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Economic and Social Research Review

Professional Services Unit

March 2021

Department for Communities – Economic & Social Research Review

The purpose of the Economic & Social Research Review is to capture and disseminate key economic and social research relevant to the Department’s policy agenda to inform evidence-based policy making.

PSU regularly engages with other research providers and monitors relevant reports and publications which can inform policy development and delivery.

To ensure the key areas of research included within this review are of strategic relevance to the Department the report begins by setting out the key research highlights identified over the past 12 month period followed by a summary of significant research reports relevant to the department’s cross cutting themes:

- Anti-poverty
- Wellbeing & Inclusion
- Sustainability & Inclusive Growth
- Agility & Innovation

It is the aim of the Professional Services Unit (PSU) that this document will be a valuable source of best practice economic and social research published by individuals, organisations and researchers in the fields relevant to the Department’s priorities.

We hope that the research review supports policy makers in building the evidence base on the key challenges we face and contributes to the successful delivery of the DFC Strategy.

It is intended that the Economic & Social Research Review will be published at six month intervals moving forward.

Whilst some of the articles featured here are not specifically Northern Ireland focused, the papers presented remain relevant to the strategic and policy issues faced here. The Department has recently agreed a research programme to be taken forward in 2021/22, future iterations of this review will include a specific section to highlight research published by the Department.

Disclaimer

The research referred to and the high level summaries in this document presents the views and information/statistics provided by various researchers and organisations and does not represent the views or policy of the Department for Communities.

Research Highlights



Outcomes for disabled people in the UK: 2020

Office for National Statistics (February 2021)

This release explores the disparities faced by disabled people across different aspects of life: education, employment, social participation, housing, well-being, loneliness and crime. This analysis also includes breakdowns such as, age, sex, impairment type and severity, country and region based on survey data. Key points:

- 23.0% of disabled people aged 21 to 64 years in the UK had a degree as their highest qualification compared with 39.7% of non-disabled people; 15.1% of disabled people had no qualifications compared with 5.4% of non-disabled people (year ending June 2020).
- Across UK countries, **Northern Ireland had the largest significant difference between disabled (13.5%) and non-disabled (35.2%) people achieving a degree (a difference of 21.7 percentage points).**
- Around half of disabled people aged 16 to 64 years (52.1%) in the UK were in employment compared with around 8 in 10 (81.3%) for non-disabled people (July to September 2020); disabled people with autism were among those disabled people with the lowest employment rate.
- There was greater disparity among those gaining no qualifications between countries. England had the lowest proportions of disabled people obtaining no qualifications (13.9%) **and Northern Ireland the highest (28.8%).**
- A higher proportion of disabled people aged 16 years and over in England were involved in civic participation (41.5%), such as signing a petition or attending a public rally, than non-disabled people (35.1%) (year ending March 2019).

Research Highlights

- Disabled people aged 16 to 64 years in the UK were less likely to own their own home (40.9%) than non-disabled people (53.4%), and more likely to have rented social housing (at 24.9% compared with 7.8%) (year ending June 2020).
- Disabled people's (aged 16 to 64 years) average well-being ratings in the UK were poorer than those for non-disabled people for happiness, worthwhile and life satisfaction measures; average anxiety levels were higher for disabled people at 4.47 out of 10, compared with 2.91 out of 10 for non-disabled people (year ending June 2020).
- The proportion of disabled people (13.9%) aged 16 years and over in England, who reported feeling lonely "often or always" was almost four times that of non-disabled people (3.8%) (year ending March 2019).
- Around 1 in 7 (14.3%) disabled people aged 16 to 59 years in England and Wales experienced domestic abuse in the last 12 months, compared with about 1 in 20 (5.1%) non-disabled people; disabled women (17.5%) were more than twice as likely to experience domestic abuse in the last year than non-disabled women (6.7%) (year ending March 2020).

Research Highlights



Seeking an anchor in an unstable world: experiences of low-income families over time

Joseph Rowntree Foundation (March 2021)

This research offers an insight into the lives of 14 low-income families over a five-year period; it captures the initial impact of the coronavirus pandemic and the added pressures it brought to family life. Key findings:

- Families on low incomes who were already facing constraints and instability at the start of 2020 were more vulnerable to the impacts of the pandemic, with fewer resources to fall back on.
- At any one time, some families on low incomes feel that they are ‘getting by’, and managing to keep up with outgoings, while others are working hard to keep their heads above water, but risk a further event pushing them into deeper difficulty. Over a five-year period, almost all families’ situations had fluctuated due to changes in work, benefits, and family situations and most had faced difficult times at some point.
- The factors most likely to help families get by or improve their lives were: steady work, two wages in the family, reduced need for childcare as children got older, and support from extended family. In the pandemic, access to furlough and having supportive employers were also important. Secure and affordable housing also helped, with support towards rent from housing benefit crucial for those who were finding it hard to manage.
- Conversely, families were most likely to find it hard to keep afloat if they faced: unstable work, poor health, difficulties balancing work and childcare, delays and difficulties with benefits, high housing costs and, during the pandemic, sudden job loss, reduction in hours and insufficient budget to cover extra costs.

Research Highlights

- Lone parents face extra pressures, depending on one income, and balancing work with childcare alone. During the pandemic, the impact of reduced earnings and extra costs was greater without the backup of a partner, and they could also receive less support from an ex-partner whose situation changed.
- As children got older and reached adulthood, their earnings sometimes helped the family finances. However, during the pandemic young adults were particularly vulnerable to job loss, which was a further blow to family income.
- The digital divide has become even more salient during the pandemic. This affected children who were home-learning without suitable equipment or adequate online access, as well as access to online services and support for parents if they were not confident internet users.

Research Highlights



Financial Wellbeing - Using behavioural science to improve financial wellbeing in the UK

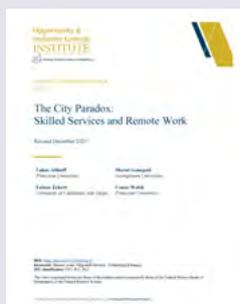
Ipsos MORI / Money and Pensions Service, June 2020

Ipsos MORI conducted research to help the Money and Pensions Service (MaPS) decide whether there is scope to develop a major financial wellbeing behaviour change programme in the UK.

This report summarises evidence from a review of behaviour change literature on what influences financial wellbeing, alongside a review of interventions aimed at changing people's behaviour. The review considered evidence from over 40 government sources and academic literature. The research findings indicate that there is scope to develop a major UK behaviour change programme that focuses on the way people think about and engage with their money and pensions. The evidence suggests that it is possible to change people's motivation and social connection with money and financial management by developing a multi-faceted and long-term behaviour change programme that:

1. Equips people with the awareness, knowledge and skills they need to make better decisions around their financial wellbeing;
2. Considers mind-set and the extent to which people can be motivated to engage in, and prioritise, financial wellbeing behaviours;
3. Is part of people's self-identity and daily lives; and
4. Aligns the ideal behaviour as consistent with individual's existing and strongly held values. This will enable people to see the personal benefits of greater financial wellbeing.

Research Highlights



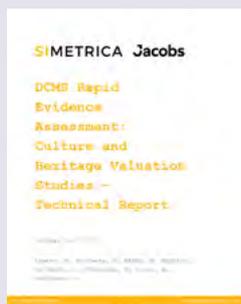
The City Paradox: Skilled Services and Remote Work

Opportunity & Inclusive Growth Institute (Federal Reserve Bank of Minneapolis), December 2020

This report investigates the paradox that large cities in the US are the most expensive places to live, however, this cost is paid disproportionately by workers who could work remotely, and live anywhere. The greater potential for remote work in large cities is mostly accounted for by their specialization in skill- and information-intensive service industries. This report highlights that this specialisation makes these cities vulnerable to remote work shocks. When high-skill workers begin to work from home or leave the city altogether, they withdraw spending from local consumer service industries that rely heavily on their demand. As a result, low-skill service workers in big cities bore most of the recent pandemic's economic impact.

With their unique division into remote work and local consumer services, city economies are particularly vulnerable to remote-work shocks such as pandemics. This adds to the already precarious condition of low-skill service workers, which have suffered in recent years from skyrocketing house prices and stagnant wages.

Research Highlights



DCMS Rapid Evidence Assessment: Culture and Heritage Valuation Studies - Technical Report

Department for Digital, Culture, Media & Sport, January 2021

DCMS commissioned Simetrica-Jacobs to assess the current state of literature valuing culture and heritage assets. This Rapid Evidence Assessment identified values elicited using six best-practice non-market valuation methods for a range of arts and cultural assets. It applied novel data science techniques to collect 171 relevant, academic papers and grey literature reports (Government and third sector publications) on valuation of culture and heritage assets.

Summary of Key Points:

- Overall, there is evidence of an inconsistent empirical record that is well represented for certain types of tangible culture and heritage asset, such as museums/galleries/theatres and libraries and built heritage sites. Less well represented in the valuation literature are digital services, industrial heritage, and religious assets,
- The Rapid Evidence Assessment results suggest that established non-market valuation methods, using Stated Preference (SP) and Revealed Preference (RP) methods, are more prevalent in the academic literature than the more recent and novel methods like Wellbeing Valuation (WV) and Benefit Transfer (BT). In the grey literature, Contingent Valuation (CV) SP studies (either individual studies or as part of a BT) are the most common, but there is also a rising number of WV studies.
- The report hypothesizes that this may be driven partly by policy need, since CV and WV provide valuations for the cultural heritage asset as a whole, rather than attributes of the asset (as in Discrete Choice Experiments (DCE)) and this is more relevant for government business cases and funding bids.

Anti-poverty



Universal Credit could be a lifeline in Northern Ireland, but it must be designed with people who use it

Joseph Rowntree Foundation, June 2020

Universal Credit (UC) was first introduced to Northern Ireland in September 2017, replacing six legacy benefits for working-age adults. This study provides insights into how claimants experience UC in Northern Ireland, what lessons the rest of the UK can learn from devolved-level innovations, and how the benefit might develop in Northern Ireland. The policy recommendations in this report are based on the expertise of people living in Northern Ireland and receiving Universal Credit (UC). The report looks at what lessons the rest of the UK can learn from devolved-level innovations, and provides recommendations for improving the system.

Summary Recommendations

The UK Government, Northern Ireland Assembly, Department for Work and Pensions (UK) and Department for Communities (Northern Ireland) need to collectively:

- Redesign our social security system so that it treats everyone with dignity and respect, as valued members of society.
- Pay UC at a level that enables people to meet their living costs, including housing.
- End the five-week wait for a first UC payment to stop UC triggering debt.
- Make the process of initiating and managing a UC claim more user-friendly.
- Ensure that the staff delivering UC are well trained, and that recipients have access to independent advice.
- Protect, enhance and raise awareness of the protections available to UC claimants in Northern Ireland.

Anti-poverty



UK Poverty 2020/21

Joseph Rowntree Foundation (January 2021)

This is the 2020/21 edition of JRF's annual report on the nature and scale of poverty across the UK and how it affects people. This report highlights early indications of how poverty has changed in our society since the start of the coronavirus outbreak, as well as the situation revealed by the latest poverty data, collected before the outbreak. It examines overall changes to poverty, with sections looking at the impact of work, the social security system and housing.

NI Relevant Statistics

- People who lose their jobs may find it difficult to find another. The job market remains very depressed compared with the same period last year, especially in areas that started out with weaker local economies, with much of London and **Northern Ireland** having more than 20 claimants per vacancy.
- **Northern Ireland** - lower levels of poverty (currently 19.0%) improving (it was 20.8% in 2011/12 to 2013/14).
- Currently, claimant count data provides the best comparison of unemployment across different places. **The highest ratios are in Northern Ireland**, coastal areas, central parts of cities, parts of Wales and the South of Scotland.

Recommendations from JRF

- We need as many people as possible to be in good jobs. Unemployment is expected to rise in the coming months, and we need to see further bold action to retrain workers and create good quality new jobs.
- We need to improve earnings for low-income working families and ensure more people are in secure, good quality work. Government must support people in the lowest-paid jobs, or people working part-time, to move into higher pay and access sufficient and secure working hours, including bringing forward the Employment Bill.

Anti-poverty

- We need to strengthen the benefits system. At a minimum, we need the temporary £20 per week increase to Universal Credit and Working Tax Credit to be made permanent, extending this same lifeline to people on legacy benefits such as Jobseeker's Allowance and Employment and Support Allowance.
- We need to increase the amount of low-cost housing available for families on low incomes and increase support for households who have high housing costs.

Anti-poverty



Destitution in the UK 2020

Joseph Rowntree Foundation

This study, the third in the Destitution in the UK series, reveals that even before the COVID-19 outbreak destitution was rapidly growing in scale and intensity. This research project explores the experiences of people pushed to the brink. It looks at the nature and extent of destitution across the UK as it was on the eve of the COVID-19 pandemic. The study reveals the array of measures needed, some of which have already been trialled as part of the Government's coronavirus response, to lessen the pressures people experiencing destitution face. JRF recommends that the UK and devolved governments should:

- Make the £20 weekly uplift in Universal Credit (UC) and Working Tax Credit (WTC) permanent and extend this lifeline to those claiming legacy benefits.
- Work in partnership with people with lived experience of the social security system to ensure that debt deductions from benefits are not drivers of hardship and destitution. In particular, the minimum five-week wait for the first UC payment is a core driver of destitution, with many people forced to borrow UC advances to survive this period, leaving them facing unaffordable repayments.
- Invest in local welfare assistance, ensuring that every English local authority has a scheme that provides direct support, including cash, to keep added pressure off households when a crisis threatens to push them into destitution.
- Establish a targeted grant programme to support private and social renters who have fallen into arrears which they will otherwise struggle to pay back.
- Use the upcoming employment bill to reduce insecurity for low-paid workers by extending employment rights and investing in strong and effective enforcement.

Anti-poverty



Getting ahead on falling behind Tackling the UK's building arrears crisis

Resolution Foundation, February 2021

This briefing note examines how families have managed their housing costs over the Covid-19 period. Although the Government has done much to support families over the past year, it is clear that financial strain has grown as the pandemic has worn on. Using new data from a representative survey of UK working-age adults, the report shows that housing arrears have grown steadily over the crisis, and that renters are at the sharp end when it comes to housing cost pressures. The report identifies a clear and continuing role for policy in supporting incomes directly to avoid the situation getting worse. Some key findings within the report:

- 9 per cent of families in the social rented sector were behind with their housing payments in January 2021, alongside 6 per cent of those renting privately and 2 per cent of mortgaged home owners.
- Over 750,000 families were behind with their housing payments in January 2021, 300,000 of which contained dependent children.
- Close to one-quarter (24 per cent) of private renters have seen their earnings fall during the last ten months, compared to one-in-six (16 per cent) working-age adults with a mortgage.
- Our survey shows that twice as many privately-renting families entered the pandemic with no savings compared to mortgaged home owners (22 per cent and 11 per cent respectively).
- Despite widespread calls for forbearance in the face of the Covid-19 shock, 3 per cent of private renting families have been able to negotiate a lower rent over the last ten months, a further 5 per cent have been refused).

Wellbeing & Inclusion



Work, care and gender during the Covid-19 crisis

Centre for Economic Performance, May 2020

This report combines evidence on jobs performed by men and women in the UK and childcare time of mothers and father to discuss potential impacts on the crisis on gender inequalities. The report also consider the possibility of long run consequences if these impacts persist beyond the crisis. A summary of key findings include:

- Given the exceptional nature of the Covid-19 crisis, the distribution of jobs and workers affected is potentially different from previous recessions.
- Women are over-represented in locked-down sectors - Preliminary survey evidence for the UK finds that, overall, women are more likely to lose their jobs than men.
- The closure of schools and nurseries has added education and childcare services to pre-existing home production needs, with a likely increase in pre-existing disparities between the childcare contributions of mothers and fathers.
- The massive increase in the incidence of working from home provides a valuable testing ground for the adoption of flexible working solutions beyond the current emergency.
- Parental childcare roles are likely to be reversed in households where the mother works in a critical sector and the father is forced to stay at home due to social distancing measures. This may accelerate the evolution of gender norms towards more equitable roles.

Wellbeing & Inclusion



An intergenerational audit for the UK

Resolution Foundation, October 2020

This report, supported by the Nuffield Foundation, provides the first comprehensive assessment of the initial phase of the coronavirus crisis for different generations in Britain. The focus is on economic living standards, it takes stock of generational living standards differences in Britain according to the latest data within four domains:

- Jobs, skills and pay
- Housing costs and security
- Taxes, benefits and household income
- Wealth and assets.

Key Findings:

- Coronavirus has determined the impacts of the crisis on physical health and social interaction across cohorts, while the nature of the pre-pandemic economy has largely driven the impacts on living standards. This has manifested itself in profound physical health risks to older adults.
- The labour market hit has been clearly U-shaped, affecting the youngest and oldest workers most. But policies to support incomes, including the JRS and boosts to benefits, mean that incomes fell most in lockdown for those in their late 40s.
- Consumer debt usage has accelerated for 35-44-year-olds; falling equity prices have dented the wealth of those in their 50s; and there were no particularly clear age differences by age in the likelihood of falling behind with housing payments in mid-lockdown.
- Post-lockdown impacts may be more clearly tilted towards the bottom of the age range. By July, younger adults had become the most likely to fall behind with housing payments; young people risk long-term employment and pay 'scarring' effects from starting careers in a downturn; the prospects for a post-coronavirus home ownership increase among aspirant buyers appear limited.

Wellbeing & Inclusion



Who is better off? Measuring cross-border differences in living standards, opportunities and quality of life on the island of Ireland

Irish Studies in International Affairs Vol. 32 - Adele Bergin and Seamus McGuinness (January 2021)

This paper seeks to comprehensively explore differences in standards of living across a broad range of dimensions, including economic and social well-being and differences in income distribution. The researchers sought to exploit a range of datasets in order to compare all relevant indicators currently available for both NI and RoI. Key findings include:

- Household disposable income, which the researchers consider a reliable measure of comparative income, **was €4,600 higher in RoI compared to NI in 2017, equating to a gap of approximately 12% after accounting for differences in prices across between both areas.**
- Significant differences are also apparent in access to and/or take-up of education across the life-cycle, in addition to **much higher rates of educational disengagement in NI.**
- Life expectancy in RoI overtook that in NI for both males and females in 2005 and by 2017 **children born in RoI had a greater life expectancy of approximately 1.5 years.**
- More recently, **life expectancy levels among those aged 65 in RoI begin to exceed those in NI.**
- The report concludes that there is a need for greater coordination between the statistical authorities in both regions to produce comparable metrics, across a range of areas.

Wellbeing & Inclusion



Monitoring socioeconomic and mental health trajectories through the COVID-19 pandemic

NatCen, November 2020

This research investigates how the COVID-19 pandemic has impacted people's mental health and financial situation, and how this differs among different groups of the UK population. The research aims to identify who has felt the deepest and the longest-lasting impact on their financial situation and their mental health from the COVID-19 pandemic, and how these two impacts are related. The first output of this research project is a briefing paper investigating how job and financial insecurity is related to mental distress amongst employees across the UK, and the impact the UK government's furlough scheme has had on this. Key findings are outlined below:

- Furloughed workers were over twice as likely to feel insecure in their jobs and to report high levels of financial insecurity compared to non-furloughed workers.
- Higher levels of job insecurity and financial insecurity two months after lockdown were associated with greater increases in mental distress.
- Furlough moderated the extent to which employment and financial circumstances were associated with increases in mental distress. Furloughed workers in insecure jobs two months after lockdown were less likely to experience mental distress than their counterparts who were not furloughed.
- Furlough was protective of mental health among people with long-term insecure jobs. Furloughed workers who were in long-term insecure jobs, before and during the lockdown, reported no increase in mental distress, unlike their counterparts who had not been furloughed.

Sustainability & Inclusive Growth



Build, build, build social housing: to stimulate our economy and unlock people from poverty and homelessness

Joseph Rowntree Foundation, August 2020

The third briefing in JRF's economic discussion series 'Shaping a recovery that reduces poverty' explains why building social housing now is vital to stimulate the economy and unlock people from poverty and homelessness

This paper outlines why housing is an effective stimulatory tool to get the economy moving again, and how investing in a better balance of tenures through the Affordable Homes Programme (with a much greater prioritisation of homes for social rent) makes better fiscal sense than investing solely in market-based tenures.

Key arguments for investment in social housing:

- The lag between investment and impact is often far shorter in housing than in other types of investments.
- Investment in housing creates jobs through direct effects in the construction sector, and indirectly through the supply chain.
- Investment in housing makes fiscal sense through reducing the housing benefit bill and universal credit expenditure for those in the construction sector.
- Housing investment can create significant tax revenues.

Sustainability & Inclusive Growth



The Projected Economic Impact of COVID-19 on the U.K. Creative Industries

Oxford Economics, June 2020

This report explores the short-term effects of Covid-19 on the financial sustainability of the creative industries in the UK.

Headline Findings:

- The research finds that the Creative Industries are projecting a combined £77bn turnover loss over the course of 2020 compared to 2019 (-31%).
- In 2020, CIs are projecting a 122,000 drop in employment among employees (despite the Coronavirus Job Retention Scheme - JRS) and a further 287,000 job losses among self-employed workers, compared to 2019 levels.
- In total, 409,000 CIs jobs are considered at risk, 27% of which are in London and 20% are in the South East.
- **In Northern Ireland 6,000 job losses are predicted (a 21% drop in relative terms compared to 2019).**
- **GVA decrease in Northern Ireland of £300m (-24% from 2019 levels) projected.**

Sustainability & Inclusive Growth



COVID-19 and the UK labour market

Oxford Review of Economic Policy, Volume 36, June 2020

This article considers policy responses to the COVID-19 crisis as they affect the labour market, how these policies are evolving and some of the design issues they face. The concentration is on the UK, but other countries are also discussed for comparative purposes.

Summary of Key Points:

- The Job Retention Scheme is a successful innovation to keep temporarily stopped workers attached to their employers. However, since economic recovery will be slow, it is not sustainable in its current form.
- A sustained rise in unemployment is inevitable and alternative policies to mitigate this and the dangers of scarring are discussed.
- The structure of output will change, as therefore will the composition of jobs. A comprehensive active manpower policy will be needed to efficiently match job seekers to available jobs.
- The young are likely to suffer disproportionately from the recession and this makes it essential to introduce radical policies to boost work-based training and to enhance the contribution made by further and higher education institutions.

Sustainability & Inclusive Growth



Zoomshock: how is working from home affecting cities and suburbs?

Economics Observatory, February 2021

This report examines how the switch to remote working during the pandemic has resulted in much more of our spending happening close to home rather than in city centres, shifting the geography of demand for locally consumed services. Dubbed the 'zoomshock' after the now widely used video conferencing software, its immediate economic impact has been large and the long-term consequences could be too. The report highlights how much depends on how many people return to the office once the pandemic is over.

Summary Conclusions

- One of the lasting consequences of the pandemic is an increase in the amount of time that we spend working remotely rather than in the office.
- This zoomshock will have permanent effects. Their size is important: aside for the consequences for the locally consumed services industry, it will impinge on the need for infrastructure, from office buildings to transport links.
- It is thus crucial to understand better which industries and neighbourhoods are most likely to embrace remote working to estimate long-term zoomshocks. This will help to guide a place-based recovery policy.

Agility & Innovation



The Competitiveness Scorecard for Northern Ireland: A framework for economic, social & environmental progress

Ulster University Economic Policy Centre, December 2020

Competitiveness is a barometer of societal progress, well-being and ability to fund world class public services. It encompasses people, place and the public, private, academia and third sectors. The Competitiveness Scorecard details NI's performance relative to competitor nations over two decades, utilising a methodology similar to Ireland's National Competitiveness Council (NCC). The structure of the Competitiveness Scorecard is illustrated below and comprises of three tiers incorporating more than 100,000 data points over two decades and almost 150 indicators on a range of economic, social and environmental indicators that influence standards of living, wellbeing and inclusion across NI.

The findings in the report note that the economic context within which it is published is unprecedented. The research suggests five areas for immediate focus for policy makers to help support society through the pandemic and Brexit disruptions and put the NI economy on a footing from which to take forward a sustainable, inclusive and balanced economic recovery. They are;

- Support work;
- Seize digital and green opportunities;
- Skill up for the Future of Work;
- Raise productivity to boost incomes and standards of living; and
- Focus internationally.

Agility & Innovation



The initial impact of COVID-19 and policy responses on household incomes

Oxford Review of Economic Policy

As soon as the scale of the coronavirus shock to the economy became clear, the UK government introduced three policies to protect directly household incomes: a Job Retention Scheme, to pay the wages of employees who were temporarily furloughed; a Self-Employment Income Support Scheme, to give grants to established self-employed people whose businesses had been affected; and a package of increases to entitlements to social security benefits, with Universal Credit at the core, that bolstered the UK's means-tested 'safety net'. This paper analyses the design and beneficiaries of these policies and, given the distributional pattern of the labour market shock, considers the emerging overall impact on living standards, particularly of low-income households. Some of the findings include:

- A bottom-heavy labour market hit has not translated into as bottom-heavy a hit to family incomes, partly due to the success of the (strengthened) social security safety net in cushioning the blow—at least to some extent, and for some—and partly because many at the bottom of the income distribution are unaffected by job loss.
- Wider measures of living standards reveals a more concerning picture, with those in (pre-crisis) lower-income families being far more likely to have taken on new debt, or borrowed from friends or family, or cut back on saving;
- Above working age will be less affected, in financial terms, by the coronavirus crisis than those of working age. Lower-income people over the pension age in UK get the majority of their income from the government in social security benefits, rather than the labour market
- Policy-makers should be particularly focused on providing support to those on lower incomes where the changes in overall financial circumstances have been the most concerning so far.

Agility & Innovation



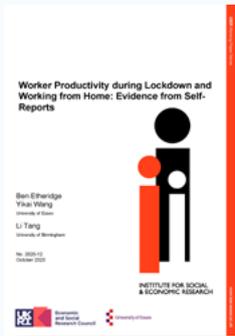
AI Accelerated: The great shift to artificial intelligence and automation

Oxford Economics, October 2020

Oxford Economics and NTT DATA surveyed 1,000 executives and nonexecutive employees across industry sectors to understand progress toward AI implementation. The senior executives in the sample refer to long-term strategies, while the employees report on how successfully, or unsuccessfully, leadership visions are being translated into action. This research was conducted in early 2020, largely before the onset of the COVID-19 pandemic, and shows that most companies were not using AI at scale when the world changed. The data also points to essential next steps on the AI journey as companies respond to the new business environment, and identifies where early leaders are seeing returns on their investments. The results of the research point to several areas of focus for organizations on the path to responsible adoption of artificial intelligence. These include:

- **Get ahead of change—and be ready for it to accelerate** - Rapidly on-boarding AI depends on more than just technology spending; organizations must have the skilled talent, processes, and performance metrics in place to ensure effective implementation of the technology, increase agility and resilience, and drive further innovation.
- **Don't expect AI to be easy** - Integrating AI and AI-enabled technologies across the business demands a clear plan for tools, data, skills and leadership—and a thorough sense of what barriers to expect along the way.
- **Understand that transformation means more than technology** - AI presents one of the great leadership challenges of our time. Transformation starts at the top; senior leaders must manage change in every phase of implementation, leverage partnerships, and apply function- and industry-specific best practices.
- **Commit to ethics and transparency at every turn** - Organizations must implement governance and ethics programs to review all AI projects and articulate both desired results and possible unintended outcomes, ensure AI traceability and transparency, and regularly perform audits to ensure that outcomes are correct as AI technologies continue to learn.

Agility & Innovation



Worker productivity during lockdown and working from home: evidence from self-reports

Institute for Social and Economic Research (Ben Etheridge, Yikai Wang and Li Tang)

This paper examines self-reported productivity of home workers during lockdown using survey data from the UK. Some headline findings include:

- On average, workers report being as productive as at the beginning of the year, before the pandemic. However, this average masks substantial differences across sectors, by working from home intensities, and by worker characteristics.
- Workers in industries and occupations characterized as being suitable for home work according to objective measures report higher productivity on average.
- Workers who have increased their intensity of working from home substantially report productivity increases, while those who previously always worked from home report productivity declines.
- Notable groups suffering the worst average declines in productivity include women and those in low-paying jobs. Declines in productivity are strongly associated with declines in mental well-being. Using stated reasons for productivity declines, we provide evidence of a causal effect from productivity to well-being.

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Feedback

We recognise that this publication will improve through continual engagement with those responsible for policy delivery. Therefore, we would welcome feedback on the research

review and have included a link to the feedback sheet which we would encourage you and your colleagues to complete:

[Feedback Survey Link](#)

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