



**REPORT ON FOLLOW-UP ASSESSMENT OF LABOUR
MARKET OUTCOMES AMONG BENEFICIARIES IN THE
THREE EGF CONSTRUCTION PROGRAMMES (NACE 41,
NACE 43 AND NACE 71)**

prepared for

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by the

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1 Introduction

On the 9th June 2010, the EGF Managing Authority submitted an application to the EGF in respect of certain workers made redundant in the construction sector between the 1st July 2009 and the 31st March 2010. The initial application was subsequently divided into three applications covering workers and apprentices in three specific sub-sectors of the construction industry. Combined, the three applications covered 8,008 construction workers and apprentices made redundant in the following sub-sectors of the construction industry:

- construction of buildings – NACE 41;
- specialised construction services – NACE 43; and,
- architectural and engineering services – NACE 71.

The three applications were approved by the EU on the 14th November 2011. The three programmes ran until the 9th June 2012.

Among the services and programmes provided for eligible workers were:

- career guidance supports;
- training courses delivered by FÁS, including both on and off-the-job apprenticeship training to allow redundant apprentices to progress their apprenticeships;
- EGF Training Grants where a particular training or education course cannot be delivered by a public institution but can be provided by the private sector;
- further education supports delivered by Vocational Education Committees and,
- enterprise and self-employment advice and guidance supports delivered by County and City Enterprise Boards.

Table 1
Number of Beneficiaries and Non-beneficiaries in the
Three EGF Construction Programmes

	NACE 41		NACE43		NACE 71	
	N	%	N	%	N	%
Beneficiaries	2,962	65.8	1,988	74.0	490	60.0
Non-beneficiaries	1,542	34.2	700	26.0	326	40.0
Total Eligible	4,504	100.0	2,688	100.0	816	100.0

In line with EU Commission Regulations concerning reporting on EGF supported programmes, Final Reports on the programmes were submitted to the Commission on the 7th December 2012. These reports detailed the interventions obtained by beneficiaries and provided an assessment of the labour market outcomes secured by beneficiaries. Table 1 shows the number and proportion of persons in each of the three construction programmes that received support from an EGF supported intervention.¹ As can be seen there, not all persons eligible for EGF support actually accessed support. At 74.0%, the proportion of persons accessing EGF supported interventions was highest in NACE 43. In both of the other programmes approximately two thirds of eligible persons accessed EGF supported interventions (65.8% in the case of NACE 41 and 60.0% in the case of NACE 71).

This report examines the labour market status of beneficiaries in the three EGF supported Construction Programmes nine months following the completion of the programmes (i.e. in March 2013). Where relevant and available, data on the labour market status of non-beneficiaries are also presented. For comparative purposes estimates of the labour market status of beneficiaries and non-beneficiaries are presented for two previous dates (i.e. April 2010 and November 2012).

2 Methodology

The methodology used to assess the labour market outcomes achieved by beneficiaries of the three EGF Construction Programmes includes the following:

- an analysis of Department of Social Protection (DSP) data on the welfare status of beneficiaries and non-beneficiaries; and,
- a survey of all beneficiaries.

¹ It should be noted that the number of beneficiaries identified in Table 1 includes 13 beneficiaries not previously identified in the Final Reports to the European Commission on the 7th December 2012 (i.e. 10 additional in NACE 41 and 3 additional in NACE 43). As the analyses of labour market outcomes presented here were undertaken prior to the identification of the additional beneficiaries they are based on the numbers of beneficiaries and non-beneficiaries identified in the Final Reports to the Commission on the Construction Programmes. Hence, the number of beneficiaries underlying the analyses presented in this report is 5,427 (i.e. 2,952 in NACE 41, 1,985 in NACE 43, and 490 in NACE 71). The slightly lower number of beneficiaries on which the analyses here are based does not materially affect the results presented other than in a minor rounding up or down of figures to the right of the decimal place.

2.1 DSP Data

Data on the welfare status of all 8,008 EGF eligible persons were provided by the DSP in respect of their status on the 22nd March 2013. These data enabled the identification of persons in receipt of unemployment related payments (i.e. JA and JB), persons on DSP supported ALMPs (e.g. BTEA and Internships), persons in receipt of other welfare payments (e.g. One Parent Payments, Farm Assist), and persons engaged in casual employment or in employment and receiving Family Income Supplement). While persons “not listed” in the DSP data file do not have an active claim with the DSP, this does not indicate that they are in employment. As indicated below, data from Revenue used in the analyses presented in the Final Reports on the EGF Construction Programmes permitted an extrapolation of the proportion of persons in employment among the “not listed” on the DSP data file to be identified.

The two indicators of labour market status derived from DSP data are the proportions of persons unemployed and employed in each of the three EGF Construction Programmes.

2.2 Survey of Beneficiaries

A postal survey of all beneficiaries in the three EGF Construction Programmes was undertaken in late March / early April 2013. The timing of the survey coincided with the date for which data on welfare status were provided by the DSP to enable meaningful comparisons between estimates from the two datasets to be made.

Response options included: postal return in a pre-paid envelope; completing the survey online; or completing the survey using a freephone telephone number.

A total of 875 completed questionnaires were received by the 22nd April. This corresponds to an overall response rate of 16.1%. The response rates for each programme were: 22.3% for NACE 41; 14.9% for NACE 43; and 22.7% for NACE 71.

3 Estimates of Unemployment and Employment Based on DSP Data

Two main indicators of labour market outcomes are provided by the data from the DSP. The first of these is the proportion of persons in receipt of JA or JB (i.e. unemployed on the dates for which data are provided). The second is an estimate of the proportion of persons in employment. As noted above, this cannot be directly measured from the data provided by DSP but is extrapolated on the basis of the number of persons not making a welfare claim on the date for which

data are provided. Using data from both Revenue and DSP presented in the Final Reports on the Construction Programmes, the proportion of persons “not listed” on DSP records estimated to be in employment is as follows: 54% in respect of NACE 41; 53% in respect of NACE 43; and 47% in respect of NACE 71. These proportions are used below in making estimates of the proportions of beneficiaries (and non-beneficiaries) in employment on 22nd March 2013.²

Table 2 shows that the proportion of persons unemployed decreased between April 2010 and March 2013 among beneficiaries in all three EGF Construction Programmes. The major decrease in unemployment occurred between April 2010 and November 2012 with limited change being observed between November 2012 and March 2013. However, the rate of unemployment over the more recent period - November 2012 to March 2013 - did decrease slightly for EGF beneficiaries while it remained largely unchanged for the non-beneficiaries.

Table 2
Proportion of Beneficiaries and Non-beneficiaries Unemployed
by NACE Programme

	2010 (April)	2012 (November)	2013 (March)
Beneficiaries			
NACE 41	64.7	28.4	28.3
NACE 43	54.1	28.0	25.8
NACE 71	54.9	18.4	14.3
Non-beneficiaries			
NACE 41	34.0	12.9	13.3
NACE 43	35.4	13.1	13.2
NACE 71	27.3	7.4	6.7

There is variation in the proportion of persons unemployed within the three EGF Construction Programmes, particularly in the proportions unemployed in November 2012 and March 2013. The major difference found is that the proportions unemployed among persons covered by the NACE 41 and NACE 43 EGF Construction Programmes are in the region of twice that found among persons covered by the NACE 71 EGF Construction Programme.

² Because the method used to derive estimates of unemployment and employment in this report differed slightly from that used in the Final Reports on the three EGF Construction Programmes (due to absence of Revenue data) the percentages reported here will also differ slightly from those presented in Final Reports.

Within all three EGF Construction Programmes the proportion of beneficiaries unemployed exceeds that of non-beneficiaries. The differences observed are large and are found in respect of each of the three dates for which data were examined.

To place the unemployment levels presented in Table 2 in respect of March 2013 in context, it can be noted that the national seasonally adjusted unemployment rate for March 2013 is 14.0%. The unemployment rate among construction workers is widely believed to be considerably higher than the national rate though there are no specific statistics available. In that regard, a recent report by the Society of Chartered Surveyors Ireland has stated:

While there is no published figure for the numbers unemployed by sector, it is likely, ... that the unemployment rate in construction could be closer to 25 to 30% in some parts of the country. (p. 36)³

Noting the above estimate of unemployment among construction workers, the figures presented in Table 2 show that the rates of unemployment found among beneficiaries are in line with and in the case of NACE 71 below the national rate. In the case of non-beneficiaries the unemployment rates found are substantially below the national rate.

Table 3
Proportion of Beneficiaries and Non-beneficiaries Employed
by NACE Programme

	2010 (April)	2012 (November)	2013 (March)
Beneficiaries			
NACE 41	21.8	42.1	42.7
NACE 43	26.0	39.8	40.9
NACE 71	30.4	39.0	40.6
Non-beneficiaries			
NACE 41	37.9	49.0	49.4
NACE 43	37.8	48.2	48.8
NACE 71	39.3	43.9	44.2

Converse to what was observed in respect of unemployment, rates of employment increased between April 2010 and March 2013 with the major gains

³ *The Irish Construction Industry in 2012*. Published by Society of Chartered Surveyors Ireland.

occurring between April 2010 and November 2012. By March 2013 the proportion of persons in the three EGF Construction Programmes in employment ranged from 40.6% in the case beneficiaries in the NACE 71 Programme to 49.4% among non-beneficiaries in the NACE 41 Programme. Reflecting the lower unemployment rates found among non-beneficiaries, a higher proportion of non-beneficiaries than beneficiaries were in employment in March 2013. However, unlike the figures on unemployment there are limited differences in employment levels between persons covered by the three EGF Construction Programmes.

Overall, the figures on employment indicate that by March 2013 - nine months following the closure of the three EGF Construction Programmes - just over 40% of beneficiaries had become re-employed. In the case of non-beneficiaries, almost 50% of non-beneficiaries in the NACE 41 and NACE 43 Programmes had become re-employed with the figure among non-beneficiaries in the NACE 71 Programme being 44.2%.

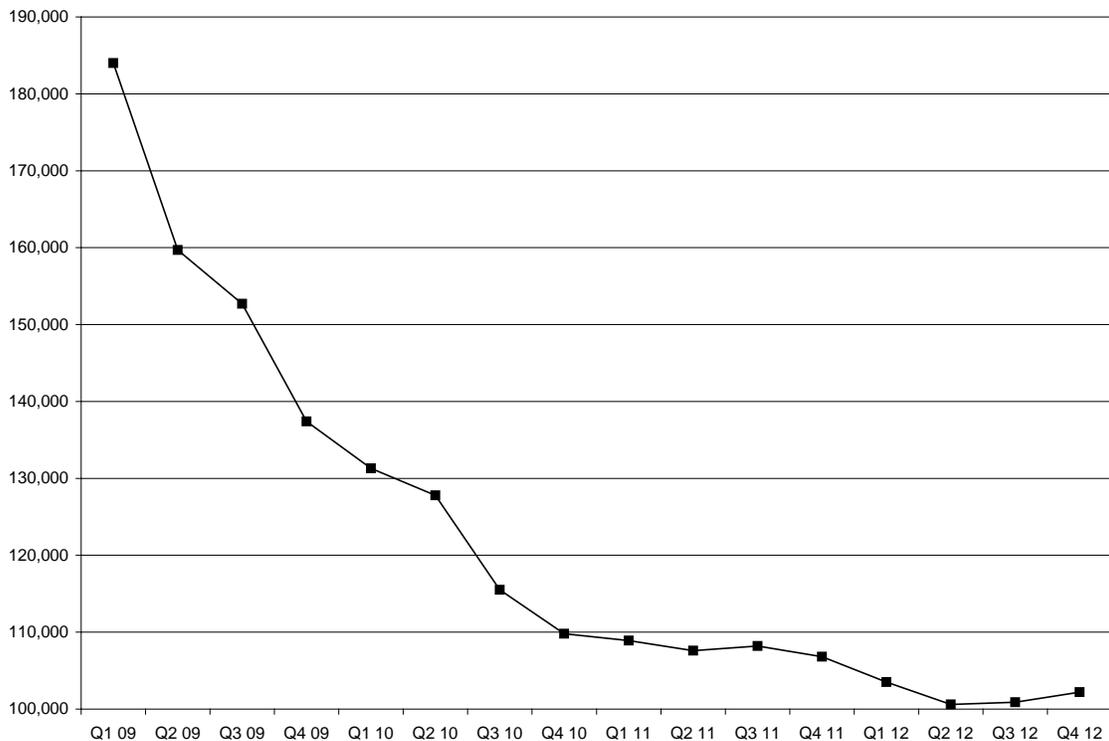


Figure 1 Trend in Employment in the Construction Sector between Quarter 1 2009 and Quarter 4 2012

To place the figures on employment in Table 3 in context, Figure 3 shows the trend in employment in the construction sector between the Quarter 1 2009 and

Quarter 4 in 2012. What is clear is that in the period during which the three EGF Construction Programmes were being implemented (i.e. June 2010 to June 2012) employment levels in the construction sector were falling. When the three EGF Construction Programmes commenced, employment in the construction industry was 159,700. This figure had fallen to just 100,600 at the time the three EGF Construction Programmes ceased operations.

4 Labour Market Outcomes Based on Survey Data

Table 4 shows the labour market outcomes found among beneficiaries in the three EGF construction Programmes based on the survey data. Before commenting on the findings it should be noted that, with the exception of the figure for employment among beneficiaries in the NACE 71 Programme, the estimates of unemployment and employment in all other cases are close to those based on the DSP data presented above. The likely reason for the higher estimate of employment among beneficiaries in the NACE 71 Programme based on the survey data is that the proportion used to estimate employment based on the number of “not listed” cases in the DSP data was too low and / or had increased between November 2012 and March 2013.

Table 4
Estimates of Labour Market Outcomes among Beneficiaries in the Three EGF Construction Programmes based on Survey Data

	NACE 41	NACE 43	NACE 71
Employed	43.0	41.5	62.9
Unemployed	30.6	29.0	14.8
ALMP	12.7	11.7	10.9
Other	13.7	17.8	11.4
	100.0	100.0	100.0

The profile of labour market outcomes is similar among beneficiaries in the NACE 41 and NACE 43 Programmes. In both cases the proportion in employment is in the region of 42% to 43%, the proportion unemployed is in the region of 30% and approximately 12% are on an ALMP. At 17.8%, the proportion of beneficiaries in the NACE 43 Programme stating that they are not in the labour force (i.e. working at home, retired, unable to work due to illness) is slightly higher than that in the NACE 41 Programme (i.e. 13.7%). As was found using DSP data, the proportion of beneficiaries unemployed in the NACE 71 Programme (i.e. 14.8%) is

approximately half the corresponding proportions for the NACE 41 and NACE 43 Programmes (30.6% and 29.0% respectively).

The proportion of beneficiaries on ALMPS in March 2013 varied little across the three EGF Construction Programmes: 12.7% in NACE 41; 11.7% in NACE 43; and, 10.9% in NACE 71.

5 Conclusions

Based on DSP data, the proportion of beneficiaries and non-beneficiaries in all three EGF Construction Programmes that were unemployed declined substantially between the end of the reference period for the programmes (i.e. March 2010) and November 2012, five months following the closure of the programmes. Limited gains in terms of a further reduction in the proportion unemployed were found between November 2012 and March 2013, though the rate of unemployment over this period did decrease slightly for EGF beneficiaries while it increased marginally for non-beneficiaries.

Two further points are evident in respect of the DSP data on unemployment. First, the proportions unemployed at each of the time periods examined are higher among beneficiaries than non-beneficiaries across all three programmes. Second, focusing on March 2013, the proportions of beneficiaries unemployed are similar among persons formerly employed in the NACE 41 and NACE 43 sub-sectors (i.e. 28.3% and 25.3% respectively) while beneficiaries formerly employed in the NACE 71 sub-sector have the lowest proportion of unemployed (14.3%) among beneficiaries.

In line with the reduction in the proportions unemployed, the proportions of persons in employment in each of the three EGF Construction Programmes increased over time. The figures on employment indicate that by March 2013 - nine months following the closure of the three EGF Construction Programmes - just over 40% of beneficiaries had become re-employed. In the case of non-beneficiaries, almost 50% of non-beneficiaries in the NACE 41 and NACE 43 Programmes had become re-employed with the figure among non-beneficiaries in the NACE 71 Programme being 44.2%.

With one exception (i.e. the proportion of beneficiaries employed in NACE 71), the survey estimates of unemployment and employment are very similar to those based on DSP data. This indicates the reliability of the survey data. Noting that, the survey data showed a relatively high level of participation in ALMPs among beneficiaries in all three EGF Construction Programmes in March 2013.

Finally, it should be noted that the three EGF Construction Programmes were implemented during a period in which there was a loss of almost 60,000 persons in employment in the construction sector. Against that backdrop the profile of labour market outcomes found among beneficiaries in all three programmes is not surprising.
