

## The geography of poor skills and access to work

**Despite employment growth, high levels of worklessness persist for some people and in some places. Substantial investment has been made to raise the skills levels of those who are most disadvantaged and skills policy is being embedded in regional and local economic development strategies. This study, by Anne Green and David Owen of the University of Warwick, analyses statistics from the 2001 Census on access to work for people with poor skills in the context of important changes in the industrial and occupational profile of employment and the location of jobs. It finds:**

- There are substantial numbers of jobs at the lower end of the labour market with limited skills requirements despite an overall increase in the share of employment accounted for by managerial, professional and associated jobs needing higher level skills.
- Geographical variations in the occupational structure of employment have become more pronounced over time. London and surrounding areas in southern England have the greatest concentrations of jobs in occupations associated with higher level skills.
- The percentage of people in employment varies noticeably at regional and local levels. London and local areas in Scotland and northern England with a manufacturing or mining heritage have amongst the lowest percentages of employed people.
- Both people- and place-based factors influence participation in work: people with no qualifications are less likely to be in work than those with higher level qualifications – especially in more depressed local labour market areas.
- The majority of people commute only a short distance to work, but those in occupations associated with low levels of skill typically travel shorter than average distances.
- The researchers conclude that geography matters most for people with poor skills. Those with poor skills have fewer opportunities and face more constraints in the labour market – both in skills terms and geographically – than their more highly skilled counterparts. The quantity and quality of jobs available locally is of particular importance for low skilled people.



## Background

The industrial and occupational profile of employment is changing, as is the jobs map in Britain. These changes have implications for access to work – from a skills perspective and from a geographical perspective. Jobs demanding higher level skills are open only to people with such skills. Jobs requiring only low level skills are open not only to people with poor skills but also to people with higher level skills if they are willing to ‘bump down’ in the labour market to fill them. This means that in terms of absolute numbers of jobs those with poor skills have a smaller pool of jobs available to them. Furthermore, because of differences in monetary and material resources, people with poor skills generally tend to travel shorter distances to work than those with higher level skills. So from any given location, people with poor skills are likely to search and take up jobs over a smaller area than their higher skilled counterparts.

It is difficult to measure skills directly so this analysis used occupations and qualifications as proxies. Many of the analyses relate to England and Wales only due to some differences in coverage of key Census questions in England and Wales and in Scotland.

## The landscape of work and skills

Across England and Wales three-quarters of people in professional occupations have degrees (or equivalent qualifications) while more than two-fifths of those in elementary occupations (usually requiring a minimum general level of education – for example, labourers and cleaners) have no qualifications.

There are marked geographical variations in the occupational profile of jobs. London has the greatest concentration of jobs in higher level occupations. There has been a ‘professionalisation’ of employment in the decade to 2001, particularly in south-eastern England. Nevertheless, a substantial number of jobs for people with poor skills remain – particularly in peripheral rural areas, in much of the Midlands (especially in the East Midlands and the Black Country), in those parts of northern regions with mining and manufacturing heritages, and in east London.

The researchers used a ‘human capital index’ to measure qualifications of residents. Using this index, London and the South East are the only regions where values exceed the national average (with the highest levels of qualifications in the local population). The North East registers the lowest value on this index (with the lowest levels of qualifications in the local population). Within London, local areas with high human capital values include some of the wealthiest and some of the most deprived areas in England.

Overall, the picture is one of increasing polarisation in skills demand and supply across the country.

## Participation in work

Increasing participation in work is a primary objective of government policy.

Participation in work is uneven: there are important variations by age, gender and skill. With more young people staying on in post compulsory education employment rates for young people have declined. Employment rates are highest for people in their thirties and forties and decrease steadily after the age of fifty. Employment rates are higher for men than for women, although the gender gap has narrowed over time with the increase in female labour market participation.

Marked and long-established geographical variations in employment rates are evident at regional, local and micro area scales. These variations remain after taking into account the age and gender structure of the population. Associated patterns of job ‘surpluses’ and ‘shortfalls’ for people in particular age and gender brackets also differ between areas.

Employment rates are lower than average in large cities and in areas with a strong manufacturing and/or mining heritage. London is distinctive. It is characterised by a relatively low employment rate, a greater than average share of unemployed people amongst the non-employed and a higher than average percentage of people who have never worked. Southern regions outside London have relatively high employment rates – although there are variations between these regions.

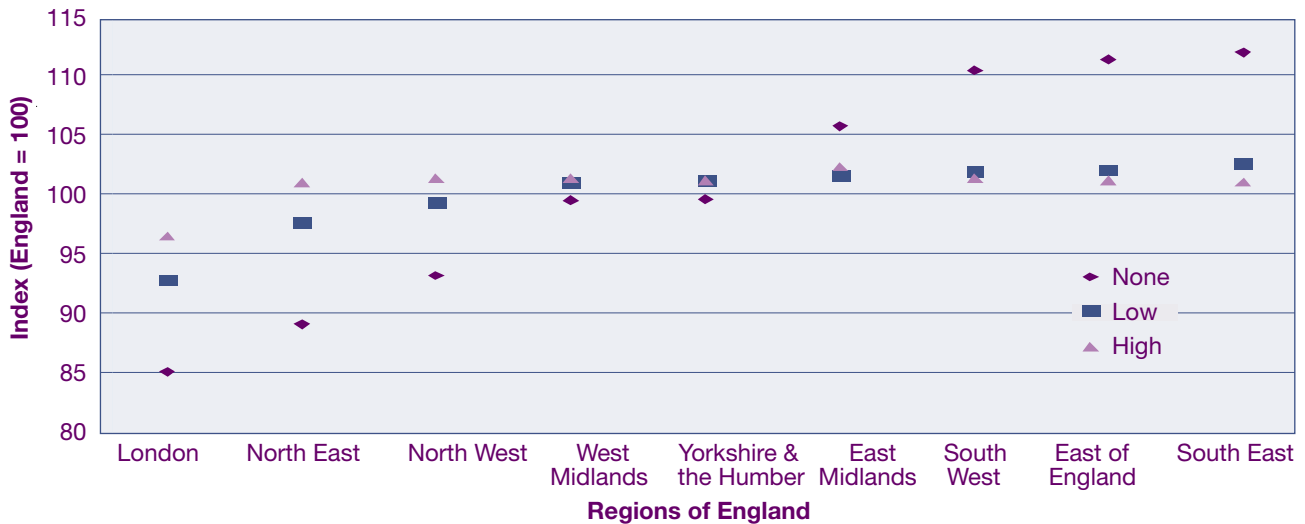
People with no qualifications are much less likely to be in work than those with higher level qualifications. Geographical variations in participation in work are particularly pronounced for those with poor skills (see Figure 1) and for people who are otherwise vulnerable in the labour market.

## Access to jobs

Despite some decentralisation of employment between 1991 and 2001, many urban areas remain ‘job rich’ and are characterised by more commuters coming into the area to fill jobs than community out to fill jobs elsewhere.

However, the pattern of job availability varies by occupation. Such urban areas do not necessarily have a surplus of jobs for those with poor skills. In such areas important tasks for policy include improving residents’ skills so that they can take advantage of other types of local jobs and linking residents with poor skills to jobs with modest skills requirements in neighbouring areas.

Figure 1: English regional employment rates by qualification level



Note: the figure shows the index values for employed residents aged 25-49 by qualification level, 2001

Some areas where employment is growing have a surplus of jobs requiring only lower level skills. People with poor skills who live elsewhere may face difficulties accessing those jobs due to a lack of affordable housing and of suitable transport.

In inner urban areas, residents are likely to find themselves living in areas where a large number of jobs are available. However, because of the way labour markets operate geographically, these residents face competition for local jobs from people commuting in from outer urban and accessible rural areas.

The majority of people commute only a short distance to work. However, because those in occupations associated with low level skills typically travel shorter than average distances, the availability of, and access to, local jobs is of particular importance to them. Commuting over longer distances may not be practical given the geographical relationships of homes, workplaces and transport, and may not be feasible financially given the trade-off between wages and travel costs. Contrastingly, workers in occupations associated with higher level skills have longer than average commuting distances and may choose to live in areas with a shortfall of local jobs (for example, some accessible rural areas).

### Explaining the geography of work

Analysis highlights a range of important influences on the probability of being in work and on average distances travelled to work.

- at *individual* level age, gender, ethnic group and health are important influences on being in work. Poor health reduces the probability of being in work, especially for individuals with no or low level qualifications.

- at *household* level the presence of other earners in the household and car ownership increases the probability of being in work.
- *location* has an influence on the probability of being in work – especially for those with no or low level qualifications. Living in areas with a mining or manufacturing heritage is associated with a lower probability of being in work. There is also evidence for a ‘London effect’ which depresses employment rates once other influences have been accounted for.
- *local labour market demand* influences the probability of being in work, especially for those with poor skills.

Weekly hours of work, gender, ethnic group, sector and occupation are important influences on distance travelled to work. Working part-time, being female, being of Pakistani/ Bangladeshi origin, and working in elementary or sales and customer service occupations are each associated with a greater probability of shorter than average commuting journeys (controlling for the effect of other influences). Car ownership improves access to job opportunities over a wider geographical area and enhances people’s ability to take on work which requires mobility.

Local labour market factors influence distances travelled to work. In general, journeys to work are shorter in ‘job rich’ areas. The higher the level of unemployment in the local area, the further the average distance travelled to work – especially for those in elementary occupations.

### Conclusions

Both people- and place-based factors influence participation in work. Those with poor skills face more constraints in accessing employment than their more highly skilled counterparts – both in terms of:

- skills – the number of jobs that they can do; and
- geographically – in how far they are able to travel or the extent to which it is worthwhile for them to do so.

The current policy of addressing basic skills deficiencies and raising skills levels more generally should help to tackle skills constraints. Nevertheless, it is clear that the quantity and quality of labour market opportunities available locally is of particular importance for people with poor skills. Measures to tackle concentrations of worklessness need to take account of the profile of non-employed people and of how labour markets operate in different areas,

The researchers conclude that it is important to focus on understanding differences in the *capacity for mobility in the labour market* – in occupational, sectoral and geographical terms. How far people can go to take up work depends on the jobs that the labour market generates (i.e. demand), the skills and other characteristics of people able to take those jobs (i.e. supply) and how the labour market works with associated infrastructure to bring demand and supply together. Some people in some places are able to progress through the labour market. Other people in other places face greater constraints. A key challenge in achieving economic competitiveness and social inclusion is overcoming such constraints and promoting a healthy level of mobility. The priorities and targets at both regional and sub-regional levels set out in Regional Skills Strategies and Regional Economic Strategies are of crucial importance here.

The findings of the analyses are of significance for several inter-linked policy agendas including those relating to regional and local economic development, area regeneration, improving employability, tackling cultures of worklessness, increasing the number of people in

employment, the skills agenda, and transport policy and accessibility planning.

In terms of broad policy directions the research emphasises:

- the need for holistic policies looking at individuals in a broader household, neighbourhood and local labour market context;
- a role for both supply-side interventions and demand-side initiatives to tackle problems of worklessness;
- the need for effective strategies to link local people to available jobs in the local area and the scope for transport- and travel-related initiatives which ‘widen horizons’ as one means for promoting access to work;
- the need for a long-term perspective and for policy flexibility in helping the most disadvantaged - the majority of whom are economically inactive and face multiple barriers to work (as reflected in the focus of Working Neighbourhoods and Pathways to Work initiatives).

### About the project

This study used residence-based and workplace-based data from the 2001 Census of Population at a range of different spatial levels to analyse the geography of poor skills and access to work in the context of important changes in the sectoral and occupational structure of employment, the location of jobs and patterns of participation in work. The analyses drew on a range of exploratory and multivariate techniques. In some of the modelling work undertaken individual Census records from the Sample of Anonymised Records was used. Information on qualifications and occupations was adopted as a proxy for skills. Commuting data was used to analyse journey-to-work distances and patterns. This study is one of a number funded by the Joseph Rowntree Foundation’s *2001 Census Programme*.

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### For further information

The full report, **The geography of poor skills and access to work** by Anne E. Green and David Owen, is published by the Joseph Rowntree Foundation (ISBN 978 1 85935 429 2, price £17.95).

Published by the Joseph Rowntree Foundation, The Homestead, 40 Water End, York YO30 6WP. This project is part of the JRF’s research and development programme. These findings, however, are those of the authors and not necessarily those of the Foundation. ISSN 0958-3084

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