

The 2012 European Social Fund Leavers Survey

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Highlights of the Survey

The majority of participants who took part in ESF projects developed essential skills in organization, communication, team working skills and problem solving skills. Most feel more confident in their own abilities.

Almost 70% of respondents gained a qualification as a result of their participation in ESF training. This is positive given that respondents perceive the benefits of ESF to be higher when they gain any qualification and that perceived benefits are greatest when the qualification gained is at a more advanced level.

For priorities aimed at the unemployed and economically inactive:

- Within 12 months of finishing their training, around two-thirds of previously unemployed respondents and 30% of previously economically inactive respondents are in employment.
- Comparisons with the wider population suggest that unemployed participants were about 20% more likely to find a job than unemployed individuals who have not attended ESF training.

For priorities aimed at those in work:

- The majority of participants reported improvements in job satisfaction, future pay and promotion prospects and opportunities for training, following their participation in an ESF project. Although only 10% indicated that this could be directly attributed to their participation in an ESF project, this figure has increased from earlier Leavers Surveys.
- Approximately 1 in 5 respondents who were employed in a different job from that held prior to their participation in an ESF project report that their ESF project was vital to them gaining their current employment.

Executive Summary

- The aim of the 2012 ESF Leavers Survey is to assist in assessing the effectiveness of labour market interventions delivered under ESF. Telephone interviews were conducted with over 4,000 people who had left an ESF project delivered under Priorities 2 and 3 of the Convergence Programme and Priorities 1 and 2 of the Competitiveness Programme during 2012. Not all approved projects were included in the survey due to the availability of participant data at the time the sample was drawn.

Who are the participants?

- Compared with the wider population of non-employed working age, non-employed respondents to the ESF survey are more likely to be female and are less likely to suffer from a work limiting illness. Employed respondents to the survey are generally comparable to the wider employed population of working age.
- On entry to an ESF project, nearly three quarters of respondents to the survey from ESF interventions aimed at increasing participation in the labour market were unemployed. However, a similar proportion also described their careers since completing full time education as being continuously employed or as being in paid work for most of this time.
- The main difficulty in finding work cited by the unemployed is a lack of jobs in the area in which they live, reported by 40% of respondents. A lack of qualifications or skills was cited by 14% of unemployed respondents.

Participating in ESF

- Approximately 70% of respondents were aware that ESF had helped to pay for their participation in an ESF project.
- The two main reasons given by respondents for participating in an ESF project were to help them get a job (26%) and to improve career options (20%).
- Rates of withdrawal from ESF projects are estimated to be approximately 8% based on both survey and monitoring data. However, withdrawal from ESF can reflect positive events such as finding a job.

ESF and the Accumulation of Skills

- The most commonly cited skills acquired by respondents during their ESF project were job specific skills (69%), organizational skills (68%), communication skills (68%), team working skills (66%), and problem solving skills (64%).
- Respondents report that they felt that their capabilities and capacities have improved as a result of participating in ESF, including feeling more confident

about their abilities (85%), feeling better about themselves generally (82%) and feeling that they have improved their career prospects (78%).

- Approximately 70% of respondents report that they gained some form of qualification through ESF.

Improving Participation in the Labour Market

- Among respondents from Priorities aimed at improving participation in the labour market, 62% were in paid employment by the time of the survey: an increase in their rate of employment of 49 percentage points compared with that observed before their participation in an ESF project.
- Nearly a fifth of those who were in a job at the time of the survey that was not held prior to their participation in ESF, report that their ESF project was vital to them gaining their current employment. Among those who remained out of work at the time of the survey, approximately 1 in 4 (24%) report that they felt that they had more chance of finding a job in the future as a result of their participation in ESF.
- Participation in non-Redundancy Training projects is associated with an average increase in the rate of transition into employment of 8 percentage points among those recently made redundant (43% among ESF participants compared with 35% within the wider labour market).
- Participation in Redundancy Training projects is associated with an average increase in the rate of transition into employment of 11 percentage points among the unemployed (78% among ESF participants compared with 67% within the wider labour market).
- Among the economically inactive, participation in ESF is associated with an average increase in the rate of transition into employment of 9 percentage points (19% among ESF participants compared with 10% within the wider labour market).

Supporting Progression in Employment

- A majority of respondents report experiencing an improvement in their job since participating in ESF. For example, nearly two-thirds report higher levels of job satisfaction. Approximately 1 in 10 of respondents report experiencing an improvement in their jobs (whether that improvement is in the same job or in a new job) that could be directly attributed to their participation in ESF.
- More than 1 in 5 respondents who were employed in a different job from that held prior to ESF report that their ESF project was vital to them gaining their current employment.

- Perceptions of additionality are highest among those who gain qualifications from ESF that are at a higher level than that which they held prior to ESF.

Chapter 1: Introduction

1.1 Overview of the ESF Leavers Survey

The two ESF Operational Programmes which are benefiting Wales for the programming period 2007 – 2013 are together providing a little over £1.4 billion¹ of investment, with approximately 85% of this channelled through the West Wales and the Valleys Convergence Programme². When initially agreed, the Programmes were expected to provide support to almost 300,000 individual participants – 267,500 under Convergence and 26,600 under Competitiveness – in other words, around 10% of the Welsh population.

The interventions which are supported by the ESF Programme are wide-ranging, though all relate to the investment in human capital. Given the scale of the investment, it is essential to evaluate the impact of interventions supported by the Programmes. Key areas include evaluation of increasing access to employment for those currently unemployed or economically inactive, of raising skills levels, which at a whole population level are below those which are required by a modern economy³, and of increasing the capacity of those in work to add value to their economic contribution. The aim of the 2012 ESF Leavers Survey is to assist in assessing the effectiveness of labour market interventions delivered under the ESF Convergence and Competitiveness Programmes.

The over-arching objective of the survey is to understand the characteristics and outcomes of those who have participated in ESF projects. To achieve this, a telephone survey was conducted during the summer of 2013 among a group identified as having left an ESF project during 2012. The survey collected information on: pre-entry characteristics of ESF participants; motivations for participating in an ESF project; skills acquired as a result of the intervention and

¹ At current exchange rates. The Programme allocations are set in Euro. See Reports to PMC, June 2013 – Papers PMC (13) 229 and PMC (13) 230 available at:

<http://wefo.wales.gov.uk/programmes/allwalespmc/130621pmcpapers/?lang=en>

² Convergence Programme - £1,242 million, Competitiveness £173 million

³ See for example, “A Wales that Works: The First Annual Report of the Wales Employment and Skills Board” (April 2009)

career details of respondents since completing the project. Also identified were employment outcomes, including 'softer' benefits from learning (such as increased confidence) and entry in to further learning. The interviews included questions to explore participants' perceptions regarding their level of satisfaction with their course, their awareness of ESF and perceptions of additionality; i.e. did participants feel that they would have gained the same employment impact without intervention.

The development of the 2012 Survey built upon the experiences of the three previous surveys (2009, 2010 and 2011, also undertaken by the research team responsible for this report). Particular emphasis has been placed upon maintaining continuity in the design of the surveys over time. This allows data from these surveys to be merged together to facilitate more detailed levels of analysis than that which could be achieved with the data from a single year. In the 2012 survey, only a limited number of relatively minor changes were made to the questionnaire where it was felt the data collected in previous years did not contain sufficient detail. The most important change relates to the introduction of three new questions around transport difficulties faced by respondents as a barrier to work following their completion of an ESF project. The findings from these new questions are discussed in Chapter 2. Elsewhere in the survey, questions relating to the name of the organization that the respondents worked for prior to ESF and at the time of the survey (if different) were removed. The quality of information provided by respondents during the previous surveys was often poor and inadequate to accurately identify where a respondent actually worked and were therefore removed.

The majority of this report focuses upon findings derived from the 2012 Survey. However, chapter 6 presents the results of Counterfactual Impact Evaluation (CIE) analysis techniques that are based upon data pooled from the each of the four Leavers Surveys. The purpose of this is to benefit from the increased statistical power that can be gained from a larger sample size. This is particularly important in CIE analysis where relatively restrictive criteria have to be used for respondents to be incorporated in the analysis (namely the ability to observe transitions in economic activity over a period of at least 12 months) and the reduced sample sizes that can result. Reflecting the inclusion of data from the earlier surveys in this report, Table

1.1 presents a summary of the 2009, 2010, 2011 and 2012 ESF Surveys. A more detailed overview of the 2012 survey is presented in Annex 1.

1.2 Fieldwork and Response to the 2012 Survey

In conducting the 2012 Survey, a file containing the details of approximately 19,650 individuals who left ESF projects during 2012 was provided to the research team by WEFO. This file covered all those for whom participant data were available at the time of the survey and therefore does not cover all those who completed an ESF project during 2012. Monitoring data reveals that approximately 36,400 people were recorded as having completed an ESF project during 2012 (see Table 2.3). The aim of the survey was to achieve interviews with 5,000 participants, whilst at the same time ensuring that the quality of the data was maintained through achieving a response rate of 50%. Not all of the monitoring data supplied by WEFO were used during the course of the fieldwork. Some records were held back from two of the largest projects in the sample database (approximately two thousand records in total) to reduce over-sampling leavers from these projects. Checks were also undertaken on the database to remove records that did not have a valid telephone number. The total number of records loaded for the main stage of fieldwork was 17,196.

Interviews were achieved with 4,270 ESF participants from 30 different projects. Five interviews were achieved with 2 projects that were co-funded with ERDF. These responses are excluded from the analysis in this report, resulting in an overall sample size of 4,265. The estimated response rate to the 2012 survey was 40%, lower than that achieved during the 2011 survey (48%). The achieved number of interviews fell approximately 700 short of the original target sample. Analysis of response data (see Annex 1) revealed that one of the main reasons for this was particularly low levels of response achieved from participants from a project which had been included in the survey for the first time and which provides support for a particularly disadvantaged group. Of the 2,000 records loaded for inclusion in to the survey from this project, only approximately 100 interviews were achieved: a response rate of just 5%. Given the unusually low levels of response to this project, Table 1.1 also shows the level of response after excluding records from this project, estimated to be 43%. It therefore remains the case that the level of response achieved from the 2012 Survey is lower than that achieved in previous years.

The main factor underpinning levels of response to the ESF Surveys are the characteristics of the population selected for inclusion in to the survey. These characteristics will largely depend upon the sample of projects that are available for inclusion in the fieldwork as response rates vary greatly across projects. The project referred to above represents a particularly extreme example of how the characteristics of ESF participants selected for inclusion in to the study can impact upon response rates to the survey. However, response rates vary across the full range of ESF projects. To investigate these issues further, responses arising from 19 projects that appeared in both the 2011 and 2012 surveys were examined in greater depth. Comparisons of response rates based on these projects revealed that, on a 'like for like' basis, overall levels of response have remained relatively unchanged. The reduction in the overall response rate for the 2012 survey is therefore largely due to changes in the composition of projects that were included in the 2012 fieldwork compared with earlier surveys.

Table 1.1: Overview of the ESF Survey Population and Achieved Samples

	ESF Leavers Surveys			
	2009 ^a (Wave 1)	2010	2011	2012
Fieldwork period	Feb/March 2010	June/July 2011	Sept/Nov 2012	June/July 2013
Population	9,672	22,108	21,587	17,196
Responses (Projects)				
Convergence P2	1,973 (3)	3,182 (7)	2,793 (13)	2,471 (12)
Convergence P3	2,085 (4)	3,502 (7)	2,011 (14)	975 (10)
Competitiveness P1	0	57 (3)	751 (3)	576 (4)
Competitiveness P2	0	766 (2)	461 (4)	243 (4)
Total Survey Responses	4,058 (7)	7,507 (19)	6,016 (34)	4,270 (30)
Response Rates (correct number/eligible learner)	60%	50%	48%	40% (43%)

^a The 2009 survey was conducted in waves, with respondents to the first wave of interviews being re-contacted approximately 5-6 months later to take part in a shorter follow-up survey. Both the 2010, 2011 and the 2012 Surveys were conducted during a single wave.

1.3 Structure of the Report

The remainder of the report is structured as follows. Chapter 2 provides an overview of the characteristics of respondents to the ESF survey. Chapter 3 considers the reasons given by respondents for undertaking an ESF course and the characteristics

of those who withdraw early from ESF. Chapter 4 details the role of ESF in enhancing the skills of participants. Chapter 5 describes the subsequent careers of respondents who undertook training programmes aimed at increasing participation in the labour market since leaving an ESF project. Chapter 6 considers the effectiveness of ESF among this group by comparing the career transitions made by respondents to the survey with those reported by a comparable group of people drawn from the Annual Population Survey. Chapter 7 focuses upon the experiences of those respondents who participated in interventions aimed at improving progression in employment. Finally, Chapter 8 provides some conclusions and recommendations.

CHAPTER 2: Who are the participants?

Chapter Summary

- Compared with the wider population of non-employed (unemployed or economically inactive) working age, non-employed respondents to the ESF survey are more likely to be female and are less likely to suffer from a work limiting illness. Employed respondents are generally comparable to the wider employed population of working age.
- Of those respondents to the survey participating in ESF interventions aimed at increasing participation in the labour market, approximately three quarters are unemployed on entry to an ESF project. However, a similar proportion also described their careers since completing full time education as being continuously employed or as being in paid work for most of this time.
- The main difficulty in finding work cited by the unemployed is a lack of jobs in the area in which they live, reported by 40% of respondents. A lack of qualifications or skills was cited by 14% of unemployed respondents.

2.1 Introduction

The purpose of this chapter is to map the demographic and educational characteristics of the sample of ESF participants. Primarily, it provides a profile of the sample of 2012 leavers from ESF Convergence and Competitiveness projects in Wales and their experiences prior to their participation in these projects. We summarise their personal characteristics and their prior educational qualifications. We also report their career status – whether or not they were in employment prior to ESF and, where relevant, their occupations, contractual status and hours worked. Comparisons are made between the monitoring and survey data for survey respondents and, using national statistics, with the characteristics of those in the wider population.

2.2 Personal characteristics of participants

Table 2.1 presents an overview of the personal characteristics of respondents, distinguishing between those who participated in the different Priorities of the two Programmes. Throughout the report we distinguish between those respondents who participated in interventions aimed at improving participation in the labour market (Convergence Priority 2, Competitiveness Priority 1) and those respondents who

participated in interventions aimed at supporting progression in employment (Convergence Priority 3, Competitiveness Priority 2). Later in this chapter, we put these characteristics in the context of the overall Welsh working age population (see Section 2.4 below).

Table 2.1: Personal characteristics of participants

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Gender:							
Male	59.7	58.0	59.4	40.3	63.4	44.9	55.3
Female	40.3	42.0	40.6	59.7	36.6	55.1	44.7
Age: (at time of survey)							
16 -18 yrs	2.3	0.2	1.9	0.6	0.4	0.6	1.5
19 - 21 yrs	7.0	4.2	6.4	7.3	1.2	6.1	6.3
22 - 24 yrs	7.2	5.0	6.8	13.9	2.9	11.7	8.2
16 - 24 yrs	16.4	9.4	15.1	21.7	4.5	18.3	16.0
25 - 30 yrs	12.4	13.2	12.5	14.0	9.9	13.1	12.7
31 - 40 yrs	19.9	22.4	20.4	19.6	23.9	20.4	20.4
41 - 54 yrs	35.6	38.4	36.1	33.5	47.7	36.4	36.2
55+ yrs	15.8	16.5	15.9	11.2	14.0	11.7	14.7
Ethnicity:							
White	97.9	95.5	97.4	95.1	96.3	95.3	96.8
Educational attainment prior to ESF							
None	10.2	7.3	9.6	2.9	2.9	2.9	7.7
NQF Level 1 or less	13.6	9.2	12.8	4.4	7.0	4.9	10.6
NQF Level 2	16.8	11.5	15.8	7.9	9.5	8.2	13.6
NQF Level 3	16.0	17.2	16.2	19.9	16.5	19.2	17.1
NQF Level 4 or above	20.3	35.9	23.3	52.7	43.6	50.9	31.2
Unspecified level	23.1	18.9	22.3	12.2	20.6	13.9	19.9
Long term limiting illness (at time of survey)							
Yes	25.6	17.4	24.1	13.2	6.6	11.9	20.6
No	74.4	82.6	75.9	86.8	93.4	88.1	79.4
Work limiting illness (at time of survey)							
Yes	15.4	7.6	14.0	5.7	2.9	5.2	11.4
No	84.6	92.4	86.1	94.3	97.1	94.8	88.6
Place of birth:							
Wales	75.5	60.8	72.7	68.1	56.8	65.9	70.7
Elsewhere in the UK	20.5	31.8	22.6	25.1	35.4	27.2	23.9
Outside UK	4.1	7.5	4.7	6.8	7.8	7.0	5.4
English as first language	91.7	93.2	92.0	83.1	94.7	85.4	90.1
Speak Welsh	23.0	15.6	21.6	36.7	14.4	32.3	24.7
Sample size	2,471	576	3,047	975	243	1,218	4,265

Overall, 45% of respondents to the survey were female. However, women accounted for over half of respondents (55%) from interventions aimed at supporting progression in employment, with the proportion being highest among the respondents from Priority 3 under the Convergence Programme (60%). Respondents from Priority 3 projects under the Convergence Programme are youngest, with approximately 1 in 5 aged 24 or under at the time they completed their project. The age distribution of respondents to the 2012 Survey is older than the 2011 Survey. It can be seen that whilst 16% of respondents to the 2012 Survey are aged 16-24, this group accounted for approximately a fifth of respondents to the 2011 survey. By contrast, 15% of respondents to the 2012 survey are aged 55 or over, approximately 4 percentage points higher than that observed among respondents to the 2011 survey. These differences are likely to reflect changes in the composition of the projects included in the survey rather than any changes to the overall profile of ESF participants.

Levels of educational attainment prior to undertaking an ESF project were higher among respondents within the two Priorities where interventions are aimed at supporting progression in employment. Among these Priorities, approximately 70% of respondents had achieved a qualification equivalent to NQF Level 3 or above. This is compared to 40% of respondents from interventions aimed at supporting participation. Across all Priorities, levels of educational attainment among respondents to the 2012 Survey (48% at NQF Level 3 or above) are also slightly higher than those observed among respondents to the 2011 Survey (45% at NQF Level 3 or above).

Twenty one per cent of respondents reported that they suffered from a long term illness. The overall rate of work limiting illness was 11%. Rates of ill-health are higher among those Priorities where interventions are primarily aimed at those out of work. Among respondents from projects aimed at supporting participation, 14% report that they suffer from a work-related ill-health condition. This is compared to just 5% of respondents from projects aimed at supporting progression in employment. Only 3% of respondents are from a non-white background.

Approximately one in four respondents report that they are able to speak Welsh, although nine out of ten report English as being their first language.

2.3 Labour market circumstances of participants prior to ESF

Many of the differences observed in the personal characteristics of ESF participants by Programme and Priority 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 detail in Table 2.2. The largest difference between those who participated in projects aimed at supporting participation and those in projects aimed at supporting progression in employment is the large majority of respondents from interventions aimed at supporting progression who were in paid employment prior to participation in their project (84%). This reflects the specific targeting of the employed by these projects. In contrast, 71% of respondents who participated in interventions aimed at supporting participation in the labour market were unemployed prior to their participation.

It should be noted that the definition of unemployment used in this survey is a statistical definition of unemployment that relates to a respondent being out of work and looking for work; generally referred to as the International Labour Organization (ILO) measure of unemployment. The alternative way of defining unemployment is with respect to the receipt of unemployment related benefits, generally referred to as the claimant count measure of unemployment. ESF Programmes define unemployed and economically inactive participants with respect to benefit receipt. Unemployed participants are defined as those claiming Job Seekers Allowance, whilst economically inactive participants are defined by the Programmes as those out of work but who are not claiming Job Seekers Allowance. The ILO definition of unemployment is preferred for the purposes of the survey as it is the definition that is most widely used in labour market surveys, therefore allowing information collected from respondents to the Leavers Survey to be compared against other sources of labour market data. However, the use of the ILO definition does mean that respondents to the ESF survey who indicate that they are out of work and looking for work may therefore not be registered as unemployed or in receipt of benefits aimed at the unemployed. Such definitional issues may explain, at least in part, why levels

of economic inactivity derived from respondents to the survey (12% among Convergence Priority 2 and 7% among Competitiveness Priority 1) are considerably lower than the targets set out for participation by the economically inactive in these projects. Some of those respondents who are defined as unemployed from the perspective of the survey may actually be classified as economically inactive within the monitoring data. The importance of such definitional issues is examined in further detail below.

Table 2.2: Labour market characteristics of survey respondents

	<i>Supporting Participation</i>			<i>Supporting Progression</i>			<i>All</i>
	<i>Con P2</i>	<i>Comp P1</i>	<i>Total</i>	<i>Con P3</i>	<i>Comp P2</i>	<i>Total</i>	
<i>Activity prior to ESF:</i>							
Paid employment	12.9	12.7	12.9	80.7	99.2	84.4	33.3
Unemployed	69.7	76.6	71.0	8.2	0.4	6.7	52.6
Education & training	4.8	3.3	4.5	8.2	0.4	6.7	5.1
Inactive	12.2	7.1	11.2	2.9	0.0	2.3	8.7
<i>Activity since completing compulsory education:</i>							
Continuously in paid employment	37.2	51.2	39.9	42.5	63.8	46.7	41.8
Continuously in education or training	4.5	2.8	4.2	14.9	1.2	12.2	6.5
In paid work for most of this time	36.8	33.5	36.1	29.3	29.2	29.3	34.2
In education or training for most of this time	6.5	4.5	6.1	10.8	3.3	9.3	7.0
Mostly unemployed or out of work	11.0	5.4	9.9	1.6	1.2	1.6	7.6
Continuously out of work	3.5	2.3	3.3	0.1	0.4	0.2	2.4
Other	0.4	0.2	0.4	0.8	0.4	0.7	0.5
Total	100	100	100	100	100	100	100
Sample	2,471	576	3,047	975	243	1,218	4,265

In addition to asking respondents about their activity status immediately prior to commencing their project, respondents were also asked to provide an overview of their working lives since completing full time education. Specifically, respondents were asked ‘Since leaving compulsory education at age 16, which of the following best describes what you had been doing up to the point when you began your ESF funded course?’ The purpose of this question is to provide a more accurate understanding of the career histories of ESF respondents, and therefore their skills and employability, than a ‘snap shot’ picture of their economic activity immediately prior to participating in an ESF project. Across all Priorities, 76% of respondents report that they had either been continuously in paid employment or had been in paid work for most of the time since completing full time education. Even among projects

aimed at improving participation in the labour market a majority of respondents report that their careers since full time education were typically characterised by being in paid employment. This is surprising given the policy intention of these Priorities is principally to support those on inactive benefits or the long term unemployed. However, it must be noted that respondents who participated in Redundancy Training account for 29% of respondents to the 2012 Survey. This is particularly important in the case of Priority 1 of the Competitiveness Programme, where Redundancy Training accounts for approximately 80% of responses (459 out of 576) achieved.

Based upon evidence derived from the survey, the findings presented in Table 2.2 could suggest that the intended targeting of the ESF interventions aimed at improving participation in the labour market on those who face the greatest difficulties in finding work has either not occurred or has occurred but has not been successful (e.g. those who face the greatest difficulties in finding work simply remain on the schemes and therefore do not become eligible for inclusion in a 'Leavers' survey). However, there are a number of caveats to this analysis. Firstly, as discussed above the Survey definition of economically inactive is based upon a statistical definition of labour market status which may not be the same as that used by providers of ESF projects or in Programming documents. Secondly, the economically inactive may exhibit lower levels of response to the survey compared to other groups which could 'skew' the characteristics of ESF participants as recorded by the survey towards those who are closer to the labour market. Thirdly, how representative of the wider population of ESF participants is the sample of monitoring data extracted for the survey?

To provide an alternative perspective on the labour market characteristics of ESF participants, Table 2.3 presents information derived from the monitoring data provided by WEFO. The top panel of the table presents information on the prior economic characteristics of all ESF participants who are recorded as having completed an ESF intervention since January 2007. At the time of writing, the database includes information on ESF completers up to November 2013. The second panel of the table presents this information for those ESF participants who are recorded as having completed their intervention during 2012. The third panel presents the characteristics of those ESF participants who were recorded as having completed their intervention during 2012 and whose records were extracted by

WEFO for possible inclusion into the survey population. The final panel of Table 2.3 presents the same information for those who actually responded to the survey.

In terms of interventions aimed at supporting progression in employment, nearly all (96%) ESF participants supported by ESF between 2007 and 2013 are in employment prior to their project reflecting the target population. Among those interventions aimed at supporting participation in the labour market, the monitoring data confirms that a majority of the people supported by ESF between 2007 and 2013 are unemployed (60%), although almost 4 out of 10 participants are recorded as economically inactive. Focussing on those participants who are recorded as having a completion date during 2012 (i.e. the covered by the Survey), it is observed that the relative incidence of participants who are unemployed increases to 70%, whilst the proportion of participants who are economically inactive falls to 30%. Overall, the monitoring data indicates that the economically inactive represent a much higher proportion of the population of ESF participants than that which is implied by the survey data alone, although the composition of ESF participants during 2012 does appear to indicate a shift in the composition of the sample towards the unemployed.

In terms of the relative characteristics of those 2012 ESF participants whose records were put forward for inclusion in to the survey, it can be seen that in the area of supporting participation in employment that the proportion of participants who are recorded as being unemployed prior to ESF (79%) is higher than that observed among the wider population of 2012 ESF participants. There is a corresponding reduction in the proportion that are recorded as being economically inactive (17%). There may be a number of reasons for the under-representation of the economically inactive in the records extracted for the survey population. The administrative records provided by WEFO for inclusion in to the survey will be limited to those participants who have provided valid contact details to their project and who have consented for these details to be passed on to WEFO for the purposes of evaluation and research. It is conceivable that the certain groups of economically inactive will be less likely to provide such information (e.g. the travelling community) or consent to participate in further research. It is also noted that some projects aimed at certain vulnerable groups in society are deliberately excluded from the scope of the survey.

Table 2.3: Labour market characteristics of ESF participants*per cent of participants/respondents*

	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
All ESF Participants: 2007-2013							
Paid employment	0.6	0.0	0.6	95.3	99.9	96.1	41.0
Unemployed	59.0	67.7	60.3	1.9	0.1	1.5	35.4
<i>Of whom:</i>							
Short term (<1 year)	45.9	62.2	48.3	1.8	0.1	1.5	28.5
Long term (1+ year)	13.1	5.5	12.0	0.1	0.0	0.1	6.9
Education & training	0.1	0.1	0.1	2.6	0.0	2.1	0.9
Inactive	40.3	32.1	39.1	0.2	0.0	0.2	22.6
Not known							
Sample	81,715	13,859	95,574	57,113	13,084	70,197	165,771
All ESF Participants: 2012							
Paid employment	0.9	0.0	0.8	94.0	99.8	95.3	31.6
Unemployed	73.2	52.5	69.6	3.5	0.2	2.8	47.8
<i>Of whom:</i>							
Short term (<1 year)	52.1	42.7	50.5	3.0	0.2	2.4	34.8
Long term (1+ year)	21.1	9.8	19.1	0.5	0.0	0.4	13.0
Education & training	0.3	0.5	0.3	16.1	0.0	12.6	4.3
Inactive	25.8	47.5	29.6	0.2	0.0	0.1	20.0
Not known							
Sample	20,272	4,255	24,527	9,274	2,581	11,855	36,382
2012 ESF Survey population							
Paid employment	2	0	1.8	83.2	97.5	86.8	18.3
Unemployed	79.2	80.9	79.4	7.3	0	5.5	65.1
<i>Of whom:</i>							
Short term (<1 year)	71.4	97.8	74.4	95.1		95.1	74.7
Long term (1+ year)	28.6	2.2	25.6	4.9		4.9	25.3
Education & training	0	0	0	6.8	0	5.1	1
Inactive	17.5	15.9	17.4	0.4	0	0.3	14.1
Not known	1.2	3.2	1.5	2.2	2.6	2.3	1.6
Sample	12,327	1,513	13,840	2,511	824	3,335	17,175
2012 ESF Survey respondents							
Paid employment	1.5	0	1.2	80.9	96.7	84.1	24.9
Unemployed	81.8	89.7	83.3	8.3	0	6.7	61.4
<i>Of whom:</i>							
Short term (<1 year)	81.4	98.6	84.9	98.6		98.6	85.3
Long term (1+ year)	18.6	1.4	15.1	1.4		1.4	14.7
Education & training	0	0	0	8.6	0	6.9	2
Inactive	15.3	7.8	13.9	0.6	0	0.5	10
Not known	1.4	2.4	1.6	1.5	3.3	1.9	1.7
Sample size	2,471	576	3,047	975	243	1,218	4,265

Finally, the bottom panel of Table 2.3 presents information on the characteristics of respondents to the survey. It can be seen that response bias does have some influence on the relative characteristics of respondents compared to the survey population, although these effects are not large. The proportion that are recorded as unemployed increases by 4 percentage points, from 79% in the monitoring data to 83% among the survey respondents. The proportion that are economically inactive falls from 17% among the population of ESF participants to 14% among respondents to the survey. Furthermore, it can be seen that the proportion of the unemployed who are classified as short term unemployed increases from 74% to 85%, reflecting the lower levels of response achieved among the long term unemployed.

In terms of comparisons with data derived from the survey, it can be seen that the largest difference that occurs in activity status is the significantly lower proportion of respondents in projects aimed at supporting participation that the monitoring data classifies as being in paid employment prior to ESF. Whilst prior economic activity data collected by the survey (table 2.2) reveals that 13% of such respondents were in employment prior to ESF, this figure falls to just 1% based on the monitoring data (table 2.3). This 12 percentage point reduction in prior participation in employment is accounted for by a 12 percentage point increase in the incidence of unemployment recorded by the monitoring data. These differences could reflect how respondents to the ESF survey interpret or recall what they were doing prior to ESF. For example, those who were unemployed for a very short duration of time prior to their participation in ESF may indicate in their response to the survey that they were in work prior to their participation in ESF, whereas the monitoring data may more accurately record them as being unemployed at the time their participation in an ESF project began. This interpretation is further supported by the higher levels of short term unemployment recorded for survey respondents by the monitoring data (accounting for 85% of previously unemployed respondents) compared to that recorded by the survey data (accounting for 71% of previously unemployed respondents, see table 2.4 below). Levels of economic activity prior to ESF among this group of survey respondents derived from the survey data (11%) are similar to that derived from the monitoring data (14%). It can therefore be concluded that the relative preponderance of previously unemployed compared to economically inactive participants in ESF interventions aimed at supporting participation in the labour

market cannot be accounted for by response bias to the ESF survey or by possible differences in how economic inactivity is defined between the survey and monitoring data.

Returning to the survey data, Table 2.4 presents more detailed information on the previous labour market experiences of those who participated in projects aimed at supporting participation in the labour market and who were either unemployed or economically inactive prior to their participation. Information is provided on the duration of non-employment and, for those who have held paid employment at some point, the previous occupation held. Among previously non-employed respondents from Priority 2 of the Convergence Programme, nearly 1 in 3 (31%) reported that they had been out of work for less than 3 months. Similarly (31%) had been out of work for 12 months or more. Among previously non-employed respondents from Priority 1 of the Competitiveness Programme, 44% reported that they had been out of work for less than 3 months. As discussed above, comparing the two Priorities, the relative prevalence of respondents with only short spells out of work reflects the high proportion of respondents having undertaken Redundancy Training. Once again, however, these findings suggest that ESF participants across the board are relatively connected to the labour market.

Approximately 56% of respondents from Priority 2 of the Convergence Programme have previously been employed in occupations that are generally characterised by manual occupations, including skilled trades (13%), personal service occupations (8%), process operatives (15%) and elementary occupations (20%). These occupations however only account for 32% of jobs previously held by respondents from Priority 1 of the Competitiveness Programme who have previously been employed. Among this group of respondents, over half (52%) were previously employed in occupations characterised by relatively high level skills or work experience, namely managerial occupations (25%), professional occupations (8%) and associate professional and technical occupations (19%). These occupations only account for 29% of jobs previously held among respondents from Priority 2 of the Convergence Programme.

Table 2.4: Duration of non-employment and previous occupation held prior to participation in an ESF project (projects supporting participation)

	<i>per cent of non-employed respondents</i>		
	Con P2	Comp P1	Total
Duration of non-employment:			
Less than 3 months	30.5	43.4	33.0
3-6 months	22.3	28.7	23.5
6-12 months	15.0	14.7	14.9
1-2 years	8.4	4.6	7.7
2-3 years	5.5	1.9	4.8
3+ years	17.0	5.5	14.7
Don't know	1.5	1.3	1.4
Total	100	100	100
Sample	2,000	477	2,477
Previous Occupation (among those who have previously worked):			
1. Managers & senior officials	15.0	25.4	17.1
2. Professional	4.5	7.9	5.1
3. Associate professional & technical	9.6	18.6	11.4
4. Admin and secretarial	7.6	10.7	8.2
5. Skilled trades	12.7	8.8	11.9
6. Personal service	7.6	3.1	6.7
7. Sales and customer service	7.4	5.0	7.0
8. Process, plant and machine	15.4	8.3	14.0
9. Elementary	20.2	12.3	18.7
Total	100	100	100
Sample	1,843	457	2,300

Respondents to the survey who were out of work prior to their participation were asked why they experienced difficulties in finding work (Table 2.5). The reasons most frequently cited by previously unemployed respondents were a perceived lack of appropriate jobs in the area where they lived (65%), their lack of qualifications (37%), their lack of relevant work experience (33%), and transport difficulties / barriers associated with accessing appropriate work (22%). Reasons provided by respondents who were economically inactive prior to their participation were more evenly distributed. The three most commonly cited reasons among this group were a lack of appropriate jobs (40%) a lack of relevant work experience (35%) and having caring responsibilities (35%). Their lack of qualifications or skills, transport difficulties, medical/health issues, and only wanting part time work were each cited by over 1 in 4 previously inactive respondents.

Table 2.5: Difficulties associated with finding work

Reasons for non-employment:	<i>per cent of respondents</i>					
	All Reasons			Main Reason		
	Unemployed	Inactive	Total	Unemployed	Inactive	Total
A lack of qualifications or skills	36.7	28.1	35.6	14.4	5.9	13.3
Lack of relevant work experience	32.6	35.2	33.0	11.5	8.9	11.2
Lack of affordable childcare	7.7	23.1	9.7	2.1	8.9	2.9
Having caring responsibilities	11.1	34.6	14.2	2.4	19.5	4.6
Alcohol or drug dependency	1.9	6.8	2.5	0.9	3.9	1.3
Medical/health issues	9.5	26.9	11.7	4.1	16.6	5.7
My age (too old/young)	20.6	13.3	19.7	7.1	2.1	6.4
Having a criminal record	3.1	4.1	3.2	1.1	2.4	1.3
Lack of appropriate jobs where you live	65.3	39.6	61.9	40.2	12.1	36.5
Transport difficulties and it being hard to get to appropriate work	21.7	27.2	22.4	3.9	4.1	4.0
Only wanting to work part time	10.1	26.3	12.2	1.5	3.0	1.7
Believing you would not be better off financially in work	6.7	12.4	7.4	0.4	1.2	0.5
The recession/economic climate	2.9	0.3	2.6	0.5	0.3	0.4
Sample	2,243	338	2,581	2,243	338	2,581

Survey respondents were then asked what they perceived to be the main difficulty that they faced in finding work. The reason most frequently cited by previously unemployed respondents was ‘a lack of appropriate jobs where they lived’, with 2 out of 5 of these respondents (40%) reporting this as the main reason for them being unable to find work. A lack of qualifications or skills and a lack of relevant work experience were cited by 14% and 12% of previously unemployed respondents respectively. Among those who were economically inactive prior to ESF, one in five respondents (20%) reported caring responsibilities as the main issue they faced in finding work, whilst one in six (16%) respondents reported health problems as the main difficulty.

2.4 Comparisons of survey respondents with the wider population

Finally in this chapter, we compare the characteristics of respondents to the survey with the wider population. Comparison data for Wales are provided by the Annual Population Survey (APS) for 2012. The APS is the source of data used in the CIE analysis presented in Chapter 6. As only a small number of respondents to the ESF

survey are under the age of 18 at the time of the survey, both sources of data are restricted to the population of working age who are aged 18 or over. For the purpose of these comparisons, we distinguish between those in employment and the non-employed; i.e. the unemployed and the economically inactive.

In Table 2.6, it can be seen that the employed sample of ESF participants derived from the survey is broadly comparable with the wider employed population in Wales, though both the employed and non-employed are somewhat more likely to have higher-level qualifications than in the population as a whole. More significant differences emerge with respect to the non-employed sample of ESF participants, who are more likely to be female (60% compared with 48%), are slightly older (67% aged 31 or over compared with 60%) and are much less likely to suffer a work limiting illness (14% compared with 38%). Response rates to the survey (see Annex 1) do not vary greatly by gender, suggesting that the higher proportion of women in the ESF sample cannot be attributed entirely to response bias. The lower levels of response achieved within the survey among younger age groups may partly account for the lower proportion of young respondents among the ESF sample compared to the wider population. Finally, those with a disability are less likely to respond to the ESF survey, indicating that response bias may be in part contributing to the lower incidence of work limiting illness among survey respondents. However, the scale of the difference (14% compared to 38%) again suggests that that response bias could not account for all of this difference.

Table 2.6: Comparing the survey sample with the population of working age
per cent of total

	Employed		Non-Employed		All	
	ESF	APS	ESF	APS	ESF	APS
Gender:						
Male	51.3	53.9	40.1	48.4	43.8	52.3
Female	48.7	46.1	59.9	51.6	56.2	47.7
Age:						
18 - 20 yrs	1.8	3.9	6.2	14.8	4.7	7.1
21 - 24 yrs	8	7.9	13.1	14	11.4	9.7
25 - 30 yrs	12.3	14.5	13.5	11.2	13.1	13.5
31 - 40 yrs	25	22	19.2	14	21.2	19.6
41 - 54 yrs	42.3	37.6	35.1	24.5	37.5	33.8
55+ yrs	10.7	14.2	12.8	21.4	12.1	16.3
Educational attainment:						
NQF level 3+	62	56	42.5	36.7	49	50.4
Work limiting illness	6.1	9.3	13.6	37.7	11.1	17.6
Ethnicity:						
White	96.2	96.5	97.1	93.1	96.8	95.5
Total	100	100	100	100	100	100
Sample	1,370	13,499	32,749	5,428	4,119	18,927

CHAPTER 3: Participating in an ESF project

Chapter Summary

- Approximately 70% of respondents were aware that ESF had helped to pay for their participation in an ESF project.
- The two main reasons given by respondents for participating in an ESF project were to help them get a job (30%) and to improve or widen career options (20%).
- Rates of withdrawal from an ESF project are estimated to be approximately 8% based on both survey data and monitoring data.
- Reasons for withdrawal are complex and do not necessarily reflect dissatisfaction among participants. The most common reason cited by survey respondents was finding a job, which accounted for approximately a third of early withdrawals from ESF interventions.

3.1 Introduction

This chapter considers the nature of interventions that ESF participants who responded to the survey took part in. The chapter firstly describes where and when respondents undertook their ESF interventions. The main reasons given by respondents for choosing to participate in an ESF project are then discussed. The chapter culminates in a description of the incidence of early withdrawal from ESF projects and the factors that influence participants' decisions to withdraw.

3.2 Embarking on an ESF project

Chapter 2 described how differences in the characteristics of survey respondents under the two ESF Priorities reflected differences in the groups that were being targeted. The distinct nature of these interventions is also reflected in the way they are delivered. Approximately one third of respondents who participated in projects aimed at supporting progression undertook these interventions at the workplace (see Table 3.1). In comparison, approximately three quarters of respondents from projects aimed at supporting participation undertook these interventions at a training centre (50%), community centre (12%) or college (11%). Approximately 70% of respondents were aware that the project was funded by ESF, with levels of

awareness being higher among respondents from projects aimed at supporting progression (77%) compared to those aimed at supporting participation (66%).

Table 3.1: Characteristics of ESF Projects

per cent of respondents

	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Location of delivery:							
College	10.7	12.5	11.1	13.0	24.7	15.4	12.3
Community centre	13.6	5.4	12.1	6.3	2.1	5.4	10.2
Training centre	47.9	60.2	50.2	19.0	18.9	19.0	41.3
At home	1.1	1.7	1.2	0.3	0.0	0.3	0.9
Workplace	10.6	9.6	10.4	36.0	39.5	36.7	17.9
School	16.1	10.6	15.1	25.4	14.8	23.3	17.4
Duration:							
Up to 1 month	52.2	54.7	52.7	29.0	49.8	33.2	47.1
1 to 6 months	32.5	33.9	32.8	53.9	28.4	48.8	37.4
6 to 12 months	7.0	6.3	6.8	11.2	9.9	10.9	8.0
12 to 24 months	2.2	0.5	1.9	2.2	3.3	2.4	2.0
24 months+	0.3	0.2	0.3	0.1	0.4	0.2	0.3
Don't Know	5.8	4.5	5.6	3.7	8.2	4.6	5.3
Hours spent per week on the course or project:							
0-4 hours	25.6	7.6	22.2	14.7	15.6	14.9	20.1
5-9 hours	17.0	13.5	16.4	32.3	42.8	34.4	21.5
10-15 hours	9.9	11.8	10.3	20.5	12.4	18.9	12.7
16-24 hours	12.6	14.9	13.0	10.0	16.5	11.3	12.5
25 hours or more	30.4	46.9	33.5	19.1	6.6	16.6	28.7
Don't know	4.5	5.2	4.6	3.5	6.2	4.0	4.5
Took course on evenings/weekends:							
Yes	7.3	9.7	7.8	6.9	7.0	6.9	7.5
No	92.7	90.3	92.3	93.1	93.0	93.1	92.5
Took course on during the working week:							
Yes	95.9	95.8	95.9	96.0	95.1	95.8	95.9
No	4.1	4.2	4.1	4.0	4.9	4.2	4.1
Aware that ESF helped pay?							
Yes	64.8	68.6	65.5	77.9	75.3	77.3	68.9
No	32.6	29.3	32.0	20.2	21.8	20.5	28.7
Unsure	2.6	2.1	2.5	2.0	2.9	2.1	2.4
Sample	2,471	576	3,047	975	243	1,218	4,265

Both the duration and intensity of ESF interventions differ considerably between respondents from the different Priorities. Among respondents who participated in

projects aimed at supporting participation in the labour market, 53% reported that their interventions lasted less than a month. This is compared to 33% among those in projects aimed at supporting progression in employment. Moreover, almost half of respondents in projects aimed at supporting participation (47%) reported that participation involved spending more than 15 hours a week on the course, with approximately a third (34%) spending 25 hours or more a week on the course. The short duration and intensity may reflect that many of these interventions provide short term help with job search activities. The duration of ESF interventions is typically longer among respondents who participated in projects aimed at supporting progression in employment. Approximately 14% of such interventions last longer than 6 months, compared to 9% of interventions supporting participation. Nonetheless, the duration of interventions aimed at supporting progression is considerably shorter during this year's survey than in the 2011 survey, where 33% of such interventions lasted longer than 6 months.

Respondents to the survey were asked to provide reasons why they embarked on an ESF project. Table 3.2 reports the most commonly cited reasons across the four Priorities. Reflecting their relative labour market positions, the three main reasons provided by respondents from projects aimed at supporting participation were to help them get a job (39%), to improve or widen their career options (21%) and to develop a broader range of skills (14%). Respondents from projects aimed at supporting progression in employment placed greater emphasis on the importance of developing a broader range of skills (28%). It is of interest to note that approximately 13% indicated that their main reason for undertaking their ESF project was because their employer had requested or required it. This figure increases to 1 in 4 respondents (26%) from Priority 2 of the Competitiveness Programme. While the primary focus of ESF interventions relates to the employability and progression of individuals, some projects do operate at the level of the workplace and begin with a diagnosis of the employers' training and development needs. In these circumstances, it is not surprising that the impetus for training may arise from the employer rather than the individual.

Table 3.2: Reasons for undertaking an ESF project

per cent of respondents

	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
All reasons:							
Develop a broader range of skills	88.4	93.6	89.4	94.7	93.4	94.4	90.8
Develop more specialist skills	77.7	85.2	79.1	81.4	78.6	80.9	79.6
Improve or widen career options	91.7	93.6	92.1	79.3	65.8	76.6	87.7
Help get a job	89.7	91.1	90.0	39.0	17.7	34.7	74.2
Improve pay, promotion or other prospect	47.2	49.1	47.6	55.0	46.9	53.4	49.2
Employer requested or required it	11.3	9.0	10.9	35.1	67.1	41.5	19.6
Learn something new for personal interest	66.3	58.9	64.9	70.2	50.6	66.3	65.3
Help progress to another education, training or learning course	42.7	33.9	41.1	33.6	27.2	32.3	38.6
An adviser recommended that you should	53.8	48.1	52.7	39.4	53.9	42.3	49.7
Main reason:							
Develop a broader range of skills	14.0	12.9	13.8	27.3	30.0	27.8	17.8
Develop more specialist skills	7.9	10.2	8.3	18.4	21.8	19.1	11.4
Improve or widen career options	20.3	24.8	21.1	17.5	8.2	15.7	19.6
Help get a job	38.5	38.7	38.6	9.0	1.2	7.5	29.7
Improve pay, promotion or other prospect	1.4	1.6	1.4	5.0	2.9	4.6	2.3
Employer requested or required it	1.2	0.7	1.1	9.6	25.5	12.8	4.4
Learn something new for personal interest	3.8	1.4	3.4	3.0	1.2	2.6	3.2
Help progress to another education, training or learning course	2.0	1.2	1.8	2.0	0.0	1.6	1.8
An adviser recommended that you should	3.6	2.3	3.4	1.1	3.3	1.6	2.8
Sample	2,471	576	3,047	975	243	1,218	4,265

3.3 Withdrawing from an ESF project

Both the monitoring data supplied by WEFO for ESF participants who took part in the survey and the survey dataset provide information on early withdrawal from ESF projects. The completion status from these two sources is presented in Table 3.3. This suggests that there are significant inconsistencies between the information held on monitoring data and the information supplied by participants regarding whether or not they completed the course. Rates of withdrawal derived from both sources are low. Based upon monitoring data, 343 of the participants who responded to the survey withdrew from ESF; a withdrawal rate of 8.0%, a rate similar to that obtained from the survey data (8.1%). However, only 78 respondents (1.8%) are consistently

recorded as having withdrawn from ESF based upon both their responses to the survey data and their monitoring data.

Table 3.3: Withdrawal from ESF projects
number of respondents

	Monitoring Data		
	Completed	Withdrew	Total
Survey Data			
Completed	3,640	262	3,902
Withdrew	267	78	345
Don't know	20	3	23
Total	3,927	343	4,270

Respondents to the survey were asked about their reasons for leaving an ESF project early (presented in Table 3.4). The most commonly cited reason was having left to start a new job (35%). This finding highlights that early withdrawal from an ESF intervention may actually reflect a positive outcome. The second column of Table 3.4 considers the reasons for early withdrawal (as recorded by the survey) for those respondents where both their survey responses and their monitoring data indicate that that individual had withdrawn early. The proportion who report that they had withdrawn to start a job falls slightly. Nonetheless, 1 in 3 respondents still report that they withdrew early in order to start a job. This finding suggests that monitoring data may overestimate the ‘true’ rate of withdrawal (in the sense of an unsuccessful non-completion of provision) by a third. Further analysis reveals that rates of withdrawal are higher in interventions aimed at supporting participation in the labour market (10%) compared with interventions aimed at supporting progression in employment (2%). However, relatively little variation is otherwise observed among different groups of survey respondent.

Table 3.4: Reasons for not completing an ESF project*per cent of withdrawers*

	Source of Data Where Respondent is Identified as an Early Withdrawer	
	Survey Data	Survey and Admin Data
Withdrawal Rate	8.1	
Left to start a job	35.4	32.1
Family / personal circumstances	13.0	16.7
Lack of time / too busy	8.4	6.4
Ill health / disability	12.5	10.3
Course did not meet expectations	9.9	10.3
Lack of support / help	3.8	6.4
Changed job or made redundant	2.9	7.7
Problems accessing course e.g. travel problems	1.4	1.3
Course cancelled / closed down	4.1	6.4
Course too advanced / too hard	2.6	2.6
Course too easy	1.7	1.3
Sample	345	78

CHAPTER 4: ESF and the Accumulation of Skills

Chapter Summary

- The most commonly cited skills acquired by respondents during their ESF project were job specific skills (69%), organizational skills (68%), communication skills (68%), team working skills (66%), and problem solving skills (64%).
- Respondents report that they felt their capabilities and capacities have improved as a result of participating in ESF including feeling more confident about their abilities (85%), feeling better about themselves generally (82%) and feeling that they have improved their career prospects (78%).
- Approximately 7 out of 10 of respondents report that they gained some form of qualification through ESF.

4.1 Introduction

This short chapter presents information on the contribution of ESF to the development of skills. The analysis firstly considers the type of skills that respondents report they have acquired as a result of their ESF project. The analysis then goes on to consider the contribution of ESF, and of further study and training following the completion of their intervention, upon levels of educational attainment.

4.2 Skills Acquired from ESF

Table 4.1 considers the nature of skills acquired by respondents during the course of their ESF project. The most commonly cited skills acquired were job specific skills (69%). It is of interest to note that these skills were among the most commonly cited in both interventions aimed at improving participation in the labour market and interventions supporting progression in employment. Once again, the relative prevalence of Redundancy Training in the 2012 survey is likely to be important in explaining this finding, where support is often tailored to helping the participants gain employment within a particular area of work. Other commonly cited skills include key skills such as organizational skills (68%), communication (68%), team working (66%), and problem solving (64%). A key difference between Priorities was that participants from projects supporting participation in the labour market were more likely to report improvements in job search skills (48%, compared with 30% for supporting

progression) and CV writing or interview skills (41%, compared with 27% for supporting progression). Approximately 4 out of 10 of all participants reported that they had improved literacy (40%) and numeracy skills (36%) as a result of the intervention.

Table 4.1: Skills Acquired from an ESF project

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Job-specific skills related to a specific occupation	64.7	78.5	67.3	72.1	72.7	72.3	68.7
Problem solving skills	59.9	60.4	60.0	75.3	68.0	73.8	64.0
Team working skills	63.3	57.1	62.1	75.5	70.4	74.5	65.7
Organisational skills	63.8	65.5	64.1	77.2	72.0	76.2	67.6
Literacy skills	42.0	34.4	40.6	39.5	29.3	37.5	39.7
Numeracy skills	40.0	33.4	38.7	31.8	22.2	29.9	36.2
IT skills	42.7	43.0	42.8	41.7	26.1	38.6	41.6
Communication skills	64.7	59.7	63.8	77.9	72.4	76.8	67.5
Leadership and/or strategic management skills	33.6	36.1	34.1	65.3	62.1	64.7	42.9
Job search skills	50.1	40.8	48.3	31.8	19.3	29.3	42.9
CV writing or interview skills	42.7	31.5	40.6	29.2	15.6	26.5	36.6
English language skills	34.8	26.7	33.3	30.8	19.3	28.5	31.9
Sample	2,471	576	3,047	975	243	1,218	4,265

As well as the acquisition of generic and specific skills, the survey asked respondents about other perceived benefits of the course (see Table 4.2). Although often related to skills, many of these benefits point towards how participation in ESF contributed to enhancing the capacity and capabilities of participants. The benefits most commonly cited were that respondents felt more confident about their capabilities (85%) and were feeling better about themselves generally (82%). Approximately three quarters (74%) reported that they felt more enthusiastic about learning as a result of participating in ESF. Little difference is observed when comparing the benefits reported by participants from different Priorities. The largest differences that emerge relate to well-being. A higher proportion of respondents from interventions aimed at supporting participation in employment reported that they made new friends as a result of the course (59% compared to 51%) and that they felt more healthy (60% compared to 49%).

Table 4.2: Outcomes from ESF projects

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
More enthusiastic about learning	73.9	75.5	74.2	73.5	66.3	72.1	73.6
Taking part in more voluntary or community activities	34.1	30.7	33.5	30.4	24.7	29.3	32.3
Clearer about what you want to do in your life	71.0	72.0	71.2	71.4	62.9	69.7	70.8
More confident about your abilities	83.2	86.4	83.8	88.2	83.8	87.3	84.8
Clearer about the range of opportunities open to you	77.5	79.5	77.9	78.8	72.3	77.5	77.8
Feeling better about yourself generally	82.2	83.8	82.5	82.8	77.3	81.7	82.3
Thinking about setting up your own business or working self-employed	22.6	30.6	24.1	24.3	15.7	22.5	23.6
Feeling you have improved employment or career prospects	76.1	85.4	77.9	80.1	76.5	79.4	78.3
Feeling more healthy	60.0	58.2	59.6	49.7	44.1	48.6	56.5
Making new friends as a result of the course	60.3	55.7	59.4	56.0	32.9	51.4	57.1
Taken up new hobbies or interests	14.4	11.7	13.9	11.6	7.8	10.8	13.0
Sample	2,471	576	3,047	975	243	1,218	4,265

4.3 Educational Attainment and ESF

Table 4.3 considers how the educational attainment of survey respondents develops both as a result of ESF and as a result of further education and training undertaken after their participation on an ESF project. The survey asked respondents about their level of educational attainment prior to their participation in ESF (previously reported in Table 2.1 but repeated here for ease of exposition). Due to the complexities associated with collecting information on qualifications held, particularly among respondents who may have completed full time education several decades earlier, it is not possible to allocate the prior educational attainment of all respondents to an NQF category. As such, 20% of respondents are recorded as having a qualification level classified as 'other or unspecified'. Approximately 8% of respondents did not possess any qualifications prior to their participation. This figure increases to 10% among respondents from projects aimed at supporting participation in the labour market.

Table 4.3 also provides information on the qualifications held at the time of the survey. The educational attainment of a respondent at the time of the survey is derived from information provided about the qualifications that they held prior to ESF combined with information about qualifications achieved either as a result of their ESF intervention or those achieved subsequently. Once again respondents may not provide sufficient detail for these qualifications to be allocated to an NQF level. In such cases, the highest level of educational attainment is recorded as the highest 'known' qualification for that individual. This level could relate to qualifications held either before ESF, as a result of ESF or from training undertaken since ESF. By the time of the survey, the proportion of respondents who do not possess any qualifications is 6%, a decline of two percentage points. It is therefore observed that participation in ESF does not appear to be associated with large increases in the levels of qualifications held by participants.

Table 4.3: Qualification Levels and ESF

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Qualifications held before course:							
None	10.2	7.3	9.6	2.9	2.9	2.9	7.7
NQF Level 1 or less	13.6	9.2	12.8	4.4	7.0	4.9	10.6
NQF Level 2	16.8	11.5	15.8	7.9	9.5	8.2	13.6
NQF Level 3	16.0	17.2	16.2	19.9	16.5	19.2	17.1
NQF Level 4 or above	20.3	35.9	23.3	52.7	43.6	50.9	31.2
Unspecified, other	23.1	18.9	22.3	12.2	20.6	13.9	19.9
Qualifications held at time of survey:							
None	7.5	6.1	7.3	1.4	2.9	1.7	5.7
NQF Level 1 or less	11.2	7.3	10.5	3.0	2.9	3.0	8.3
NQF Level 2	18.9	11.1	17.4	8.4	8.2	8.4	14.8
NQF Level 3	18.0	18.6	18.1	18.1	18.5	18.1	18.1
NQF Level 4 or above	21.3	38.0	24.4	56.9	46.9	54.9	33.1
Unspecified, other	23.1	18.9	22.3	12.2	20.6	13.9	19.9
Total	100	100	100	100	100	100	100
Sample	2,471	576	3,047	975	243	1,218	4,265

Table 4.4 considers transitions in individual educational attainment that occur as a result of participation in ESF (i.e. excluding any qualifications that may have been

gained subsequently). In over two fifths of cases (42%), it is not possible to determine how educational attainment changes for an individual. This will occur in situations where (a) educational attainment prior to ESF is unknown or where (b) the level of qualification achieved via ESF is unknown. In both cases, it is not possible to determine whether the additional qualification is at a higher or lower level than that previously held. Overall 30% of respondents indicated that their project did not result in a qualification. Ten per cent of respondents undertook projects that resulted in a qualification at the same level as the highest qualification which they held prior to the intervention (as classified by the National Qualification Framework). A further 13% of respondents participated in a project that resulted in a lower level qualification and 6% of respondents undertook a qualification that was at a higher level. As a result, there is relatively little change in the distributions of qualifications held following participation in ESF.

Table 4.4: Qualification Transitions and ESF

	<i>per cent of respondents</i>						
	Supporting Participation			Supporting Progression			All
	Con P2	Comp P1	Total	Con P3	Comp P2	Total	
Qualification transitions:							
Lower qualifications	9.1	12.2	9.7	24.4	5.4	20.6	12.8
No qualifications	33.5	19.1	30.8	26.3	33.7	27.8	29.9
Same qualifications	7.6	8.0	7.7	14.7	11.1	14.0	9.5
Higher qualifications	6.2	6.4	6.2	5.1	7.8	5.7	6.1
Qualification transition not determined	43.7	54.3	45.7	29.5	42.0	32.0	41.8
Transitions excluding not determined:							
Lower qualifications	16.1	26.6	17.8	34.6	9.2	30.3	22.0
No qualifications	59.5	41.8	56.7	37.3	58.2	40.8	51.4
Same qualifications	13.4	17.5	14.1	20.8	19.2	20.5	16.2
Higher qualifications	10.9	14.1	11.4	7.3	13.5	8.3	10.4
Total	100	100	100	100	100	100	100
Sample	2,471	576	3,047	975	243	1,218	4,265

Comparisons between Priorities can be difficult to make due to the varying proportion of respondents for whom qualification transitions cannot be determined. Qualification transitions cannot be determined for almost half (46%) of respondents who participated in projects aimed at supporting participation and for about a third of

respondents (32%) who participated in projects aimed at supporting progression in employment. To overcome these difficulties, the lower panel of Table 4.4 shows the percentage of respondents experiencing qualification transitions, excluding those for whom no transition data is available. Participants in interventions aimed at supporting progression are more likely to achieve a qualification (59%) than participants in interventions aimed at supporting participation (43%). However, this finding is driven by the high incidence of qualifications received among participants in projects under Priority 3 of the Convergence Programme (63%). Over half of participants in projects under Priority 2 of the Competitiveness Programme (58%) did not gain a qualification from their participation in ESF.

CHAPTER 5: Improving Participation in the Labour Market

Chapter Summary

- A majority of transitions out of unemployment and inactivity among Priority 2 respondents from the Convergence Programme occur either during or immediately following their participation in an ESF project.
- Among respondents from Priorities aimed at improving participation in the labour market, 62% were in paid employment at the time of the survey: an increase in their rate of employment of 49 percentage points compared with that observed before their participation. Of this increase in employment, over 95% can be accounted for by people moving out of unemployment and into paid work.
- Nearly 1 in 5 (18%) of those who were in a job at the time of the survey that was not held prior to their participation in ESF, report that their project was vital to them gaining their current employment. Among those who remained out of work at the time of the survey, approximately 1 in 4 (24%) report that they felt that they had more chance of finding a job in the future as a result of their participation.
- Respondents perceive the benefits of ESF to be higher when they gain any qualification, although perceived benefits are greatest when the qualification gained is at a higher level than that which they previously held.

5.1 Introduction

This chapter examines the labour market experiences of survey respondents following the completion of their intervention. The first part of the chapter uses survey data that provides an account of the main activities the respondent had engaged in following the completion of their ESF intervention during 2012. The fieldwork for the survey was undertaken during June and July 2013. A majority of respondents were able to provide an account of their labour market experiences for a period of at least 12 months following the completion of their interventions. Such a longitudinal perspective enables us to consider evolving patterns of participation in the labour market following ESF. However, career history data are only able to provide relatively limited information about participation status. The remainder of the chapter therefore provides a more detailed account of economic activity at the time of the survey.

There is considerable continuity in the post intervention career profiles of respondents participating in projects aimed primarily at those in employment. By definition, respondents in projects under Priority 3 of the Convergence Programme and Priority 2 of the Competitiveness Programme exhibit high rates of employment both before and after the intervention. This continuity reflects the targeting of these interventions among the employed population and that the objectives of these interventions are about progression in employment. Whilst these interventions may indirectly affect labour market status insofar as they improve the chances of participants remaining in employment, the effects are expected to be much smaller than those observed among participants in projects aimed at improving participation in the labour market. The remainder of this chapter therefore focuses on the career profiles of respondents from projects under Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme; i.e. those aimed at supporting participation in the labour market.

5.2 Employment and non-employment following ESF projects

Figure 5.1 considers the situation of those respondents who were unemployed immediately prior to their participation. Sixty one per cent of participants who were unemployed prior to their intervention were either unemployed or inactive upon the completion of their intervention (i.e. at zero months following ESF). The proportion that remains unemployed or inactive falls to 39% by the end of the 12 month follow-up period. This 22 percentage points decline in the proportion of unemployed or inactive respondents is accounted for by a corresponding increase in the proportion of respondents in employment (from 36% to 59%). Figure 5.2 considers the situation of respondents who were economically inactive prior to their participation in an ESF project. Rates of employment are much lower among this group compared with those who were unemployed prior to their project. Immediately following their interventions, 17% have gained employment and a further 5% have moved into education and training. There is relatively little in the way of continued improvement in employment levels during the remainder of the follow-up period. By the end of the follow-up period, 22% of respondents who were economically inactive prior to their participation are in employment. Both charts indicate that a majority of transitions out

of unemployment and inactivity among these respondents occur either during or immediately following their participation in an ESF project.

Figure 5.1: Career profiles of previously unemployed respondents (Con P2/Comp P1, n=1,707)

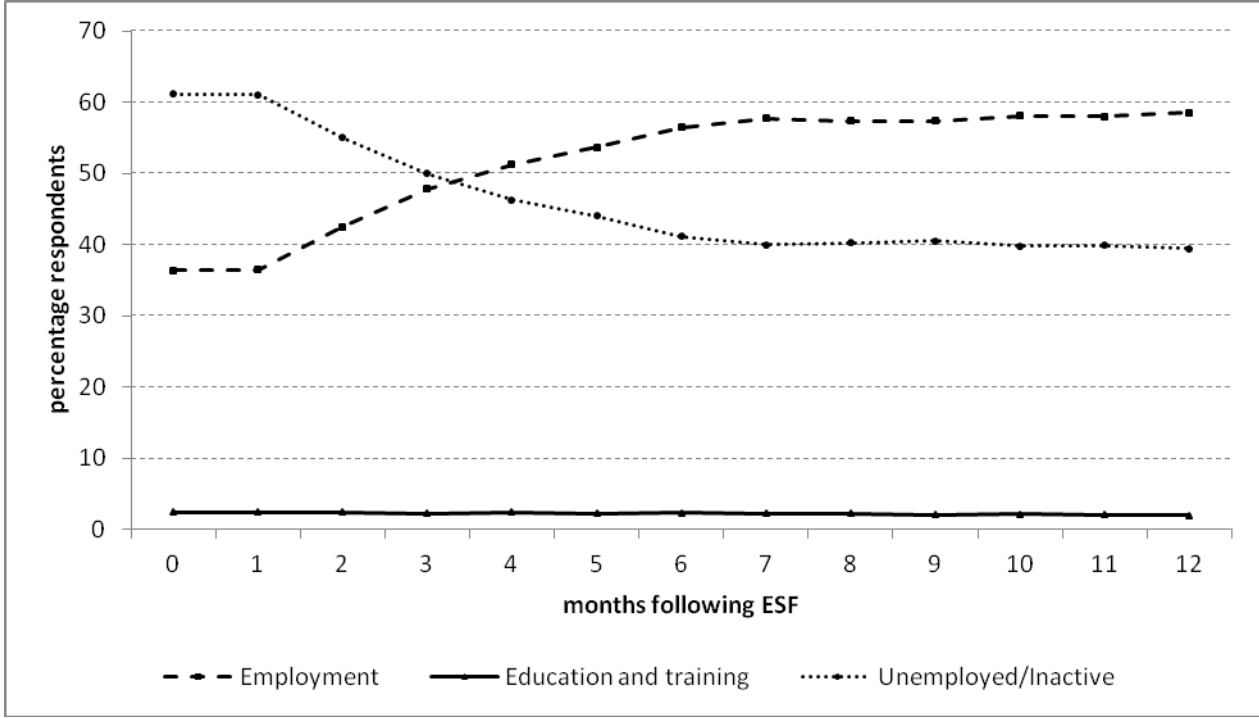
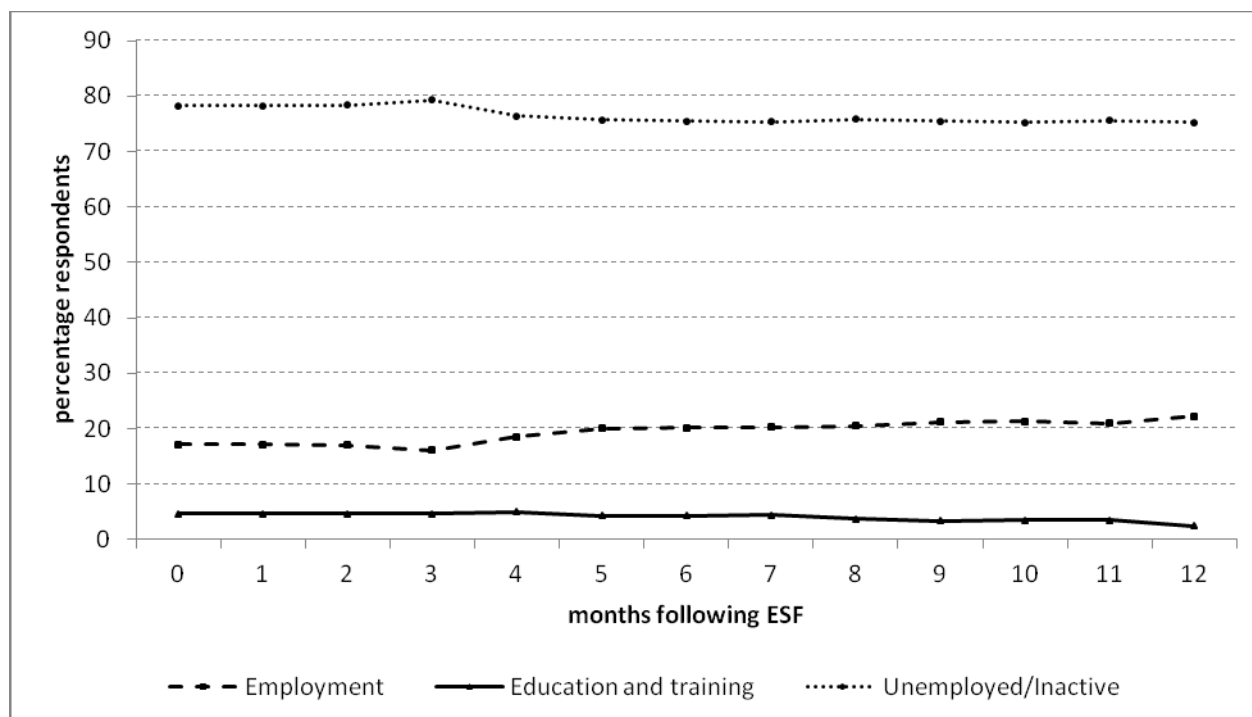


Figure 5.2: Career profiles of previously inactive respondents (Con P2/Comp P1, n=281)



5.3 The Current Activity of ESF Participants

The previous section provided a broad overview of the labour market status of participants for 12 months following the completion of their project. This section provides a more detailed insight into the labour market characteristics of respondents measured at the time of the survey. Table 5.1 considers labour market transitions among respondents from projects aimed at improving participation in the labour market, contrasting their main labour market activity immediately before their ESF project with their situation at the time of the survey. Prior to their participation, 13% of these respondents were in employment (although some may have been under notice of redundancy). By the time of the survey, 62% were in employment. This 49 percentage point increase in employment is largely accounted for by a movement out of unemployment into paid work, (46% of respondents make this transition). Therefore approximately two thirds of those who were unemployed prior to ESF gain employment by the time of the survey.

Table 5.1: Current activity compared with main activity prior to ESF intervention: (Con P2/Comp P1 Respondents)

Main activity before attending course	Current main activity				
	Paid employment	Education and training	Unemployed	Economically inactive	Total
	<i>per cent of respondents</i>				

Paid employment	10.3	0.3	1.3	1.0	13.0
Education and training	2.1	0.8	1.3	0.4	4.6
Unemployed	46.4	2.2	16.9	5.8	71.2
Economically inactive	3.3	0.8	1.5	5.7	11.3
Total	62.0	4.1	20.9	12.9	(n=3,027)

Note: For ease of exposition, respondents who replied don't know have been removed from this transition matrix

Transitions experienced among those who were previously economically inactive are relatively small by comparison. Only 3% of all respondents made a transition from economic inactivity to paid employment (29% of those who were economically inactive)⁴, reflecting the relatively small proportion of the respondents who were classified as inactive prior to ESF. At the time of the survey, the overall proportion of respondents who were economically inactive had increased from 11% prior to ESF participation to 13%. This is largely due to 6% of respondents making a transition from unemployed prior to ESF to economically inactive following ESF. This group accounts for the single largest 'negative' transition in economic activity.

5.4 Characteristics of current employment

Table 5.2 presents information on the nature of employment held by respondents at the time of the survey. As described above, a significant proportion of respondents from projects that aim to improve participation in the labour market moved into employment following their training. The nature of employment gained among participants from Priority 2 of the Convergence Programme is concentrated towards relatively low skilled occupations. Almost 1 in 3 (32%) are employed in either process or elementary occupations. This is compared to 1 in 5 who participated in projects under Priority 1 of the Competitiveness Programme. Among this latter group, 44% gained employment in managerial, professional or associate professional occupations (around 16 percentage points higher than among Convergence Priority 2 respondents).

For both Priorities, over two thirds of respondents who find work are employed in permanent positions and around three quarters work 30 hours or more per week.

⁴ This figure is higher than that shown in Figure 5.2. However, that analysis is only based on a sub-set of survey respondents who are able to provide 12 months' worth of career history data. The analysis of Table 5.1 does not impose that restriction.

Participants from Priority 2 of the Convergence Programme earn approximately £45/week less than respondents from Priority 1 of the Competitiveness Programme, irrespective of gender. Given the higher prevalence Redundancy Training respondents from projects under Priority 1 of the Competitiveness Programme, both the higher skilled occupations, the higher prevalence of permanent contracts and the higher levels of earnings among this group will reflect the relatively high skills and labour market experience of those who have recently been made redundant. However, despite the lower earnings and the relatively low skilled nature of jobs held by those respondents who participated in Priority 2 of the Convergence Programme, among both groups approximately 86% indicate that overall they are either satisfied or highly satisfied with their jobs.

Table 5.2: Nature of current employment

per cent of employed respondents

	Con P2	Comp P1	Total
Occupation:			
Managers & senior officials	10.8	19.3	12.7
Professional	5.5	7.6	6.0
Associate prof & tech	12.1	17.6	13.3
Admin and secretarial	9.5	13.2	10.3
Skilled trades	14.2	11.5	13.6
Personal service	9.6	5.6	8.7
Sales and customer service	6.4	5.6	6.3
Process, plant and machine	15.0	8.5	13.6
Elementary	16.7	11.2	15.5
Contractual Status:			
Permanent	67.6	78.2	69.9
Hours worked per week:			
Less than 16 hours	7.1	5.6	6.7
16-29 hours	19.5	15.2	18.5
30+ hours	73.5	79.2	74.8
Earnings (Gross Weekly Earnings)			
Male	331	385	342
Female	273	308	281
All	308	353	318
Overall satisfied/very satisfied with your present job	86.3	83.0	85.6
Sample	1,449	411	1,860

5.5 Improvements in job characteristics

Respondents who were employed at the time of the survey and who were either not in employment prior to participating in an ESF project or employed in a different job were asked to what extent they thought that the course helped them get their current job. For respondents who participated in projects aimed at improving participation in the labour market, these are generally the perceptions of those who were out of work (predominantly unemployed) prior to their participation. Table 5.3 shows that 18% of respondents report that their ESF project was vital to them gaining their current employment. Among respondents from interventions aimed at improving participation in the labour market who remained out of work at the time of the survey, approximately 1 in 4 (24%) report feeling that they had more chance of finding a job in the future as a result of their participation. Finally, respondents were asked whether, with the value of hindsight, they would do the course again. Three quarters

of respondents report that they would do the course again, indicating that overall levels of satisfaction with ESF are high.

Table 5.3: Perceived Benefits of ESF

	<i>per cent employed respondents</i>		
	Vital in gaining current job	More chance of finding job in the future	Would do the course again
	All those in a job that was not held prior to participation in ESF	All those not in work at the time of the survey	All
Lower Level	20.1	28.6	83.3
No qualification	9.8	16.1	66.6
Same Level	22.7	37.6	81.5
Higher Level	18.4	32.4	83.6
Not determined	21.6	25.9	78.7
Total	17.9	24.2	75.9
Sample	1,754	1,111	3,047

Table 5.3 also considers how these self-reported measures of additionality vary among different groups of respondents classified according to the nature of qualifications gained as a result of their participation. The perceived benefits are lowest among those who gain no qualification from ESF and are generally highest among those who gain a qualification at the same level attainment or at a higher level of attainment than held prior to their participation, although the most significant difference are the lower levels of perceived benefits among those who gain no qualification from ESF compared to those who gain any form of qualification, irrespective of its level. It is noted that those in the ‘not determined’ category also gained a qualification, but its effect on levels of educational attainment could not be determined. Levels of satisfaction among this group are broadly comparable to those who gain qualifications at the same or lower level. We can therefore conclude that respondents perceive the benefits of ESF to be higher when they gain any qualification and that perceived benefits are greatest when the qualification gained is at a more advanced level. These perceptions are comparable to those reported in the 2009, 2010 and 2011 ESF Leavers Surveys.

5.6 Transport Difficulties

The analysis of Chapter 2 revealed that 22% of respondents who were not employed prior to their participation in ESF indicated that transport difficulties and it being hard to get to appropriate jobs was a barrier to them gaining employment. This was the 4th most commonly cited reason by respondents, coming behind a lack of appropriate jobs where they lived, a lack of qualifications or skills and a lack of relevant work experience. Among those who were out of work at the time of the survey, 28% of respondents cited transport difficulties as a barrier to gaining employment. The 2012 Survey introduced additional questions to investigate issues surrounding transport difficulties further. Respondents who reported transport difficulties as a barrier to finding employment were asked to elaborate further about the sorts of problems with transport that they faced. Responses to these questions are presented in Table 5.4.

Table 5.4: Transport Difficulties as a Barrier to Employment

	<i>per cent respondents</i>	
	All Difficulties	Main Difficulty
Job too far away	23.9	13.3
Car not available	28.3	15.0
Don't have a current driving licence/can't drive	28.3	17.1
Cost of fuel	4.7	1.8
Lack of parking	0.0	0.0
Cost of parking	1.2	0.0
Traffic congestion/roadworks	1.2	0.3
Inadequate public transport	54.3	33.0
Cost of using public transport	16.2	7.7
Personal physical difficulties/disability	7.7	5.0
Personal safety concerns	2.4	0.9
Other	5.3	3.5
Don't know / can't remember	2.4	2.4
Sample		339

The most common forms of transport difficulties cited by respondents are inadequate public transport (54%), the unavailability of a car (28%) or an inability to drive (28%). When asked to consider their main difficulty, a third of this group reported that inadequate public transport was the main difficulty related to transport that they faced. The survey then also sought to examine the impacts of transport difficulties on the job search activities of respondents. Approximately 1 in 4 (26%) indicated that

transport difficulties had curtailed their job search and selection activities in some way; 9% indicated that they had turned down a job whilst 17% indicated that they had decided not to apply for a job.

Chapter 6: The Effects of ESF on Participation in Employment

Chapter Summary

- Participation in non-Redundancy Training projects is associated with an average increase in the rate of transition into employment of 8 percentage points among those recently made redundant (43% among ESF participants compared with 35% within the wider labour market).
- Participation in Redundancy Training projects is associated with an average increase in the rate of transition into employment of 11 percentage points among the unemployed (78% among ESF participants compared with 67% within the wider labour market).
- Among the economically inactive, participation in ESF is associated with an average increase in the rate of transition into employment of 6 percentage points (17% among ESF participants compared with 11% within the wider labour market).

6.1 Introduction⁵

This chapter presents the results of Counterfactual Impact Evaluation (CIE) techniques, where the labour market experiences of ESF survey respondents were compared with the experiences of similar groups of people in the wider labour market. Using Propensity Score Matching (PSM) techniques, respondents to the ESF survey are matched with respondents to the Annual Population Survey. The analysis focusses upon the transitions into employment made by ESF participants who were either unemployed or economically inactive prior to their participation in ESF. These transitions are compared with those made by otherwise comparable people identified in the APS who are assumed to act as a control group so that an assessment of the potential impact of ESF on labour market participation can be made.

The methodology developed to use the APS as a source of longitudinal data, including the particular measures used to derive a control group for participants in

⁵ This chapter incorporates data from the Annual Population Survey which is produced by the ONS and is accessed 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.

Redundancy Training, is detailed in the report of the combined analysis of the 2009 and 2010 ESF Leavers Surveys⁶. Unlike the rest of this report, the analysis in this chapter is based upon combined data from the 2009, 2010, 2011 and 2012 ESF Leavers Surveys. The CIE analysis requires respondents to the ESF survey to be observed for a period of at least 12 months following the commencement of the ESF intervention. This restriction placed on the ESF sample for inclusion does mean that many respondents to the surveys are not included in the CIE analysis, reducing the available sample size from that originally collected. Combining data across four surveys is therefore important to maximise the number of observations that can be included within this type of analysis. This is particularly the case for Redundancy Training participants who were not included in the 2009 Survey and for whom only APS respondents identified as being made redundant in the past 3 months can be included within the control group.

6.2 Comparing Transitions into Employment

This section makes a simple comparison of the labour market transitions of ESF participants (the treated group) with respondents to the APS. Table 6.1 reveals that among respondents to the ESF Surveys, the unemployed exhibit a 12 month transition rate into paid employment of 54%, approximately 17 percentage points higher than that estimated from the APS. However, this differential is being driven by the particularly high rates of transition exhibited by those participating in Redundancy Training, where approximately three quarters (75%) of participants are in paid employment 12 months after participating in their project. Those unemployed who are participating in other types of ESF intervention exhibit broadly similar – though marginally higher - rates of transition in to paid employment (43%) than those in the wider population (37%). Excluding those participating in Redundancy Training, rates of transition in to paid employment over a period of 12 months appear to be lower for participants in ESF who are aged 18-20 or 56-65, suffer from a work limiting illness, have lower levels of educational attainment, live in areas with low levels of employment or who have been out of work for longer compared with the average for all ESF non-Redundancy training participants. Among participants in Redundancy Training, it can be seen that there is less difference in transition rates among different

⁶ Available from the WEFO website.

population sub-groups, although participants aged 56 and over and those with a work limiting illness still exhibit lower rates of transition in to employment. The absence of any strong relationship with respect to levels of educational attainment would suggest that the overriding characteristic of this group is their high employability having relatively recently been engaged in paid employment.

The final two columns of Table 6.1 present comparisons of employment transition rates for the economically inactive. A large majority of the non-employed respondents to the ESF survey in projects aimed at improving participation in the labour market are unemployed rather than economically inactive⁷. In contrast, the economically inactive represent approximately three quarters of the non-employed wider population. Whilst the unemployed are relatively homogenous in terms of their situation and attitudes towards finding work (out of work, looking for work and available to start work), the economically inactive are far more varied in their circumstances and preferences for work. As a result, it is more difficult to make 'like for like' comparisons in employment transitions among this group. By participating in ESF, economically inactive participants would appear to be expressing a preference for gaining employment. Among economically inactive respondents to the ESF survey, approximately 17% gain work during the 12 months following their participation in an ESF project. The APS provides information on the attitudes of the economically inactive about gaining employment. It is possible to exclude economically inactive APS respondents who indicate that they are not looking for work and do not want work from contributing to the control group. Among the remaining inactive APS respondents, the rate of transition in to paid employment is estimated to be 11%; six percentage points lower (or approximately a third lower) than the rate observed among economically inactive ESF participants.

⁷ As based upon the ILO definition of economic inactivity and not necessarily with reference to the type of benefits received by participants.

Table 6.1: Comparing Employment Transition Rates Among the Non-Employed Population

	<i>per cent respondents</i>					
	Unemployed				Economically Inactive	
	Non Redundancy Training	Redundancy Training	All ESF	APS	ESF	APS
Gender:						
Male	43.7	74.9	55.7	36.3	19.9	9.7
Female	41.4	74.2	50.8	37.9	16.1	12.2
Age:						
18-20 yrs	34.5	70.0	35.2	36.5	15.6	22.0
21-25 yrs	44.0	87.3	48.9	40.3	25.6	17.1
26-35 yrs	44.3	74.5	54.6	36.6	21.7	14.5
36-45 yrs	46.1	81.4	60.6	39.8	17.3	13.2
46-55 yrs	47.1	75.8	60.8	38.0	19.5	9.5
56-65 yrs	33.9	57.8	45.0	26.8	8.0	6.0
Work Limiting Illness:						
No	46.9	76.5	58.0	40.1	22.9	18.8
Yes	21.4	50.4	26.8	24.3	9.0	4.8
Educational Attainment:						
NQF Level 4+	62.0	78.3	71.2	50.2	21.8	20.0
NQF Level 3	45.6	73.0	56.3	43.4	26.4	14.6
NQF Level 2	41.8	75.8	50.9	37.6	16.8	14.1
NQF < Level 2	34.0	76.3	42.8	33.3	18.4	9.8
None	34.3	66.7	40.6	21.4	9.3	5.5
Other	46.4	70.9	58.0	36.7	25.6	10.4
Local area employment levels:						
Bottom quintile	41.2	75.2	49.8	31.6	14.0	8.5
Second quintile	43.3	75.1	53.9	35.3	19.0	9.3
Third quintile	49.0	75.8	63.8	36.0	36.7	10.6
Fourth quintile	51.9	71.5	66.6	40.8	21.7	12.3
Top quintile				43.8		16.5
Duration of non-employment:						
<1 year	55.0	75.6	65.0	44.7	36.2	21.0
1-3 years	32.4	*	33.1	23.2	21.3	14.4
3 years+	22.5	*	22.5	10.3	10.8	6.2
Total	42.8	74.7	53.9	37.0	17.2	11.2

Among respondents to the APS, rates of transition in to paid employment for the economically inactive population are higher among women, the young, those who do not suffer from a work related illness and those with higher levels of educational attainment. Employment transition rates appear to be particularly responsive to local labour market conditions, with rates of transition into paid work being twice as high in the top quintile of Unitary Authorities (17%) than those Unitary Authorities in the bottom quintile (9%). The likelihood with which the economically inactive enter work is also related to their duration of non-employment. These patterns are generally repeated among respondents to the ESF surveys, although it must be noted that the economically inactive represent a relatively small proportion of the non-employed sample within the ESF surveys and so estimates for particular population sub-groups will be subject to sampling variability.

6.3 The Effect of ESF on Increasing Participation in Employment

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. Simple comparisons of transition rates in to employment between data from the ESF Leavers Surveys and the APS can be confounded by a number of factors such as differences in the composition of the ESF and APS samples. To address this, statistical matching has been undertaken utilising Propensity Score Matching to simultaneously account for a variety of differences that may emerge between the ESF and APS samples. The variables used for the purposes of statistical matching are gender, age, educational attainment, family status, ethnicity, work limiting illness, local area employment rates and unemployment duration. The aim of PSM is 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. Once a comparison group is formed, the effect of the ESF intervention is estimated by simply comparing differences in outcome measures between the two groups. A more detailed description of Propensity Score Matching is provided in the report of the 2010 Leavers Survey and in the report of the combined analysis of the 2009 and 2010 surveys.

There are a number of different PSM techniques and detailed results based upon eight different estimation specifications are presented in Annex 2. The results derived from the different methods are very similar. Summarizing these findings by taking the average of the results estimated by the different PSM techniques, participation in non-Redundancy Training projects among the unemployed is associated with an average increase in the rate of transition into employment of 8 percentage points (43% among ESF participants compared with 35% among respondents from the APS). Among the unemployed who have recently been made redundant, participation in Redundancy Training projects is associated with an average increase in the rate of transition into employment of 11 percentage points (78% among ESF participants compared with 67% among APS respondents). It is important to note that although the absolute size of the estimated differential in employment transitions is higher among participants in Redundancy Training, proportionately the effect of Redundancy Training (a 16% increase in employment) is smaller than that observed among other forms of interventions (22%). Finally, among the economically inactive, participation in ESF is associated with an average increase in the rate of transition into employment of 9 percentage points (19% among ESF participants compared with 10% among APS respondents). This is equivalent to a 47% increase in employment amongst this group compared to the control group.

It is important to treat the results derived from these techniques with caution. It is not possible for statistical matching techniques to control for the effects of selection on to the projects. It is possible that the small positive effects associated with participation in ESF interventions on progression into employment could simply reflect the relative employability of those people who either chose or who were selected to participate in the interventions. This is of particular importance among the economically inactive among whom it is most likely to be the case that those who participate in ESF are particularly unrepresentative of the wider economically inactive population. Those who gained employment following ESF may also have been more likely to respond to the survey, thereby inflating the rates of transition in to employment among ESF participants. Nonetheless, estimated results for both the unemployed and the economically inactive are broadly comparable with results produced by Ainsworth

and Marlow (2011)⁸ based upon their counterfactual impact evaluation of the net impacts of the 2007-2013 ESF Programme in England undertaken by DWP using administrative data on benefit recipients combined with ESF monitoring data. Despite the different methodology used, the results presented here provide a useful 'ball-park' figure to frame the discussion surrounding the effects of ESF upon labour market outcomes.

6.4 Occupations Gained by the Previously Unemployed

We now turn to whether ESF participants are more or less likely to enter jobs that are regarded as being low paid. This 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 proportion of low paying jobs⁹. A limitation of the occupational analysis is that the career history section of the Leavers Survey did not collect a detailed account of all the occupations held since participants had completed their ESF intervention. Occupations therefore refer to the jobs held by respondents at the time of the survey rather than a point exactly 12 months following the start of their participation in an ESF project. However, there is a high degree of continuity in the careers of ESF participants, particularly beyond 12 months following participation in ESF (see Figure 5.1). It is therefore likely that the occupation held at the time of the survey would also have been held at the end of a 12 month follow-up period.

Table 6.2 presents information on the proportion of previously unemployed ESF participants who make the transition into paid work and who enter in to a low paid job. Among respondents to the APS, it can be seen that approximately 35% of the previously unemployed who gain work take up jobs that are typically regarded as being low paid. Among the wider population, 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 ESF Surveys, 24% of the previously unemployed who gain work do so within low paid jobs. However, this lower incidence of employment in low paid jobs is being

⁸ http://research.dwp.gov.uk/asd/asd5/report_abstracts/ihr_abstracts/ihr_003.asp

⁹ <http://www.lowpay.gov.uk/lowpay/report/pdf/7997-BERR-Low%20Pay%20Commission-WEB.pdf>

driven by the particularly low rates of low paid work exhibited by participants in Redundancy Training (which in turn reflects their greater experience within the labour market and generally higher qualifications). Only 10% of those among this group who gain work are employed in a low paid occupation at the time of the survey. Excluding those who participated in Redundancy Training, 37% of ESF participants who gain work are employed in low paid occupations at the time of the survey, broadly comparable with estimates for the wider population derived from the APS.

Table 6.2: Entry in to Low Paid Jobs Among those who Gain Work

	<i>per cent respondents</i>			
	Non Redundancy Training	Redundancy Training	All ESF	APS
Gender:				
Male	26.0	7.1	16.5	21.8
Female	53.0	16.4	39.4	51.1
Age:				
18-20 yrs	54.8	36.4	54.2	53.8
21-25 yrs	41.2	7.4	34.1	34.6
26-35 yrs	33.6	9.6	22.6	35.6
36-45 yrs	32.1	9.0	19.6	33.4
46-55 yrs	32.4	10.5	19.9	27.6
56-65 yrs	28.4	8.4	17.2	27.8
Work Limiting Illness:				
No	37.1	9.6	24.3	33.8
Yes	33.0	9.9	24.9	41.1
Educational Attainment:				
NQF Level 4+	23.7	4.5	11.8	20.5
NQF Level 3	40.6	10.0	26.0	37.1
NQF Level 2	43.4	13.2	32.3	40.1
NQF < Level 2	42.3	17.2	33.4	45
None	39.3	11.8	30.5	49.8
Other	19.1	10.1	14.0	32.2
Duration of non-employment:				
<1 year out of work	32.2	9.5	19.8	31.7
1-3 years out of work	40.9		39.0	36.7
3 years+ out of work	57.0		56.5	51.5
All	36.7	9.6	24.3	34.8
Sample	2,371	2,028	4,399	2,851

As with the analysis of employment transitions, statistical matching techniques have been used to examine how the incidence of previously unemployed participants entering low paid work following ESF compares with occupations typically gained by comparable unemployed people from the wider population. The full results of this analysis are presented in Annex 2. An important change in the design of the 2012 survey was the collection of information related to the last occupation held by those respondents who were not in work prior to their participation in ESF. Occupations previously held are likely to be an important factor in governing what job an individual will find following ESF. This will be of particular importance among participants in Redundancy Training who have, by definition, recently held paid employment. Results for Redundancy Training are only based upon 2011 and 2012 data so that previous occupation can be included 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. No statistically significant results were estimated for participants in non-Redundancy Training interventions. Results with respect to redundancy training were more mixed, although six out of the eight specifications estimated did not find any statistically significant effect of Redundancy Training on the nature of jobs subsequently held. Two of the eight specifications found that Redundancy Training was associated with a reduced risk of entering low paid work.

CHAPTER 7: Supporting Progression in Employment

Chapter Summary

- Participants who undertook projects aimed at improving progression in employment are concentrated towards relatively high skilled occupations at the upper end of the occupational distribution. Over half are employed in managerial, professional or associate professional occupations.
- Approximately 90% of such respondents are employed in permanent positions, with a similar proportion working more than 30 hours per week. Approximately 9 out of 10 respondents who were in employment at the time of the survey report that they are either satisfied or highly satisfied with their jobs.
- Approximately 10% of respondents in work both before their ESF intervention and at the time of the survey report experiencing an improvement in their job (whether they are in the same job or in a new job) that could be directly attributed to their participation in ESF.
- Approximately 1 in 5 respondents who were employed in a different job from that held prior to ESF report that their ESF project was vital to them gaining their current employment.
- Perceptions of additionality are higher among those who gain qualifications from ESF that are at a higher level than that which they held prior to ESF.

7.1 Introduction

This chapter examines the labour market experiences of survey respondents who participated in ESF interventions aimed at supporting progression in employment. These participants exhibit high rates of employment both before and after the intervention. Whilst these interventions may improve participation in the labour market insofar as they improve the chances of participants remaining 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. The focus of this chapter is therefore upon the characteristics of jobs held by participants from Priority 3 of the Convergence Programme and Priority 2 of the Competitiveness Programme. We firstly describe the nature of the employment held by these respondents, including occupations, hours, contractual status, earnings and job satisfaction. We then

consider the perceptions of respondents regarding any improvements that they have experienced in their jobs since participation in an ESF intervention and whether these improvements can be attributed directly to ESF.

7.2 Characteristics of current employment

Table 7.1 presents information on the nature of employment held by respondents at the time of the survey. It can be seen that the nature of employment for both groups of respondents is concentrated towards relatively high skilled occupations at the upper end of the occupational distribution. Almost half of respondents from Priority 2 of the Competitiveness Programme (46%) are employed in managerial occupations. It is noted that there is strong representation among respondents from the Enhancing Leadership and Management Skills (ELMS) intervention within this Priority, an intervention specifically aimed at leaders and managers. This is compared with less than a third (29%) who participated in projects under Priority 3 of the Convergence Programme. Among this latter group, 60% are employed in managerial, professional or associate professional occupations. Among those respondents from Competitiveness Priority 2, approximately two thirds (64%) are employed in managerial, professional or associate professional occupations.

Approximately 90% of respondents are employed in permanent positions, although this figure increases to 98% among respondents from Priority 2 of the Competitiveness Programme – reflecting the relative concentration of this group of respondents in managerial occupations. Ninety-four per cent of this group also report working 30 hours or longer per week, again higher than that reported among respondents from Priority 3 of the Convergence Programme. Earnings among these respondents are considerably higher than those achieved among respondents who participated in interventions aimed at improving participation in the labour market. Earnings are higher among participants in projects under Competitiveness Priority 2 (£468/week) than participants in projects under Convergence Priority 3 (£384/week). Among both groups of respondents, the gross weekly earnings of women are approximately 11% lower than that received by men. Approximately 9 out of 10 respondents who were in employment at the time of the survey reported that they were satisfied or highly satisfied with their jobs. Despite the above differences in the

characteristics held by respondents, levels of satisfaction did not vary between the two Priority Areas.

Table 7.1: Nature of current employment

per cent of employed respondents

	Con P3	Comp P2	Total
Occupation:			
Managers & senior officials	28.6	45.8	32.3
Professional	9.8	7.6	9.3
Associate prof & tech	22.1	10.5	19.6
Admin and secretarial	12.7	9.7	12.0
Skilled trades	5.8	5.0	5.6
Personal service	9.5	5.5	8.6
Sales and customer service	2.8	3.4	2.9
Process, plant and machine	3.1	6.7	3.9
Elementary	5.8	5.9	5.8
Contractual Status:			
Permanent	86.6	97.8	89.3
Hours worked per week:			
Less than 16 hours	3.8	0.8	3.1
16-29 hours	12.3	5.8	10.9
30+ hours	84.0	93.3	86.0
Earnings (Gross Weekly Earnings)			
Male	412	490	436
Female	367	431	376
All	384	468	403
Overall satisfied/very satisfied with your present job	90.4	90.0	90.3
Sample	861	241	1,102

7.3 Improvements in job characteristics

Respondents to the survey who were in employment both prior to participation 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 participation. These questions were asked of both those who, at the time of the survey, were in the same or a different job to the one they held prior to the intervention. However, 88% of respondents from Priorities aimed at progression in employment hold the same job at the time of the ESF survey as they held prior to their participation in an ESF project.

Table 7.2 reports changes perceived by respondents in the nature of their employment. Among those respondents employed in the same jobs that they held prior to ESF, the most commonly reported improvements in job conditions were getting more job satisfaction (60%), having had more training opportunities (60%) and improvements in future pay and promotion prospects (49%). Almost one in five (18%) of such respondents reported that they had been promoted following their participation in ESF. Respondents who were in a different job from that which they held prior to participating in an ESF project were more likely to report a variety of improvements in their jobs. The most commonly reported improvements in job conditions were improvements in future pay and promotion prospects (86%), getting more job satisfaction (82%) and having more opportunities for training (78%). The biggest differences in the nature of improvement reported by these two groups of respondents were having received a promotion or the job being at a higher level (65% compared with 18%). This is perhaps to be expected as people who change jobs, particularly among those who quit their jobs voluntarily, are likely to do so in order to gain a job that is at a higher level. Respondents were also asked whether they felt the changes happened because of their participation in the intervention. Approximately 10% reported that an improvement in their jobs (whether in the same job or in a new job) could be directly attributed to their participation in ESF.

Table 7.2: ESF and improvements in current job

	<i>per cent employed respondents</i>		
	In the same job	In a new job	All Jobs
Promotion/new job is at a higher level	17.8	65.2	23.3
Pay rate, salary or income increased	31.9	69.6	36.3
More job satisfaction	60.3	81.7	62.8
Better job security	35.2	72.2	39.5
Improved pay and promotion prospects	48.5	86.0	52.9
More opportunities for training	59.8	78.4	62.0
Improvements directly related to ESF	10.4	9.5	10.3
Sample	877	116	993

It is therefore observed that many respondents who undertook ESF projects aimed at supporting progression in employment report that they have experienced some form of improvement in their conditions of employment, although only a small minority

directly attribute these improvements to their participation in ESF. The previous analysis provided details of respondent's subjective assessment of job improvements. Table 7.3 aims to identify whether any changes in more 'objective' characteristics of employment occurred among those who were employed both before and after their participation in ESF. The analysis reveals that there is no difference observed in terms of the proportion of participants working in a low paid occupation, the average hours worked or the proportion of respondents employed on permanent contracts. Whilst some larger differences emerge for particular population sub-groups (particularly younger workers who experience the largest reductions of employment in low paid occupations and temporary contracts), more detailed measures of employment relations (such as supervisory responsibilities) and contractual arrangements may be required to 'objectively' capture the improvements in employment conditions reported by respondents.

Table 7.3: ESF and changes in job characteristics

n=1311	<i>per cent employed respondents</i>		
	Prior to ESF	Time of survey	Change
Working in a low paid occupation (%)			
Gender			
Male	8.9	9.0	0.1
Female	19.8	19.6	-0.2
Age			
16-24 yrs	34.5	22.2	-12.3
24+ yrs	12.6	13.8	1.2
All	14.6	14.5	-0.1
Average weekly hours (mean hours)			
Gender			
Male	39.4	39.3	-0.1
Female	34.2	34.5	0.3
Age			
16-24 yrs	33.5	35.9	2.4
24+ yrs	37.0	36.9	-0.1
All	36.7	36.8	0.1
Employed on a permanent contract (%)			
Gender			
Male	90.5	90.7	0.2
Female	84.8	85.9	1.1
Age			
16-24 yrs	66.1	81.0	14.9
24+ yrs	90.0	89.0	-1.0
All	87.5	88.2	0.7

Respondents who, at the time of the survey, were employed in a different job from that held prior to ESF were asked to what extent they thought that the course helped them get their current job. Table 7.4 shows that more than 1 in 5 (22%) report that their ESF project was vital to them gaining their current employment. Also, approximately 8 out of 10 of all employed respondents (86%) who participated in projects aimed at supporting progression in employment report that, with the value of hindsight, they would do the course again. As discussed above in relation to Table 7.2, approximately 10% reported that an improvement in their jobs (whether in the same job or in a new job) could be directly attributed to their participation in ESF. Given the apparent importance of attaining additional qualifications from ESF to the assessments of respondents regarding additionality, Table 7.4 also considers how these three self-reported measures vary among different groups of respondents classified according to the transitions in education attainment gained as a result of their participation. In common with the analysis of those who undertook projects aimed at supporting participation in the labour market (see Table 5.3), it can be seen that the perceived benefits of ESF are lowest among those who do not gain a qualification and are generally higher among those who gain a qualification at the same or higher level to that which they held prior to their participation in ESF.

Table 7.4: Perceived Benefits of ESF by Educational Attainment
per cent employed respondents

	Vital in gaining current job	Improvements in jobs directly related to ESF	Would do the course again
	All those in a job that was not held prior to participation in ESF	Those employed at time of survey	All
Qualification transition:			
Lower Level	11.4	10.1	84.5
No qualification	22.6	3.3	83.7
Same Level	33.3	12.9	88.2
Higher Level	28.6	15.4	97.1
Not determined	17.5	13.6	85.4
Total	22.0	10.3	85.8
Sample	241	988	1,218

Chapter 8: Conclusions and Recommendations

The results of the 2012 ESF Leavers Survey build on the evidence base developed through the earlier 2009, 2010 and 2011 surveys, though allowance must clearly be made for the different composition of the sample. In this Survey, we have been able to draw on the records of a relatively large number and range of 'live' ESF projects, though in the case of Priority 2 of the Competitiveness Programme, the respondents were overwhelmingly drawn from one redundancy training project.

As in previous years, the Survey highlights some very positive findings about:

- the strong satisfaction of ESF participants with the support which they have received, with over three quarters saying they would do the same course again
- the conviction of participants that the provision has enhanced a wide range of skills (above all, job-specific occupational skills – with 69% reporting these effects)
- the impact of ESF interventions on confidence (with 85% reporting that it had impacted positively in this way), feelings about oneself (82%), enthusiasm for learning (74%) and softer skills.

In addition, a relatively high proportion of respondents (69%) recognised that ESF had funded the intervention - a similar level to that reported in the 2011 Survey but significantly higher than was the case in 2009. However, the proportion of the population selected for interviewing who did not recall the training (at 12%) remained relatively high.

Turning to outcomes, the evidence of the survey suggests participants on provision funded under Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme (i.e. interventions targeted at participants who are not in work) generally show positive transitions after ESF intervention. Two-thirds of those who were unemployed and almost 30% of those who were inactive (using the Labour Force Survey definition, rather than the Benefits-related definition used for Programme management) had moved into work at the time of the Survey. As with previous Surveys, the evidence suggests most transitions occur immediately on

completion of the intervention, but that employment rates do increase steadily over the 12 months after leaving.

These are clearly positive findings, as is the fact that a fairly large proportion (35%) of those who identify themselves as 'early leavers' left the provision to enter employment. While the very different views of the monitoring data and Survey responses as to who is an 'early leaver' clouds this issue somewhat, this finding raises issues about using completion rates as a success measure for interventions targeting the unemployed or inactive and conversely for counting 'early leavers' as failures.

In terms of perceptions, as with previous Surveys, unemployed and inactive participants are significantly more likely to attribute actual and potential positive employment outcomes (in terms of finding work and being likely to find work for those still unemployed) and to say that they would have undertaken the same course again where they have gained qualifications. This is true even where those qualifications are at a lower level than ones they previously held, though the most positive results are associated with participants who have gained qualifications at a higher level. This key finding flags up the importance *for participants* of achieving qualifications, something which has not always been strongly recognised. However, these perceptions do not appear to translate in to differential employment outcomes among these groups within 12 months of completing the training.

Counterfactual Impact Evaluation (CIE) techniques have been used to compare the employment transitions of previously unemployed or inactive participants (from all four of the ESF Leavers' Surveys in 2009, 2010, 2011 and 2012) with a comparable group of people drawn from the broader population of individuals in the labour market. The results of this CIE suggest that the impact of ESF interventions on the unemployed (defined in the LFS' terms) is relatively modest. Excluding Redundancy Training, participation appears to increase transitions to employment from approximately 35% to 43% , although the inclusion of the 2012 data has led to a somewhat more positive picture, possibly suggesting that interventions are proving more effective. In other words, around 8% of those who participate in these interventions find work who would not have been expected to in the absence of ESF.

This represents an increase in the proportion who gain employment of 19%. Comparing those participating in Redundancy Training, almost three quarters (78%) find employment. This compares with 67% of the matched participants in the APS. Therefore, around 11% of those who participate in Redundancy Training find work who would not have been expected to in the absence of ESF. This represents an increase in the proportion who gain employment of 16% (a marginally lower figure than that found in the 2011 ESF Leavers Survey).

For formerly inactive participants, the CIE suggests higher levels of additionality, albeit that the overall proportion of participants making successful transitions is much lower. Thus 19% of inactive ESF participants found work compared with 10% of the matched group, suggesting that almost 50% of the job-entries achieved by formerly inactive ESF participants might be in addition to what would otherwise have been achieved. Caution is needed, given the scale of the samples, but this is in line with the findings of DWP research that greater net impact is associated with interventions supporting those least attached to the labour market. However, there are important caveats associated with the CIE analysis that are particularly pertinent to the analysis of the economically inactive. Most significantly, the CIE analysis is not able to control for otherwise unobservable characteristics that might be associated with selection on to the scheme (e.g. motivation). The CIE results should be regarded as the potential 'maximum' effect associated with participation in ESF. Using alternative sources of data for CIE analysis should also be explored, such as administrative DWP/HMRC data to validate the present results and to possibly facilitate analysis for different population sub-groups, such as those with different employment histories.

This finding might also tie in to the picture of labour market characteristics provided by the Survey evidence which suggests that the intended targeting of the majority of ESF interventions on those most distant from the labour market has not been carried through. While it is important to stress that the Survey definition of 'inactive' is not the same as that used in the Programming documents, only a small proportion of respondents to the survey are inactive using LFS definitions (11% of those in our survey participating in projects under Priority 2 of the Convergence Programme and Priority 1 of the Competitiveness Programme; i.e. those aimed at supporting participation in the labour market). Moreover, around three quarters of those

engaged in these Priorities, reported that they had either been continuously (around 40%) or mostly (36%) in employment during their careers to date, with only 13% saying that they had been mostly or continuously out of work. Although to some extent this reflects the strong representation of Redundancy Training in the sample (particularly in the case of Competitiveness Priority 1), it is possible that the Programmes have not succeeded in focusing effort on those at most disadvantage in the labour market. While a refocusing of effort on those nearer to the labour market was understandable in the wake of the global economic recession, there does not appear to have been any change in the composition of the ESF participants even as the labour market has shown a (weak) recovery (Annex 3 provides some contextual material on macro-economic and labour market conditions).

Related to this, many of the interventions included in the survey appear to have been of relatively short duration and light touch. Of those participating in interventions targeting the out of work, 53% participate for less than a month and almost half undertake activities for less than 15 hours a week. As thoughts turn to future ESF Programmes it will be important to factor in that the intensity of support may have to increase if Programmes target more effectively the harder to reach.

The impact of current and recent economic circumstances is also reflected in the fact that those who had previously been unemployed were most likely to cite a lack of available jobs as the main reason why they had not been able to find work (40%). The figure citing the economic climate (at less than 1%) was far lower this year compared to the 6% recorded in the 2011 Leavers' Survey but even so, demand conditions, rather than issues related to participants' own qualifications or skills (14%) or lack of work experience (12%) were more likely to be identified. This suggests the need for Structural Fund interventions to address demand as well as supply side issues.

Additional questions in the 2012 Survey enabled the role of transport difficulties in inhibiting access to employment to be explored in greater depth than previously. A quarter of those reporting transport difficulties as a barrier to employment (and approximately 7% of all those still out of work at the time of the survey) reported that

such difficulties had either prevented them applying for or resulted in them turning down a job, with inadequate public transport seen as the main difficulty encountered.

The survey also considers the experience and outcomes of those employed participants in interventions funded under Priority 3 of the Convergence Programme and Priority 2 of the Competitiveness Programme; i.e. those aimed at supporting progression in employment. The Survey findings suggest that although many leavers report positive changes in their work – in terms of job satisfaction, the prospect of pay or promotion, more opportunities for training, and (in just over a third of cases) pay increases - only around 10% of participants attribute progression in employment directly to their ESF intervention (though this is significantly higher than the 7% found in the 2011 Leavers' Survey). Again, those achieving qualifications are more likely to do so than those who do not. Respondents who move jobs after ESF support are also more likely to attribute this to the ESF intervention than those who stay within the same job, with more than a fifth of those who change jobs reporting that their ESF project was vital to them gaining their current employment.

In reality, the findings of the 2012 Leavers' Survey simply underscore those from the previous Surveys, particularly that of 2011 Leavers'. The recommendations which we made in that report therefore remain largely relevant as planning for the next round of Structural Funds interventions (2014-2020) moves forward.

Policy Recommendations

Recommendation 1: WEFO should continue to review monitoring data in order to identify any tendency of projects to focus insufficiently on harder to reach groups within the out-of-work population and consult with project sponsors on how more vulnerable groups within the labour market can be given greater support through ESF as the current Programmes wind down. In planning future Programmes, WEFO needs to give serious consideration to increasing the emphasis on working with those with weaker labour market attachment, given the evidence that net impact is largest for these groups, while recognising that this is likely to require more intensive (and hence potentially more expensive) interventions.

Recommendation 2: WEFO should continue to emphasise the importance of Structural Fund interventions which address the demand side of the labour market, in particular ERDF interventions which focus on assisting employers to invest in ways which create more employment opportunities as well as transport interventions which support job-seekers to access employment opportunities.

Recommendation 3: WEFO should discuss with the European Commission and raise in the context of the negotiation of any future Programmes the question of whether completion rates are a suitable indicator of the success or failure of an ESF project.

Recommendation 4: WEFO should continue to emphasise the achievement of qualifications as a goal of ESF interventions, with a particular focus on achieving qualifications at a similar or higher level than those which a participant already possesses.

Further research and investigation

Recommendation 5: The profile of ESF participants identified by WEFO for inclusion into the survey does not appear to be representative of the wider population of ESF participants as recorded by monitoring data. WEFO should investigate what factors contribute to this bias and whether alternative methods or sources of data may be better placed to assess the effectiveness of interventions aimed at those who face the greatest difficulties in the labour market.

Recommendation 6: WEFO should investigate further whether there is a clear link between certain types of intervention and low rates of recall of ESF-funded training, and consider whether this can and should inform judgements of the success and value for money of different interventions.

Recommendation 7: WEFO should consider what research can be commissioned to explore further the differential impact of ESF interventions on participants with different types of labour market history and how existing sources of secondary data could contribute to this programme.

Recommendation 8: Further research into transport as a barrier to accessing employment opportunities and ways in which the Structural Funds might integrate support to enable participants to overcome these barriers could usefully be commissioned.

Annex 1: Survey methodology

A1.1 Defining the sample population

A file containing the details of 19,652 individuals who left ESF funded courses or learning during 2012 was provided to the research team by WEFO. This file contained the contact details of project participants, details of the course undertaken, the labour market position of project participants and information related to a variety of personal characteristics, including age, gender, educational attainment, disability, ethnicity and migrant status. The initial sample covered 35 ESF projects. Checks were undertaken on the database to remove records that did not have a valid telephone number (64 records). For all but two projects all of the sample with valid telephone numbers were loaded for the survey. From the two largest projects in the sample database, because of their size in relation to other projects, approximately 2000 records were not loaded in order to avoid over-sampling leavers from these projects. The total number of records loaded for the main stage of fieldwork was 17,196. The aim of the survey was to achieve interviews with 5,000 participants, whilst at the same time ensuring that the quality of the data was maintained through achieving a response rate of 50%.

A1.2 Survey methodology

The ESF Leavers Survey was conducted via telephone interview. The design of the survey instrument for 2012 remained largely unchanged from that used for the 2010 and 2011 studies. A few additional questions were included to improve the quality of the data in certain areas including more detailed questions in relation to transport difficulties faced by respondents. Telephone interviews were conducted over a period of approximately eight weeks. The fieldwork ran from the 12th June to 23rd July 2013, which followed a three day pilot survey of 20 interviews conducted between the 6th and 9th June. Participants registered on the database as being Welsh speakers were initially contacted in Welsh rather than English and all respondents were offered the opportunity to be interviewed in Welsh. Ninety one interviews were conducted in Welsh. All interviewers working on the study received a face-to-face briefing, and were provided with accompanying interviewer notes. A

member of the WEFO team participated in the briefing on the first day of interviewing. All fieldwork took place from IFF's telephone centre in London.

A1.3 Survey outcomes and response rates

At the end of the fieldwork, a total of 4,270 completed interviews had been achieved. The complete breakdown of sample outcomes is shown in Table A1.1. In total 1,690 people refused or were unwilling to participate. A further 2,118 did not recall their course. There is no single objective estimate of response rates, estimates of which will vary depending upon chosen population base. Expressed as a percentage of all records that the research team attempted to contact, the response rate for the survey is estimated to be 25%. Excluding those participants with no telephone numbers or where the number supplied was found to be incorrect or where it was not possible to contact the participant, the response rate increases to 33%. Excluding those who had no recall of participating in the project or who were still on the project, the estimated response rate increases to 40%. Response rates varied greatly by project. Particular difficulties were encountered in achieving interviews with participants from one project introduced to the survey for the first time in 2012 that provided support to a particular vulnerable group. This project accounted for 2,000 of the records originally loaded for inclusion in to the fieldwork, from which only 104 interviews were achieved (5% of the loaded sample). Given the problems associated with achieving interviews among participants of this group, Table A1.1 also provides response rates that exclude the 2,000 records loaded for this project.

Table A1.1: Developing a sample of leavers from ESF projects

Sample used (i.e. with an initial telephone number)	17,196
Of which:	
Unobtainable / wrong number	4,408
Called 9 or more times and no definite outcome	4,710
Refusals	1,690
No recall of learning, still on course, don't know if completed/left early	2,118
Completed interviews	4,270
Response rates (response rates excluding the low response project are included in the parentheses)	
Sample loaded i.e. with an initial telephone number	25% (27%)
Sample with a correct telephone number - i.e. excluding unobtainable numbers or wrong numbers	33% (36%)

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'	40% (43%)
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A1.4 Survey data and response bias

'Response bias' is the term used to describe the fact that people who display a certain characteristic (e.g. age, gender) may be more or less likely to respond to the survey. If this characteristic is also related to the factors we are studying in the survey, this creates potential bias in our interpretation of the survey results. For example, if women are more likely to respond than men, and if women have different reasons to men for participating in ESF training, then analysis of the reasons for participation will be biased by the fact that the gender structure of the survey results will be skewed towards women. An obvious solution in this instance is to present separate results for men and women. Table A1.2 shows response rates to the survey presented by selected characteristics for which information was available within the monitoring data supplied to the research team. Response rates are presented as a percentage of the total number of records supplied to the research team. This is because both (a) the ability of the interviewers to establish contact with a project participant and (b) the propensity of the contacted participant to agree to participate in the survey may be expected to vary between different groups.

The descriptive analysis of Table A1.2 reveals that response rates to the survey are lower among those under the age of 31, the disabled, those with lower levels of educational attainment and those who were identified as not completing their ESF intervention. There is also some indication to suggest that response rates are lower among those who completed their ESF intervention during the earlier months of 2012, although these differences are not large and no consistent pattern in response rates emerges among those who completed their interventions later during the year. It is acknowledged that the reasons for non-response among different groups cannot be determined. For example, the lower rates of response among those who did not complete their ESF project may reflect a lower willingness to participate in voluntary activities generally. Alternatively, non-completion may be related to other factors that also reduce their likelihood of responding to the survey, such as moving home.

Table A1.2: Response rates and survey population^a

	Response Rates				
	Con P2	Con P3	Comp P1	Comp P2	Total
Gender:					
Female	20.1	36.3	40.6	27.4	25.9
Male	20.0	39.4	36.4	30.9	24.0
Age:					
16-18 yrs	15.3	11.1	46.2	100.0	16.4
19-21 yrs	15.2	25.8	45.2	23.1	19.4
22-24 yrs	13.3	22.7	39.0	13.2	18.7
25-30 yrs	14.2	28.3	32.7	22.6	18.4
31-40 yrs	18.5	38.3	35.4	27.5	23.2
41-54 yrs	25.7	44.0	41.6	35.5	30.6
55+ yrs	31.0	54.3	43.1	30.1	34.9
Disability:					
Non-disabled	20.3	38.6	38.7	29.5	25.2
Disabled	17.9	27.7	44.6	25.0	20.0
Educational Attainment:					
NQF < 2	12.7	27.0	26.6	35.0	14.4
NQF 2	22.0	35.0	34.2	31.6	24.7
NQF 3	24.4	39.6	39.1	27.3	29.1
NQF 4-8	24.1	41.8	41.9	28.8	30.5
Don't Know	16.5	25.0	14.3	17.6	16.6
Completion Status:					
Completer	20.6	41.0	38.7	29.5	25.7
Early Leaver	16.3	22.7	44.1	25.0	18.0
Month of Completion:					
January	20.9	37.8	32.8	29.0	24.5
February	18.8	34.8	28.1	26.7	22.5
March	21.7	33.1	29.6	29.5	24.8
April	21.6	39.5	35.1	34.7	26.6
May	24.2	35.7	39.0	28.4	28.5
June	24.0	41.0	41.5	32.0	29.7
July	23.2	30.8	41.0	23.8	27.7
August	9.3	36.2	48.1		13.8
September	23.6	47.5	41.4		27.4
October	24.3	36.7	45.8		27.6
November	25.7	52.9	46.8		31.5
December	24.2	48.4	49.7		32.1
Total	20.0	38.0	38.8	29.5	24.8
Population	12,327	2,511	1,513	824	17,175

a) Table excludes records from 2 ERDF funded projects that were also included in the survey population due to being co-funded with ESF.

To further assess the factors influencing survey response, we undertook a multivariate analysis of the response record for each potential respondent using logistic regression. This allowed us to measure the separate statistical significance of a variety of factors that could affect response. The analysis revealed that the associations between response rates and the personal characteristics described above are strong, separate and statistically significant effects. It was estimated that the young, the less educated and those who withdrew early from an ESF project are less likely to respond to the survey. Additionally, the analysis revealed that participants in projects from Priority 2 of the Convergence Programme were least likely to respond than participants from other Priorities. This is likely to reflect a number of factors, such as the current economic activity of the respondents (more likely to be unemployed both prior to ESF and at the time of the survey) and the nature of interventions that these groups undertake. Those who completed their interventions between September and December were most likely to respond to the survey, possibly indicating the difficulties associated with contacting participants who completed their projects earlier in 2012 or a reduced ability or willingness of participants to recall their experiences of ESF.

A1.5 Development of sample weights

As noted above, the presence of response bias in the sample of respondents to the ESF survey could bias our interpretation of responses from the survey. To consider the extent of these problems, sample weights were derived from the logistic regression model based upon the inverse of the estimated predicted probability of response. Analysis of the data revealed that the utilisation of weights did not have a significant effect on the results of the descriptive analysis contained in the report. Much of the analysis in the report presents estimates for different groups of respondents which in itself will counteract the effects of response bias if these groups have different response characteristics. Whilst the survey weights have been retained on the data set, they have not been used for the purpose of this report

Annex 2: Summary of Propensity Score Matching Results

Table A2.1: Entering Employment

Calliper	Pooled 2009-2011 ESF Data		
	None	0.001	0.0001
Non Redundancy Training - Unemployed			
One to One	0.078066	0.066286	0.064589
No replacement	2,895	2,278	1,765
One to One	0.091883	0.089537	0.099833
With replacement	2,895	2,848	2,394
Radius		0.065919	0.068495
		2,848	2,394
Redundancy Training - Unemployed			
One to One	0.138402	0.158996	0.124088
No replacement	513	239	137
One to One	0.07133	0.083673	0.082278
With replacement	1,444	980	316
Radius		0.101271	0.106013
		980	316
Economically Inactive – All Interventions			
One to One	0.096339	0.103226	0.123596
No replacement	519	465	356
One to One	0.109827	0.103659	0.119048
With replacement	519	492	378
Radius		0.072227	0.098392
		492	378

Table A2.2: Entry in to Low Paid Work Among the Previously Unemployed

Calliper	Pooled 2009-2011 ESF Data		
	None	0.001	0.0001
Non Redundancy Training			
One to One	-0.02158	-0.01012	0.009288
No replacement	1,205	692	323
One to One	0.023237	0.005837	0.01995
With replacement	1,205	1,028	401
Radius		0.005067	0.016833
		1,028	401
Redundancy Training			
One to One	-0.09048	-0.12637	-0.0283
No replacement	210	182	106
One to One	-0.02254	-0.0114	-0.00446
With replacement	1,331	965	224
Radius		-0.02048	-0.0067
		965	224

Annex 3: Macro Economic and Labour Market Conditions

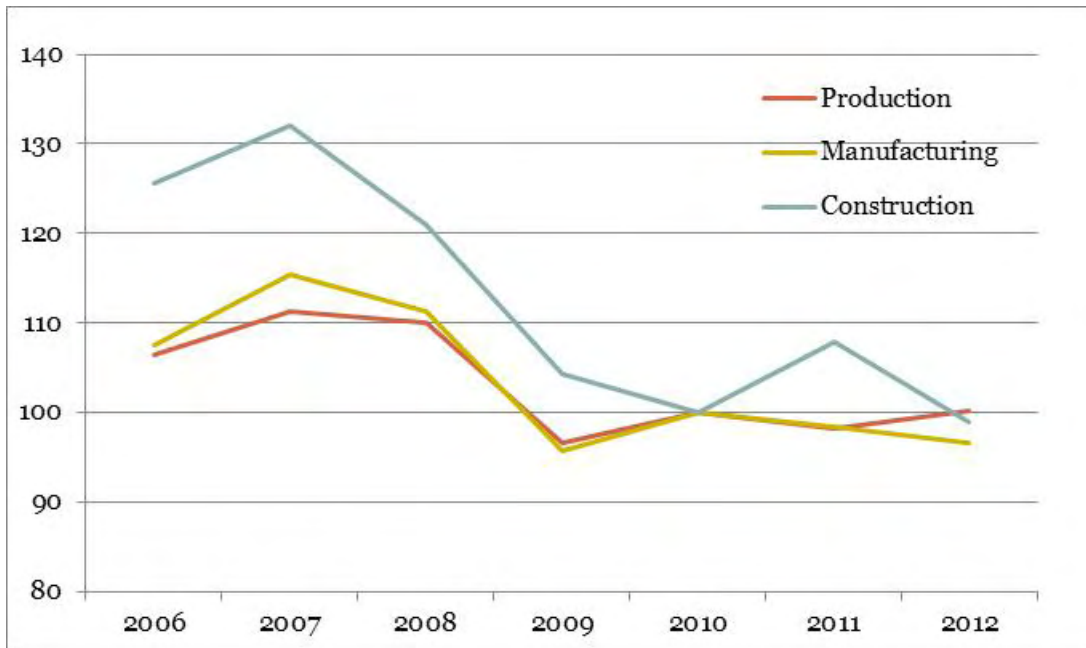
It is important to consider the results of the ESF Leavers' Survey in the context of macro-economic and labour market developments in the UK and Welsh economy in 2011-2012. This is particularly important when considering the results of this 2012 ESF Leavers Survey with previous work undertaken in 2010 and 2011.

Macro-economic conditions in the UK continued to be challenging through 2012. For example, GDP growth in real terms was just 0.2% 2011-12 compared to 1.1% between 2010-2011 (Treasury, 2013). However, the UK employment rate increased by 1 percentage point through 2012 reaching 71.6% by December 2012, with this increase coupled to an increase in retail sales volumes. There was also something of a recovery in business confidence levels although this varied across services and manufacturing sectors. Thus, 2012 represents fairly slow and uncertain progress of the UK economy which undoubtedly impacts Welsh economic prospects.

In Wales, the general picture in 2012 was of continued employment growth (just over 1% 2011-12, Annual Population Survey), after a similar level of growth in 2010-2011 (a little under 1%). This latter compared with a small decline in Welsh employment in the period 2009-2010. However employment growth was generally restricted to services sectors of the economy and with continued and severe pressure on the regional manufacturing and construction sectors.

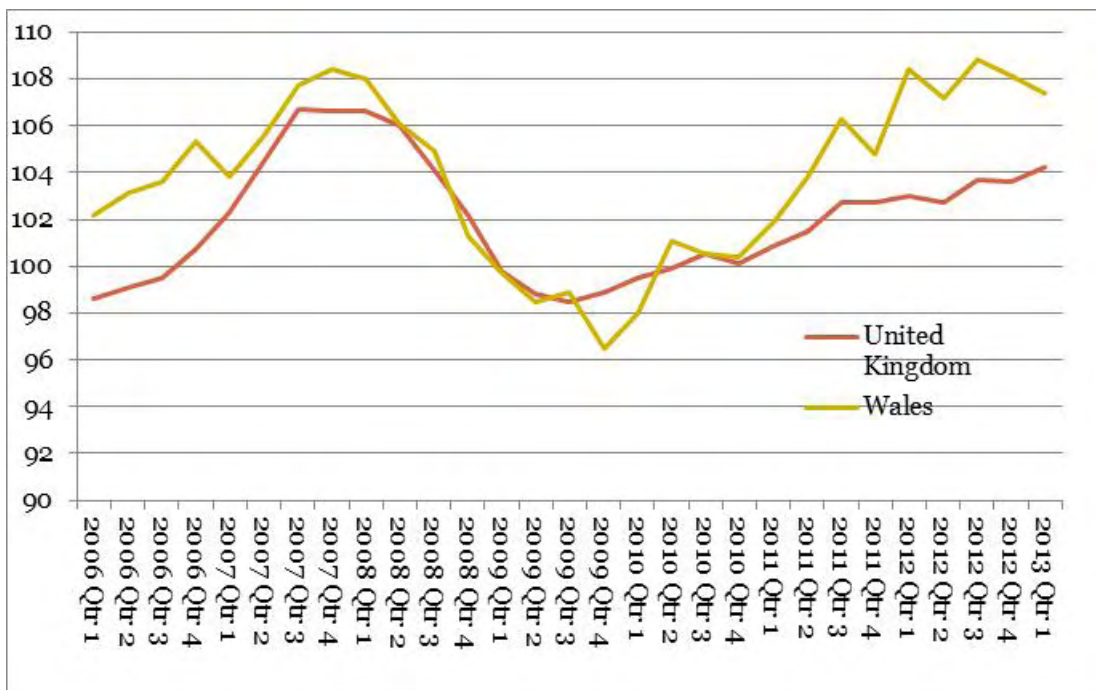
While total Welsh employment increased by a little over 1%, manufacturing and construction combined saw the loss of around 6,000 jobs between 2011 and 2012. The Welsh indices of production and construction revealed a flat trend in 2012 (see Figure A3.1 below), with both construction and manufacturing output well below their pre-recession peaks; indeed, construction output was around 30% down compared to the 2007 peak. One positive through 2012 was a much stronger inward investment performance by Wales. UK Trade & Investment (UKTI) showed that 67 inward investment projects were attracted to Wales in the year to March 2013 (4.2% UK total), with an associated 7,047 new and safeguarded jobs. However, prospects for manufacturing and construction employment increases in the short term appear weak.

Figure A3.1 Index of Production: Wales and UK (2010=100)



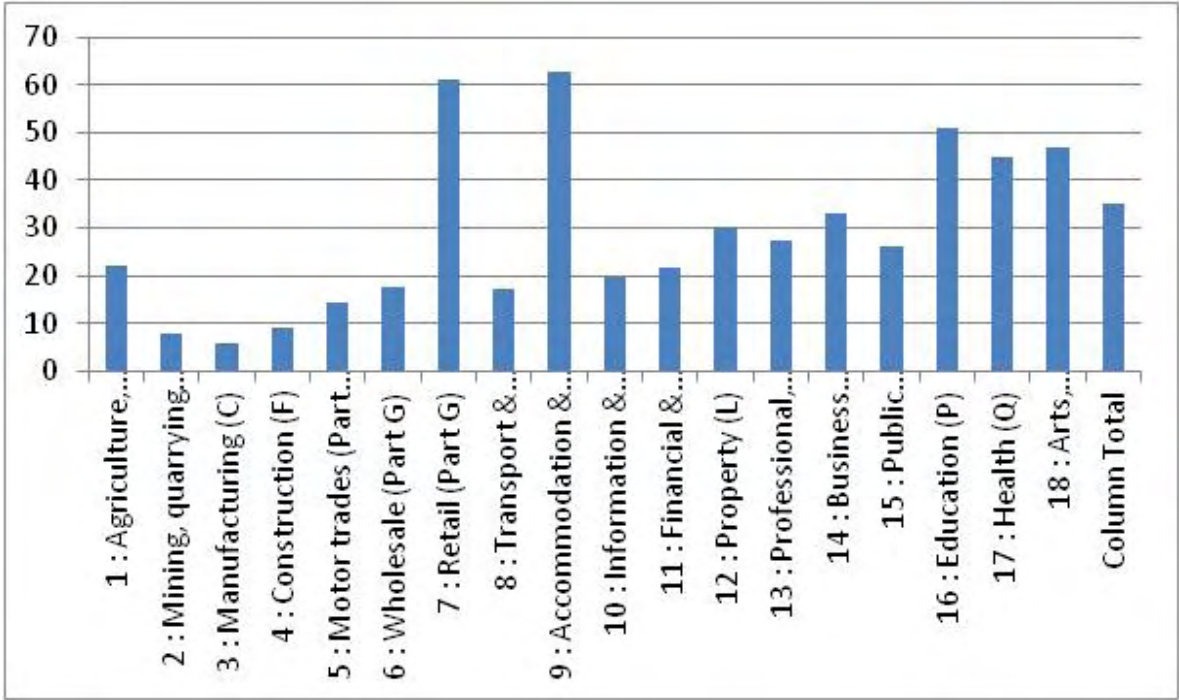
Market services has seen much stronger growth, and the Welsh Index of Market Services output in 2013Q1 was up over 12% on its low point in 2009Q4, with strong growth evidenced in sectors such as financial services (Figure A3.2).

Figure A3.2 Index of Market Services: Wales and UK (2010=100)



Indeed combined employment increased in financial services, other services and transport and communications by 15,700 between 2011 and 2012 (Annual Population Survey). From this perspective prospects for ESF Leavers, as always, partly reflected in which sectors employment was being sought. A relevant issue here is the significantly greater prevalence of part-time working in expanding than contracting sectors as shown in Figure A3.3.

Figure A3.3 Part time working as proportion of total employment in Wales (BRES, 2011)



Finally, general business confidence appeared to be improving across Wales in 2012-13 with stronger investment intentions signalled in regional business surveys by ICAEW, CBI and the South Wales Chamber of Commerce.