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Employment and Neighbourhood Deprivation in England 1993:2003

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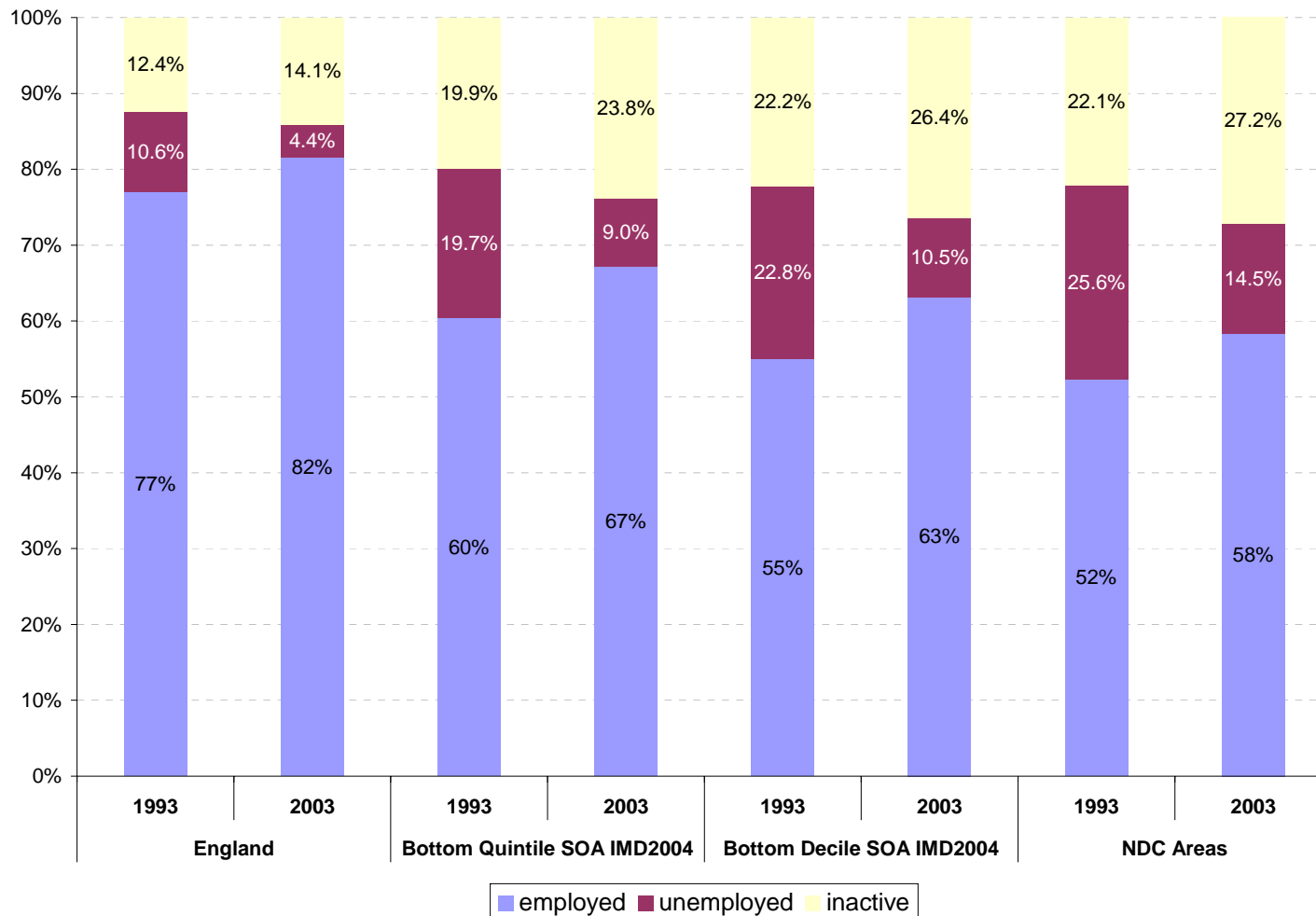
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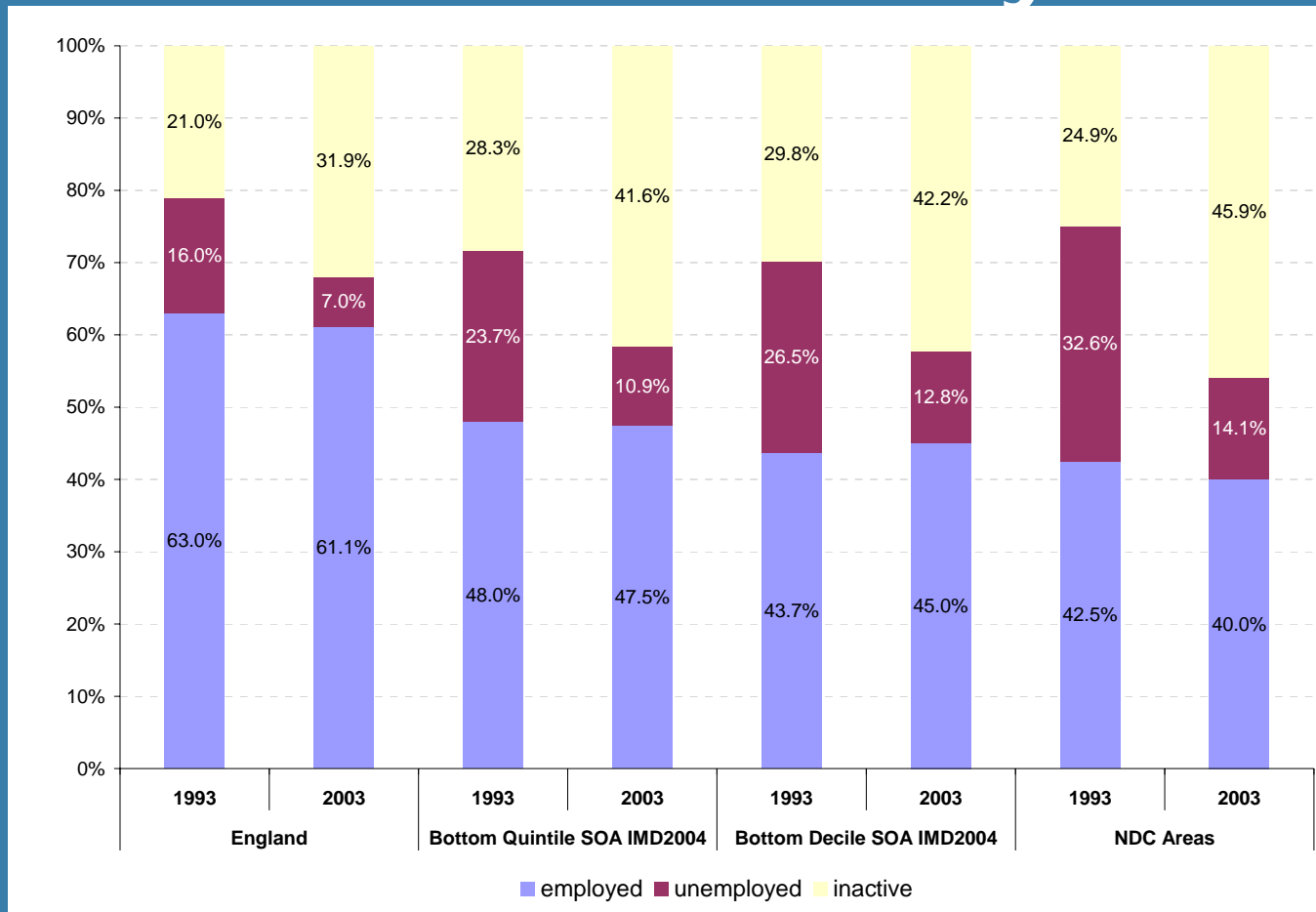
Employment and Deprivation

- 1993-2003 – consistent economic growth and increasing employment rates
- Growing concerns about high poverty and low employment in neighbourhoods
 - Creation on a multi-dimensional index of deprivation at SOA level (IMD2004 on 2001 data)
 - Policy interventions:
 - Individual based – through DWP
 - Area based – NDC from 2000 onwards

Headline Trends (male employment)



Employment gains for male low skilled are lower/non-existent & rise in inactivity





Countering the Employment Penalty of living in a deprived Area

- Policy Interventions
 - National Programmes
 - Employment New Deals (u25s, lone parents, long-term unemployed, disabled)
 - Area-based employment programmes based on one-to-one individual assistance
 - Employment Zones (unemployed in areas of high u)
 - Action Teams (group and individual targeting to hard to reach groups in areas of multiple deprivation)
 - Area Programmes
 - New Deal for Communities
 - “Bottom up” led investment in capacity building, infrastructure, community led – crime, health, environment, employment and skills.
 - Longer term programme over 10 years in 39 areas.

First Impression of Impacts

- Short time window for measuring “impacts” (2000-2003)
- Using National Survey Data
 - Areas identified through post-codes
 - No identification of individual “treated”
 - Small numbers problem (pooling of data)
- Model Employment Probability
 - Penalty of living in a deprived area
 - Individual chars and larger area chars constant
 - Control for presence of programmes that overlap in area coverage

Overlapping Areas and Effects Employment Penalty (men)

	1993	1999	2003
NDC Areas			
NDC only	-.050*	-.052**	.020
NDC + EZ	-.138*	-.086	-.157
NDC + AT	-.023	-.125**	-.087**
NDC + EZ +AT	-.110**	-.094**	-.042
Other ABI Areas			
EZ only	-.031**	-.032**	-.022**
AT only	-.035**	-.032**	-.015*
EZ + AT	-.032	-.041**	-.012
<i>Quintiles of SOA Deprivation</i> (omitted category, middle quintile)			
Most Deprived Quintile	-.086**	-.051**	-.055**
Second	-.038**	-.017**	-.015**
Fourth	.020**	.012**	-.005
Least Deprived Quintile	.030**	.010**	-.027**



Early Days – Provisional Conclusions

- Uncertainty about exact nature of neighbourhood effects and employment penalty (endogeneity and indentifying and distinguishing 2nd order effects)
- Indications that DWP individual programmes are decreasing employment penalty
- Some indication that NDC is reducing employment penalty–
 - short term baseline results
 - Some NDCs not specialising in employment
 - Investment-based activity has longer period for pay-off
- AND
 - Other results for other groups
 - Other methods to measure impacts– including “matching”
 - Move to larger survey data sets from 2000 for next phase