	35.1	66.7	32.6	36.1	24.3	21.8
Other	37.0	74.2	34.4	47.8	38.3	36.9
Welsh Speaker***						
No	36.5	79.9	36.3	42.3	35.5	38.8
Yes	32.4	81.5	40.0	47.1	44.6	50.0
Total	35.7	80.4	37.0	43.3	37.9	38.0

*Respondents to the ESF survey are asked about the type of household in which they currently live. They are requested to select the single most appropriate category.

**Educational attainment is measured at the outset of the 12 month period follow-up period.

***Welsh language use is only recorded in the APS for those living in Wales.

In terms of matching individuals from the ESF survey with comparable groups of respondents to the LFS, local labour conditions are also likely to influence the probability of somebody moving in to employment. This issue is examined in Table 7.2 which provides estimates of employment transitions by local area employment. It can be seen that among APS respondents living within the twenty per cent of Unitary Authorities that have the lowest rates of employment (measured among the non-student population of working age), only one third of the unemployed have moved in to paid work 12 months later. This transition rate increases steadily for those unemployed living in areas with higher levels of employment. Six out of the 15 Unitary Authorities covered under the Convergence Programme Area have rates of employment that place them within the bottom decile of UK Unitary Authorities (Neath Port Talbot, Rhondda Cynon Taff, Merthyr, Caerphilly, Blaenau Gwent and Torfaen). Anglesey, Pembrokeshire and Bridgend also fall within the bottom quintile of Unitary Authorities when ranked in terms of rates of employment. Due to the concentration of ESF projects in areas of low employment, it is therefore difficult to compare the employment outcomes of ESF participants by employment levels within the local economy, particularly where certain projects are specific to certain areas. Nonetheless, it appears that local demand conditions also influence employment transition rates among ESF participants. Even after excluding participants in Redundancy Training, employment rates exhibited by ESF participants are generally higher than APS respondents living within areas with similarly low levels of participation in employment among the population of working age. Local labour market conditions should therefore be taken in to account when attempting to make like for like comparisons between participants in ESF projects and respondents to the LFS/APS.

Table 7.2: Transition Rates by Local Labour Market Characteristics

(per cent)

	Basic Training	Redundancy Training	Employability Support	ESF Survey	APS
Local Employment Rates					
Bottom Fifth (<70.7)	31.8	78.5	37.9	41.3	32.5
Second (70.7-74.4)	39.3	85.3	30.3	48.6	36.1
Third (74.4-76.6)	48.4		47.4	48.1	38.8
Fourth (76.6-79.5)					41.7
Top Fifth (79.5+)					44.1
Total	35.9	80.4	37.1	43.5	38.0

7.3 Employment Transitions and the Duration of Non-Employment

This section considers differences in employment transition rates by duration of non-employment. Before examining transition rates, Table 7.3 considers differences in the duration of non-work between previously unemployed ESF participants and those unemployed within the wider population. Within the ESF Survey, those who were not in work prior to their participation in an ESF project were asked the following question: **At the time you started the course or project, how long had you been out of work?** For ease of exposition and due to the limited space available within the questionnaire, the same question was asked of different groups of previously non-employed respondents. Responses to the question from previously unemployed respondents are provided in the top panel of Table 7.3. It can be seen that different groups of ESF participants vary considerably in terms of their experience of unemployment prior to ESF. Most notably, participants in Redundancy Training report very short durations of non-employment prior to ESF, with 96% having been out of work for less than 12 months. Those participating in Employability Support record the longest durations of non-employment, with 54% reporting that they were out of work for longer than 12 months prior to ESF. This group account for 27% of the unemployed population among respondents to the APS. Those participating in Basic Training exhibit durations of non-employment that are broadly comparable to those reported by APS respondents.

As noted above, data relating to the duration of non-employment among the wider unemployed population is only available from the APS. However, the APS data provides two measures of the duration of non-work. Firstly, all those who are unemployed at the time of the survey are asked how long they have spent looking for work. This question therefore provides information on the duration of unemployment. In addition, all those who are out of work at the time of the survey are asked about when they left their last paid job, enabling the duration of non-work to be calculated. For those who have never held a paid job, the duration of non-work is estimated by subtracting the age at which they left full time education from their current age.

The benefit of these two measures of duration is that they are able to capture the fact that an unemployed respondent may not have been actively seeking work for the entire duration that they have been out of paid employment. An example of this might be women who are returning to the labour market following a period of family formation. Among such women, the length of time that has elapsed since their last job (or since leaving full time education if they have never held a job) may be considerably longer then the length of time that they have actually been seeking paid employment. The average duration of unemployment is therefore lower than the average duration of non-employment. APS data reveals almost three quarters of the unemployed (72%) have been unemployed for less than 12 months. Half of this group (36%) have been unemployed for less than 3 months. Less than 8% have been unemployed for 3 years or longer. However, the duration of non-work among the unemployed is considerably longer. For example, over 20% of the unemployed indicate that they have not held a job for 3 years or longer.

Given the availability of these two measures, it is important to consider which is the most appropriate to use for the purposes of statistical matching. The wording of the duration of non-work question in the ESF surveys is focussed on the duration of non-work and makes no reference to the duration with which respondents have actually been searching for work. This would therefore

suggest that the length of time spent out of work is the most appropriate measure. It is also noted that the duration of non-employment derived from the APS is very similar to that derived from the ESF surveys, suggesting that this measure is broadly comparable.

Table 7.3: Duration of Non-Employment Duration Prior to ESF

(per cent)

	ESF Survey				APS Data	
	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**All ESF**	**UE Duration**	**Time Since Last Job**
Survey Data						
<12 months	60.0	95.5	45.9	59.3	72.3	55.7
1-3 years	26.6	4.1	29.8	24.5	20.2	23.9
3+ years	13.4	0.5	24.3	16.2	7.4	20.4
ESF Monitoring Data						
<3 months	57.3	44.7	23.6	39.6	36.0	*
3-6 months	9.6	27.8	18.4	16.5	18.6	*
6-12 months	15.7	18.5	23.5	19.9	17.6	*
1-3 years	12.4	8.1	19.0	14.9	20.2	*
3+ years	5.1	0.9	15.5	9.3	7.4	*
Total	100.0	100.0	100.0	100.0	100.0	100.0

A second source of data regarding the duration of non-employment prior to ESF is available from the monitoring data held by projects on their participants. This data is presented in the lower panel of Table 7.3. The main benefit of this data is that the information was recorded at the time that participant was taking part in ESF. As such, it less likely to be subject to problems associated with recall bias. The main disadvantage however is that it is not necessarily clear what duration is being measured by ESF projects. Participants may interpret duration with respect to benefit entitlement, the length of time passed since they last held a paid job or with respect to the length of time that they have been out of work and looking for work.

Analysis reveals that the monitoring data are more likely to record participants as being short term unemployed than the survey data. Among those on Basic Training, approximately 84% are recorded as having been unemployed for less than 12 months prior to ESF, 24 percentage points higher than the survey data. Similarly, 65% of those on Employability Support projects are recorded as having been unemployed for less than 12 months prior to ESF, approximately 20 percentage points higher than that recorded by the survey data. The monitoring and survey data provide a more consistent picture in respect of those participating in Redundancy Training. Overall, the monitoring data records that approximately 77% of previously unemployed ESF participants who responded to the survey were out of work for a period of less than 12 months. This appears to be broadly comparable to the measure of unemployment duration available from the APS data. This suggests that the monitoring data are recording the duration of unemployment, with such an assessment possibly being based in relation to the duration with which respondents have been claiming benefits.

7.4 Unemployment Duration and Employment Transitions

The different pictures of the experience of non-employment prior to ESF painted by the survey and monitoring data raises the question as to which measure is the best predictor of gaining employment following ESF. The relative strength of the relationship between the duration of non-employment and transitions in to paid employment when comparing survey and monitoring based measures of duration may provide an indication as to the relative accuracy of the data from these alternative sources. Analysis of the APS data has clearly established that there is a strong negative relationship between the duration of non-employment and the likelihood that those who are out of work gain employment during the next 12 months. If the relationship between duration and entry in to employment derived from either the survey or the monitoring data is less pronounced, this could indicate that the underlying measure of duration is being measured with less accuracy.

Some insight into these issues is provided by the analysis of employment transitions by duration of non-employment presented in Table 7.4. APS data reveal a clear inverse relationship between unemployment duration and the likelihood that an unemployed person will be in paid work twelve months later. Among those who have been unemployed for less than 3 months, over half (51%) are observed to be in paid work 12 months later. This is compared with an employment transition rate of less than 10% among those who have been unemployed for three years or longer. The relationship between the duration of non-work and the likelihood that an unemployed person will enter paid work is less pronounced. Higher transition rates among those who have been out of work for longer than 12 months indicates the presence of some people who, despite prolonged periods without a job, are short term unemployed and are therefore relatively employable. Rates of transition in to paid employment are lowest amongst those who are unemployed *and* who have been looking for work for over three years (9%).

Examination of ESF data reveals that the relationship between employment transitions and duration is less consistent when the duration of non-work is derived from monitoring records. Indeed, employment transitions among those who are recorded as having been out of work prior to ESF for three months or less are lower than those estimated for respondents who have been out of work for between three and six months. Given that the monitoring data appears more likely to record ESF participants as having shorter durations of non-work; it was expected that this duration data may actually have been capturing the length of time people were out of work and were looking for work. If the monitoring data were accurately recording the duration of unemployment, the relationship between duration and transitions in to employment would be expected to be more pronounced than that derived from the survey measure. However, the bottom panel of Table 7.4 actually reveals the presence of a varying and less pronounced relationship between duration and employment transitions. These observations would suggest that the monitoring data provides a less reliable measure of the duration of non-employment than the survey data. The analysis

in the remainder of this chapter therefore utilise measures of the duration of non-employment derived from the ESF survey for the purposes of statistical matching.

Table 7.4: Duration of Unemployment Prior to ESF and Employment Transitions (per cent)

	ESF Duration of Non-Work				APS Data	
	Basic Training - Emp	Redundancy Training	Employability Support	All ESF	UE Duration	Duration of Non-Work*
Survey Measure						
<12 months	46.4	82.4	49.1	56.5	45.0	47.9
1-3 years	25.1	50.0	32.9	29.7	23.7	30.5
3+ years	18.5	0.0	20.4	20.0	9.4	19.9
All	36.8	80.4	37.5	44.1	38.0	38.0
Monitoring Data Measure						
<3 months	36.8	81.0	43.4	47.0	50.9	47.9
3-6 months	49.2	83.1	44.5	56.1	43.8	
6-12 months	40.9	77.8	40.9	47.1	34.3	
1-3 years	30.2	74.1	28.3	34.3	23.7	30.5
3+ years	16.2	.	22.7	22.4	9.4	19.9
All	36.6	80.4	37.1	44.3	38.0	38.0

- As duration of non-work amongst those who have never worked is calculated with reference to current age and the age at which respondents left full time education, this measure can only be estimated in whole years.

7.5 Completion of ESF and Employment Transitions

Rates of withdrawal from ESF projects have been considered in Chapter 3. Analysis revealed that that approximately 1 in 5 respondents participating in Basic Training projects report that they withdrew from their project early (22%), whilst 1 in 6 respondents participating in Employability Support projects report that they withdrew early (16%). Withdrawal from Redundancy Training is much lower at just 6%. Previous analysis has also demonstrated that there is some level of disagreement between monitoring records and the perceptions of respondents to the survey regarding whether or not they had withdrawn from ESF early. This is likely to reflect complexities surrounding the context for withdrawal from ESF. For example, a commonly cited reason for early withdrawal among survey respondents was that the respondent had found a job. More than 1 in 5

respondents who reported that they withdrew from Basic Training and Employability Support projects indicated that they did so in order to start a job.

Therefore, withdrawal cannot necessarily be viewed negatively and can indeed indicate that the ESF intervention has been successful. However, it remains the case that some people do withdraw from ESF projects early and are therefore less likely to have benefited fully from the intervention. As a result, it is not clear what is the best way to treat respondents who have withdrawn early from ESF projects in calculating employment transition rates. Table 7.5 demonstrates the sensitivity of transition rates to different assumptions regarding the treatment of early withdrawers. The top line presents transition rates for all participants, as previously discussed. The second line excludes all respondents who withdrew early from ESF according to the information they provide in response to the survey. This restriction has relatively little effect on estimated employment transition rates, indicating that overall rates of transition in to employment are relatively similar among those who withdraw early from ESF and those who complete their project. Although counterintuitive, this reflects the positive reasons why people may withdraw from an ESF project early. The final line of Table 7.5 excludes those who withdrew early from ESF (as recorded by the survey) with the exception of those who withdrew because they found jobs. It can be seen that this restriction has the effect of increasing employment transition rates among participants in Basic Training and Employability Support projects by approximately 3 percentage points. No effect is observed on the transition rates estimated for redundancy training due to the relatively low rates of withdrawal among participants in this relatively short term intervention.

Table 7.5: Withdrawal from ESF and Employment Transition Rates

(per cent)

	Basic Training - Emp	**Redundancy Training**	**Employability Support**	**Total**
All Participants	35.7	80.4	37.0	43.3
Excluding All Withdrawers	35.7	80.6	36.8	44.2
Excluding Withdrawers Except those who Left to Start a Job	38.8	80.8	39.5	46.3

7.6 Understanding Redundancy and Employability

The previous discussions has alluded to the difficulties faced in developing a control group for ESF participants who undertook Redundancy Training which has contributed to relatively large estimates being made of the association between participation in Redundancy Training and transitions in to employment. The relatively short durations of unemployment among participants in Redundancy Training (Table 7.3) are clearly important in understanding their high rates of transition into paid employment. However, higher rates of transition in to paid employment among participants in redundancy training also persist when comparisons are restricted to other respondents who have similarly short durations of unemployment (Table 7.4). The analysis therefore reveals that there must also be other factors that are contributing to the relative employability of this group of ESF participants.

The APS includes a question which asks all respondents irrespective of their employment status whether or not they have been made redundant in the last 3 months. The emphasis upon the last 3 months enables the LFS to be used as a source of quarterly data about the level of redundancies in the UK economy and is therefore not able to identify all those who are out of work as a result of redundancy from their previous job. However, the APS data will record information on redundancies for those who have been out of work for less than 3 months.

Analysis of APS data presented in Table 7.6 points to other reasons underpinning the relative employability of those recently made redundant. Most significantly, by definition those who have been made redundant have previously held a job and therefore possess a range of general and occupational specific skills. Among those who have not been made redundant, 22% have never previously held a job. The nature of occupations previously held also differs between the 2 groups of respondents. Among those who have not been made redundant, the most common occupations previously held relate to low skilled elementary occupations (16%). Approximately two thirds of those made redundant are male

(67%) compared with 47% among other unemployed people who have been out of work for less than 3 months. Those who are made redundant are also typically older, with 42% aged 46 or over.

Table 7.6: Redundancies Among the Very Short Term Unemployed: APS

per cent respondents

	Made redundant in last 3 months		
	Yes	**No**	**All**
Male	67.2	47.1	51.0
Female	32.9	52.9	49.0
Age:			
18-20 yrs	4.7	15.7	13.5
21-25 yrs	11.4	15.1	14.3
26-35 yrs	17.0	20.5	19.9
36-45 yrs	25.3	21.4	22.1
46-55 yrs	26.9	18.0	19.8
56-65 yrs	14.7	9.4	10.4
Previous occupation:			
1. Managers & senior officials	14.9	7.5	8.9
2. Professional	7.1	5.4	5.7
3. Associate professional & technical	11.5	7.9	8.6
4. Admin and secretarial	10.6	9.3	9.5
5. Skilled trades	15.1	7.9	9.3
6. Personal service	2.6	7.8	6.8
7. Sales and customer service	8.8	9.8	9.7
8. Process, plant and machine	15.1	6.8	8.4
9. Elementary	14.3	15.9	15.6
No previous occupation	-	21.7	17.7
Total	100	100	100
Employment Transition Rates	64.7	47.6	50.9
Sample	624	2,594	3,238

The base of Table 7.6 compares rates of employment transitions among the very short term unemployed according to their redundancy status. Firstly, it is important to note that the restriction of the APS sample to those who have been out of work for less than 3 months contributes to higher rates of transition into paid employment (51%) than that observed among the unemployed population

more generally as shown in Tables 7.1, 7.2 and 7.4 (38%). However, even among the very short term unemployed, rates of transition into paid employment among those recently made redundant (65%) are considerably higher than those among other unemployed people who have been out of work for less than 3 months (48%). For the purpose of the CIE analysis that follows, those who are unemployed and can be identified as having been made redundant in the past 3 months will form the basis of a control group for ESF Redundancy Training participants. It is noted that some participants in Redundancy Training will have been unemployed for longer than 3 months at the time they commenced their ESF project. For pragmatic reasons associated with maximising the available sample size for analysis, we retain Redundancy Training participants who report that they were unemployed prior to ESF for up to 12 months within the sample used for the CIE analysis of redundancy training.

7.7 PSM Analysis of Employment Transitions Among the Unemployed

Among those previously unemployed, simple comparisons of transition rates in to employment between data from the ESF Leavers Surveys and the APS suggest that overall, participation in ESF funded interventions has been successful. However, this appears to be largely due to the effects of Redundancy Training, among which participants exhibit high rates of transition in to employment following their participation in the scheme. Excluding Redundancy Training, participating in Basic Training or Employability Support appears only to be associated with a small increase in participation in employment compared with the transitions that are observed to occur among the wider unemployed population. However, such comparisons are likely to be confounded by a number of factors. The differences in the composition of the ESF and LFS samples can be taken into account to a certain degree by comparisons that are made separately for different population sub-groups (e.g. gender). However, such comparisons cannot account simultaneously for a variety of differences that may emerge between the ESF and LFS samples.

Propensity score matching (PSM) assumes that selection bias between the treatment and control group can be eliminated by the inclusion of variables that

can control for all the other differences that exist between the two groups. The larger the number of characteristics that are available for matching, the higher the likelihood that statistical matching can correct for differences in the relative characteristics of those in the ESF and APS samples and therefore achieve a balanced sample. The variables included for the purposes of statistical matching are gender, age, educational attainment, family status, ethnicity, work limiting illness, local area employment rates and unemployment duration. All APS variables are measured at the beginning of the 12 month period over which transitions are measured. For the ESF survey, some of these variables refer to the situation of respondents measured at the time of these surveys rather than 12 months previously. Although violating some of the assumptions behind PSM, the variables utilised represent a pragmatic choice given the available data (see previous chapter for a more detailed discussion).

There are a number of different PSM techniques that can be applied and there is no objective 'test' of the correct method to be used. The analyses therefore utilises several different techniques to consider the sensitivity of results, including *nearest neighbour* and *radius* matching techniques. The nearest neighbour technique takes one individual from the comparison group that is closest in terms of their propensity score to act as a matching partner. Radius matching compares the outcome for the treated observation with the average outcome from a group of untreated observations that have propensity scores within a specified range of the propensity score of the treated observation. Results have been tested for their sensitivity with respect to assumptions regarding replacement (replacement allows each control to be potentially matched to more than one treated observation) and the sizes of callipers imposed (a calliper specifies a maximum acceptable difference between the two propensity scores). Finally, the sensitivity of the results to the inclusion or omission of early withdrawers from the ESF sample is considered. Three sets of results are therefore presented based upon 1) all participants, 2) excluding withdrawers and 3) excluding withdrawers except those who left to start a job.

Table 7.7 presents results of the analysis. It can be seen that participation in Redundancy Training is generally estimated to have a statistically significant positive effect on the subsequent participation in employment of those recently made redundant. It is estimated that participation within Redundancy Training increases the rate of transition into paid work by 7-20 percentage points, although a majority of estimates are of the order of 10-15 percentage points. The relatively large degree of variation in these reflects the relatively small sample sizes upon which these estimates are based. Data on participants in Redundancy Training is only available from the 2011 Survey. The problems associated with this limited sample size are compounded further by the relatively small number of unemployed people within the APS data set that have recently been made redundant and from which the control group can be drawn. The small sample sizes associated with both the treatment and control groups result in a relatively small number of successful matches being made. The employment outcomes associated with Redundancy Training are estimated to be slightly higher when those who have withdrawn for reasons other than finding a job are excluded from the sample. However, the effect is not large due to the relatively low incidence with which this group withdraw early from ESF.

For participants in Basic Training and Employability Support, the effect of ESF on subsequent participation in employment is estimated to be relatively small. No statistically significant effects are estimated among participants in Basic Training projects, irrespective of the treatment of those who withdraw early from ESF projects. The employment effects associated with participation in Employability Support projects are estimated to be slightly larger, with the effects of such projects being estimated to be associated with an increase in employment of approximately 4-5 percentage points. However, these differentials are generally not estimated to be statistically significant. The bottom row of Table 7.6 therefore presents results based upon a combined sample of participants in Basic Training and Employability Support, thereby deliberately abstracting from the different circumstances associated with participants in Redundancy Training. Once again it can be seen that participation in these ESF projects is not generally estimated to be associated with a significant increase in transitions in to paid employment.

Earlier analysis of employment transition rates indicated that overall rates of transition into paid employment were higher among males than females. This difference largely reflected the relatively high concentration of men participating in Redundancy Training, with differences within groups of projects being relatively small. To examine this more formally, Table 7.8 presents the results of PSM analysis conducted separately for males and females. Due to the relatively small numbers of unemployed women participating in Redundancy Training, it is not possible to conduct an analysis by gender for this group of respondents. Table 7.8 therefore presents results for those respondents participating in either Basic Training or Employability Support. Analysis reveals that there is some tentative evidence to suggest that participation in these projects is associated with improved employment outcomes among males, but not females. However, these results are only statistically significant at a low 10 percent significance level for three of the eight PSM specifications.

Table 7.7: PSM Results for Unemployed (percentage point differentials)

Bold/*Bold* - significant at 5/10% level		All Participants			Excluding All Withdrawers - Survey Definition			Excluding Withdrawers - Except Those Who Found Work		
	Calliper	**None**	**0.001**	**0.0001**	**None**		**0.0001**	**None**	**0.001**	**0.0001**
Basic Training	One to One	-0.005	-0.009	-0.019	0	-0.015	0.017	0.016	0.032	0.038
	No replacement	663	584	480	528	473	409	568	495	417
	One to One	-0.027	-0.025	-0.026	-0.004	-0.016	0.011	0.033	0.041	0.035
	With replacement	663	629	530	528	503	442	568	537	460
			0.003	-0.001		-0.008	-0.003		0.039	0.031
	Radius		629	530		503	442		537	460
Redundancy Training	One to One	**0.194**	0.103	**0.160**	**0.198**	**0.139**	**0.176**	**0.201**	**0.150**	**0.216**
	No replacement	222	78	50	217	79	51	219	80	51
	One to One	0.081	0.103	***0.149***	**0.138**	***0.124***	**0.182**	**0.146**	**0.171**	**0.222**
	With replacement	222	107	67	217	113	66	219	111	63
			0.069	***0.149***		0.090	**0.189**		**0.158**	**0.222**
	Radius		107	67		113	66		111	63
Employability Support	One to One	***0.045***	0.027	0.034	0.034	0.036	0.014	**0.066**	0.04	0.05
	No replacement	638	479	327	535	412	292	576	430	302
	One to One	0.06	0.034	0.022	0.052	0.05	0.031	***0.075***	0.058	***0.08***
	With replacement	638	562	372	535	461	323	576	500	336
			0.052	0.017		***0.054***	0.033		0.046	0.052
	Radius		562	372		461	323		500	336
Employability Support + Basic Training	One to One	0.028	0.019	0.024	0.024	0.02	-0.003	**0.047**	0.032	***0.021***
	No replacement	1,301	990	720	1,063	848	637	1,144	878	674
	One to One	0.012	0.003	0.001	-0.016	-0.009	-0.042	0.048	0.047	0.037
	With replacement	1,301	1,215	886	1,063	992	738	1,144	1,055	804
			0.012	0.016		**0.041**	0.007		**0.048**	0.036
	Radius		1,215	886		992	738		1,055	804

Table 7.8: PSM Results for the Unemployed: By Gender (percentage point differentials)

Bold – significant at 5% level ***Bold* - significant at 10% level**	**Males**			**Females**		
Calliper	**None**	**0.001**	**0.0001**	**None**	**0.001**	**0.0001**
Employability Support + Basic Training						
One to One No replacement	0.031 785	0.030 595	0.002 445	0.008 516	0.003 318	0.075 213
One to One With replacement	***0.066*** 785	***0.072*** 693	0.046 527	0.017 516	-0.032 408	-0.015 270
Radius		***0.043*** 693	0.014 527		-0.005 408	0.022 270

Finally, earlier analysis revealed significant differences in transitions rates according to the length of time the unemployed had been out of paid employment prior to ESF. Table 7.9 presents the results of PSM analysis conducted separately according to the length of time respondents were out of paid work prior to their participation in ESF. Due to the relative concentration of short term unemployed people among the participants in Redundancy Training, analysis by duration of non-work cannot be conducted for this group. Results are again presented jointly for participants in Basic Training and Employability Support. It can be seen that no statistically significant differences emerge, indicating that participation in these projects does not have a differential effect among participants according to the length of time that they have been out of paid employment.

Table 7.9: PSM Results for the Unemployed: By Duration of Non-Employment (percentage point differentials)

Bold – significant at 5% level ***Bold* - significant at 10% level**	**< 1yr Since Employment**			**1yr+ Since Paid Employment**		
Calliper	**None**	**0.001**	**0.0001**	**None**	**0.001**	**0.0001**
Employability Support + Basic Training						
One to One No replacement	0.036 691	0.043 488	0.033 393	0.013 610	0.014 427	0.012 259
One to One With replacement	-0.045 691	-0.051 608	-0.096 499	-0.018 610	-0.029 520	-0.030 304
Radius		0.031 608	0.009 499		0.006 520	-0.016 304

7.7 Employment Transitions Among the Economically Inactive

A large majority of the non-employed participating in ESF projects aimed at improving participation in the labour market are unemployed rather than economically inactive. In contrast, the economically inactive represent the majority of the non-working population. The analysis of this chapter has so far considered the relative labour market transitions of the unemployed. Whilst this group varies greatly in terms of their characteristics and circumstances, what the unemployed have in common is that they are out of work, looking for work and are available to start work. Failure to meet one or all of these criteria would result in a non-employed individual being classified as economically inactive. The relative homogenous characteristics of the unemployed in terms of their preferences for finding work means that we can feel more confident in terms of comparing the transitions of unemployed ESF participants with the transitions experienced among the wider population.

The wider variety of circumstances and preferences exhibited by the economically inactive make it more difficult to make 'like for like' comparisons in employment transitions among this group. Table 7.10 shows the transitions in to paid employment exhibited among the economically inactive. Among the population of working age and excluding students, a majority of the economically inactive are either classified as carers or sick or disabled. It is also noted that approximately 90% of those respondents to the APS who are classified as carers are women. In contrast, a majority of those classified as sick or disabled are men, although this group is more diverse in terms of its gender composition than carers. Among economically inactive respondents to the ESF survey, approximately 12% gain work during the 12 months following their participation in an ESF project.

Whilst economically inactive participants in ESF projects will generally be taking steps to improve their employability, many of the economically inactive among the wider population will not be looking for work. As well as distinguishing between different groups of economically inactive, the APS also

makes a broader three-fold distinction among the economically inactive that encompasses their preferences for work and their job seeking behaviour. These groups are also depicted in Table 7.10. The smallest group of economically inactive are those who are seeking work but who are unavailable to start work at the present time. This group accounts for just 2% of the non-student economically inactive sample within the APS. This lack of availability could be due to a variety of factors, including caring responsibilities and sickness or disability. It can be seen that among the wider economically inactive population, 31% of this group of economically inactive people are in work one year later. This rate of transition into paid employment is only 7 percentage points less than that exhibited by the unemployed (38% transition rate). Although relatively small, this group of economically inactive appear to be very similar to the unemployed in terms of the incidence with which they gain paid employment.

Table 7.10: Employment Transitions Among the Economically Inactive (percentage point differentials)

	ESF Survey	Annual Population Survey		
		Seeking, Unavailable	Not Seeking, Would Like	Not Seeking, Would not Like
Caring for Family, Dependents etc	12.6%	24.5%	12.3%	8.0%
Long Term or Temporarily Sick or Disabled	12.9%	16.8%	4.0%	2.0%
Other Inactive	9.2%	42.0%	19.2%	7.1%
All	12.0%	31.2%	9.4%	5.6%
Proportion of Economically Inactive (excl students)		2.0%	23.0%	75.0%

By contrast, the largest group of economically inactive people are those who indicate that they are neither seeking nor would like paid employment, accounting for three quarters of the non-student economically inactive sample within the APS. This group exhibits the lowest rates of transition in to paid employment (6%). A more detailed examination of this group reveals that the lowest rates of transition in to paid employment for this group of economically

inactive are observed among the sick and disabled at just 2%. The third group of economically inactive are those who report that they are not seeking but would like paid employment. This group exhibits rates of transition in to paid employment during the next 12 months of approximately 9%; broadly comparable to those observed among economically inactive respondents to the ESF survey.

The analysis of transition rates among the economically inactive point to the difficulties in defining a group within the wider population to act as a control group for participants in ESF. Participation of the economically inactive in ESF would seem to imply that, although not looking for work, this group of participants exhibit a preference for gaining employment. PSM analysis is therefore undertaken on economically inactive respondents to the ESF survey that excludes those APS respondents who indicate that they are not looking for work and do not want work from contributing to the control group. It is acknowledged that this distinction is arbitrary and ESF may well contribute to changing the attitudes of some economically inactive ESF participants to paid employment. As such, the findings of the PSM analysis should only be regarded as indicative. Once again, the analysis does not include participants in Redundancy Training as nearly all of these respondents are unemployed prior to ESF. Due to the small number of economically inactive ESF participants, results are presented for a combined sample of participants on Basic Training and Employability Support.

The results of the analysis for the economically inactive are presented in Table 7.11. The analysis reveals that participation of the economically inactive in ESF is estimated to be associated with an increase in participation in paid employment of between 5 and 7 percentage points. Although these results appear to be stronger than those estimated for the unemployed, the level of statistical significance remains relatively low. Additional analysis (not shown) demonstrates that the inclusion of those economically inactive who are neither searching for nor want paid employment within the APS control

group contributes to the estimate of statistically significant effects at the 5% level. However, it is open to question whether such economically inactive groups are representative of the participants of ESF courses and should be included in the control group for the purposes of counterfactual impact evaluation.

Table 7.11: PSM Results for the Economically Inactive (percentage point differentials)

Bold – significant at 5% level ***Bold*** - significant at 10% level	**Calliper**		
	None	**0.001**	**0.0001**
One to One No replacement	0.019 260	***0.065*** 185	***0.078*** 128
One to One With replacement	0.046 260	***0.058*** 208	0.061 147
Radius		***0.055*** 208	**0.078** 147

7.8 Comparability with Previous Research

Whilst the application of CIE techniques is being applied across Europe to assist in the evaluation of ESF supported interventions[6], such techniques have tended to have been applied to databases of administrative records held by the social security or employment departments of Member states. These databases typically contain detailed administrative records on employment and benefit receipt. Within such databases, those individuals who have participated in an ESF intervention can be identified, allowing their subsequent experiences in the labour market to be compared. The use of such databases in the evaluation of ESF offer several advantages over the approach taken here. The databases are generally large in comparison to surveys, thereby improving the likelihood that any difference in outcomes will be evaluated as being statistically significant. Administrative data provide consistently defined variables from a single source, overcoming any difficulties associated with combining data from two separate surveys. Finally,

[6] See Morris et al (2011), Member States Experiences of Using Control Groups in ESF Evaluations, Policy Studies Institute

administrative data are not subject to the problems associated with response to social surveys.

These issues potentially call in to question the validity of the results presented in this chapter. It is therefore worthwhile to compare these results with other evaluations of ESF based on similar techniques. Within the UK, Ainsworth and Marlow (2011)[7] provide an evaluation of the net impacts of the 2007-2013 ESF Programme in England contracted by DWP. Their analysis focuses on participants who entered the programme between April 2008 and April 2009 and estimates the impact of the programme on two broad groups of benefit recipients: participants in receipt of Jobseeker's Allowance and participants in receipt of Incapacity Benefit or Employment Support Allowance. There are therefore some parallels between the DWP research and the analysis of unemployed and economically inactive participants presented earlier.

Ainsworth and Marlow find that the impact of the programme on JSA claimants was to increase participation in employment by 4.5 percentage points by the end of a 12 month follow-up period. It is interesting to note that analysis for Wales reveals that participation in Employability Support is also estimated to be associated with an increase in employment of 4 to 5 percentage points, although these results are only weakly significant. The DWP research also estimates that among claimants of Incapacity Benefit and Employment Support Allowance (benefits aimed at those who are economically inactive due to sickness and disability), participation in ESF increases participation in employment by 11 percentage points by the end of a 12 month follow-up period. Direct comparisons for the economically inactive are difficult to make due to reasons outlined in the previous section. Nonetheless, the results are consistent insofar that the employment effects estimated for economically inactive participants are larger than those estimated for the unemployed. Reservations regarding the relative diversity of the economically inactive population are applicable to both studies.

[7] http://research.dwp.gov.uk/asd/asd5/report_abstracts/ihr_abstracts/ihr_003.asp

Finally, the DWP study also investigates whether the effectiveness of ESF support for JSA customers varies according to the demographic characteristics of participants or the type of support provided. Their findings show that the impacts of the programme are fairly homogeneous across the broad range of participant characteristics and across the range of support offered. In terms of participant characteristics, these results are clearly consistent with the findings presented in this report by gender and duration of non-employment.[8] In terms of the type of support being offered, the analysis presented here does suggest that Redundancy Training may have a larger impact on employment for unemployed participants than other types of intervention. However, relatively little difference is observed between recipients of Basic Training and Employability Support.

[8] Although we find a gender differential, this is likely to be due to the low numbers of female participants in the Redundancy Training category

Chapter 8: Jobs Gained Following ESF

8.1 Introduction

Following de-industrialisation, Wales's industrial and business structure has resulted in a relatively weak demand for knowledge- and technical-based skills and the employment structure in Wales is over-represented by relatively low pay and low skill jobs. As a consequence, individuals' earnings in Wales are, on average, lower than the UK average resulting in in-work poverty within Welsh households (see Monitoring Poverty and Social Exclusion in Wales, Kenway and Palmer 2009[9]). Such economic difficulties could have significant implications for the types of jobs (and thereby level of earnings) that participants in ESF projects would be able to access within Wales. The quality of opportunities at the lower end of the labour market in Wales may have particular impacts on those who already face the greatest disadvantage in the labour market, such as the low skilled and those suffering from work related ill-health conditions. Having considered the relative effects of ESF in assisting the unemployed to find work, this chapter examines the nature of jobs held by ESF respondents who were unemployed prior to their participation in ESF.

8.2 Defining Low Paid Occupations

The analysis of jobs gained following ESF focuses upon the issue as to whether ESF participants are more or less likely to enter jobs that are regarded as being low paid. The analysis utilises definitions of low paying occupations derived by the Low Pay Commission (LPC). These occupations have been identified by the LPC as having a large number or a large proportion of low paying jobs and inform their annual recommendations regarding the size of the National Minimum Wage. Both an industry-based and occupational-based definition of low paying sectors of the economy are provided by the LPC. Details of those industries and occupations that are classified by the LPC as low paid are shown in Annex 1. Along both

[9] http://www.jrf.org.uk/publications/monitoring-poverty-wales-2009

dimensions, the LPC estimates that these definitions cover approximately 70 per cent of those in low paid jobs.

The analysis that follows utilises the occupational based derivation of low paid occupations. The ESF surveys asked respondents to provide information about both their own job and the nature of activities undertaken by their employer. As would be expected, it is more straightforward for individuals to provide information about their own job title then it is for them to provide accurate information about the nature of economic activity that is being undertaken by their employer. Occupational information collected from respondents to the ESF survey is therefore more complete than data related to industry so the occupational derivation of low paying occupations is preferred. However, it is noted that due to concerns regarding the accuracy of occupational information, the ESF data only codes occupation to the 3-digit level of SOC, referred to as Minor Groups. The LPC definition of low paid work is derived from occupational information collected at the 4-digit level, referred to as Unit Groups. The analysis presented here is therefore based upon the closest approximation of the LPC definition of low paid occupation that can be derived based upon occupational data collected at the Minor Group level.

The career history section of the Leavers Surveys did not collect information on all the occupations that people had held since ESF. Such detailed career history data would not be feasible to collect via a telephone interview. The career history data therefore focussed instead upon the current economic activity of survey respondents. A resulting limitation of this analysis is that, unlike the analysis of economic activity, we cannot identify the occupation held exactly 12 months since commencing an ESF intervention. The analysis is based upon all ESF respondents who were unemployed prior to participating in an ESF project but who were in work at the time of the survey. For the purposes of developing a control group, data from the LFS and APS is extracted for those respondents who are currently in employment but who

were unemployed 12 months earlier. The period over which respondents in the control group are followed up therefore is restricted to a period of 12 months.

This restriction has different implications in terms of sample sizes available for inclusion in the analysis. Among participants in Basic Training and Employability Support, approximately 36-7% of respondents gain work following ESF. To maximise the number of respondents that can be used in the analysis, all data for the 2009 survey is taken from the larger Wave 1 survey. Due to the timing of this survey, this choice is likely to mean that in a majority of cases 12 months would not yet have elapsed since the time these participants began their ESF project. However, examination of work history data reveals that a majority of participants who gain employment do so straight after completing their ESF project. Furthermore, the 2009 ESF survey reveals very limited occupational mobility during the 6 month period between the Wave 1 and Wave 2 surveys. Due to its timing, information collected from the 2010 Survey would, on average, be expected to be closer to a point 12 months following the commencement of an ESF project. These observations would suggest that the occupations held by respondents at the time of these surveys are likely to be those that would have been held at the end of a 12 month follow-up period.

8.3 Jobs Gained by ESF Participants

Table 8.1 presents the proportion of previously unemployed ESF participants (the treated group) who make the transition in to paid work and who enter in to a low paid job. Comparisons are made with respondents to the LFS and APS who make a similar transition in to paid employment. Firstly, it can be seen that estimates of the proportion of individuals who take up low paid work derived from the APS are very similar to those derived from the LFS. Within both sources, approximately 35-36% of the previously unemployed who gain work take up jobs that are typically regarded as being low paid. Despite smaller sample sizes, the shares of employment accounted for by low paid

jobs derived for different population sub-groups also demonstrate high levels of comparability for these two sources. Among the wider population, based upon APS data, those previously unemployed who exhibit the greatest reliance upon low paid jobs as a source of employment include women (51% gaining employment in low paid jobs), those aged 18-20 (54%), lone parents (62%) and those with no qualifications (50%).

Among respondents to the 2009 and 2010 ESF Surveys, approximately 33% of the previously unemployed who gain work do so within low paid jobs; approximately two percentage points lower than that estimated from the APS (and LFS). However, it can be seen that this differential is being driven by the particularly low rates of transition in to low paid jobs exhibited by those participating in Redundancy Training, among whom only 7% of this group gain work in a low paid occupation. Excluding those who participated in Redundancy Training, among those who participated in Basic Training and Employability Support and who exhibited a transition from unemployment in to paid work, over 4 out of 10 are employed in low paid occupations at the time of the survey. Care must be taken in making comparisons between ESF and the wider population for specific population sub-groups due to the small sample sizes that may underpin these estimates. However, among participants in Basic Training, older workers (those aged 56-65 years), those with high levels of educational attainment (NQF Level 4+) and Welsh speakers appear to be particularly reliant upon low paid work compared with their counterparts within the wider population. Among participants in Employability Support projects, the relative experiences of different groups of participants appear to more closely reflect the experiences of their counterparts in the wider population. Among those with no qualifications, participants on Employability Support projects actually appear to be significantly less reliant upon low paid occupations as a source of work than those in the wider population.

Table 8.1: Entry in to Low Paid Jobs Among the Previously Unemployed

	ESF Survey				LFS	APS
	Basic Training	Redundancy Training	Employability Support	All		
Gender						
Male	32.5	5.8	25.8	20.8	24.4	21.8
Female	63.7	14.6	61.4	57.3	52.6	51.1
Age						
18-20 yrs	51.4	0.0	58.6	51.6	58.7	53.8
21-25 yrs	46.4	4.5	36.8	35.3	38.7	34.6
26-35 yrs	38.1	6.4	46.5	30.4	34.1	35.6
36-45 yrs	38.2	7.3	41.9	27.8	32.5	33.4
46-55 yrs	35.6	4.3	39.0	26.8	28.0	27.6
56-65 yrs	42.1	14.0	32.5	26.5	26.1	27.8
Work limiting illness						
No	44.2	6.9	41.9	32.6	34.8	33.8
Yes	45.8	7.7	38.0	36.0	42.7	41.1
Family Status						
Single no children	43.4	6.7	31.5	26.6	30.6	29.3
Couple no children	46.4	5.7	43.2	30.0	29.7	27.4
Couple with children	39.0	7.5	34.5	23.1	28.9	31.6
Single with children	48.5	10.0	63.1	54.5	62.3	61.7
Living at parental home	46.5	8.1	41.3	41.2	43.7	40.0
Educational Attainment						
NQF Level 4+	41.4	4.3	25.5	18.9	18.4	20.5
NQF Level 3	46.2	9.3	45.2	33.5	36.3	37.1
NQF Level 2	45.7	8.9	49.3	39.8	43.4	40.1
NQF < Level 2	45.5	10.0	43.3	36.1	45.7	45.0
None	55.8	0.0	37.5	37.8	49.7	49.8
Other	29.4	8.1	35.3	19.7	35.9	32.2
Welsh Speaker (Welsh Sample Only)						
No	42.8	7.4	42.1	33.6	42.2	36.4
Yes	50.6	5.7	38.4	29.8	44.0	35.5
Duration of non-work						
<12 months	43.8	6.3	33.9	27.4	n.a.	31.7
12-36 months	44.0	22.2	49.1	45.9	n.a.	36.7
36 months +	50.0	*	59.1	54.4	n.a.	51.5
Total	44.3	6.9	41.5	32.8	35.6	34.8

8.4 PSM Analysis of Transitions into Low Paid Work

Among those previously unemployed and who enter employment, comparisons between data from the ESF Leavers Surveys and the APS suggest that ESF participants are more likely to enter low paid jobs, with the noticeable exception of those participating in Redundancy Training who appear to be significantly less likely to enter low paid occupations. However, such comparisons are likely to be confounded by a number of factors. The characteristics of ESF participants and the nature of opportunities available to these participants within their local economies will be important in this respect. Statistical matching techniques were therefore utilised in order to simultaneously control for observable factors that could confound these comparisons. Data from the APS was used to provide counterfactual control groups due to the relative benefits associated with this data set compared with the LFS. The survey based measure of unemployment duration (as opposed to the administrative measure) was used as a matching variable. The control group for Redundancy Training is again restricted to those who are unemployed and have been made redundant in the last 3 months.

The results of these analyses are presented in Table 8.2. Participants in Basic Training and Employability Support are generally estimated to be more likely to enter low paid occupations than otherwise comparable people in the wider population. However, these relationships are generally not statistically significant or are significant only at the 10% level. Therefore, we can infer that, after controlling for a range of characteristics, these previously unemployed participants are no more or less likely to enter low paid jobs than otherwise comparable people in the wider population.

Participants in Redundancy Training are estimated to be significantly less likely to enter low paid occupations following their participation in ESF compared with comparable people in the wider population. The scale of this differential varies depending upon the estimation technique that is chosen, although it is generally in the order of 8-13 percentage points. These results are not always found to be statistically significant. However, placing the

restriction on the pool of APS respondents that they must have been made redundant in the last 3 months in order to contribute to the PSM analysis limits the sample sizes upon which these estimates are based. More generally, we must be cautious in how these results are interpreted. Participants in Redundancy Training are characterised by males who have only recently been made unemployed, often from large manufacturing or industrial workplaces, with relatively well paid jobs. Given their employment backgrounds, such participants would be expected to be less likely to take up employment in relatively low paid occupations. Unfortunately, the ESF survey did not ask respondents who were out of work prior to ESF to provide details of the last job that they had held prior to ESF. The introduction of this question to the 2011 Survey should mean that it is possible to more accurately take in to account the previous employment experiences of ESF participants across all projects. This should enable the analysis to examine entry in to low paid occupations, after having taken in to account the occupations previously held by respondents.

Table 8.2: PSM Results for Entering Low Paid Jobs (percentage point differentials)

Bold – significant at 5% level ***Bold*** - significant at 10% level	**Calliper**	**None**	**0.001**	**0.0001**
Basic Training	One to One No replacement	**0.076** 410	***0.069*** 275	-0.019 161
	One to One With replacement	0.059 410	0.071 351	0.036 224
	Radius		0.024 351	-0.027 224
Redundancy Training	One to One No replacement	**-0.177** 124	***-0.108*** 65	***-0.132*** 38
	One to One With replacement	**-0.135** 310	-0.075 120	-0.094 53
	Radius		-0.067 120	-0.094 53
Employability Support	One to One No replacement	0.022 408	0.048 231	0.075 147
	One to One With replacement	***0.083*** 408	0.055 289	0.069 173
	Radius		0.027 289	0.041 173

Annex 1: LPC Derived Definitions of Low Paid Sectors and Occupations

In the analysis of low paid work, Chapter 8 utilises definitions of low paying occupations and low paying sectors derived by the Low Pay Commission (LPC). These occupations and sectors have been identified by the LPC as having a large number or a large proportion of low paying jobs and inform their annual recommendations regarding the size of the National Minimum Wage (see National Minimum Wage, LPC, 2009). Both an industry-based and occupational-based definition of low paying sectors of the economy are provided by the LPC. Details of those industries and occupations that are classified by the LPC as low paid are shown below.

Low Paying Sector/Occupation	Industry Based Definition (SIC2003)	Occupation Based Definition (SOC2000)
Retail	50, 52, 71.405	711, 721, 925
Hospitality	55	5434, 9222, 9223, 9224, 9225
Social Care	85.3, 85.113	6115
Cleaning	74.7, 93.01	6231, 9132, 923
Security	74.6	9241, 9245, 9249
Hairdressing	93.02, 93.04	622
Textiles and Clothing	17, 18	5414, 5419, 8113, 8136, 8137
Agriculture	01-05	911
Childcare	n.a.	6121, 6122, 6123, 9243, 9244
Food processing	15.1-15.8	5431, 5432, 5433, 8111
Leisure, travel and sport	92.13, 92.3, 92.6, 92.7	6211, 6213, 9226, 9229
Office work	n.a.	4141, 4216, 9219

The LPC do revise the derivation of these classifications to reflect changes in the composition of low pay. For the purpose of the present analysis, we assume that the current derivations of low pay can be applied to historical data in order to provide a consistent definition of low paid employment. It is noted that an industry can be considered as a group of occupations brought together to facilitate the production or provision of particular goods and services. Within traditional 'low paying' industries, there will be some well paid jobs. Similarly, within 'high paying' sectors, some individuals will be employed in low paid occupations. As a result, the LPC-defined low paying occupations and low paying sectors will not provide complete coverage of all those who are employed in low paid work. Along both dimensions, the LPC

estimates that these definitions cover approximately 70 per cent of those in low paid jobs.