

Life after Longbridge: three years on. Pathways to re-employment in a restructuring economy

Bailey, D. , Chapain, C. , Mahdon, M. and Fauth, R.

Published version deposited in CURVE October 2011

Original citation & hyperlink:

Bailey, D. , Chapain, C. , Mahdon, M. and Fauth, R. (2008) Life after Longbridge: three years on. Pathways to re-employment in a restructuring economy. London: The Work Foundation. http://www.theworkfoundation.com/Assets/Docs/MG_Rover_2008.pdf

Copyright © and Moral Rights are retained by the author(s) and/ or other copyright owners. A copy can be downloaded for personal non-commercial research or study, without prior permission or charge. This item cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder(s). The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.

CURVE is the Institutional Repository for Coventry University

<http://curve.coventry.ac.uk/open>

Life after Longbridge: Three Years on.
Pathways to re-employment in a
restructuring economy



the work foundation

November 2008

UNIVERSITY OF
BIRMINGHAM

Birmingham Business School

David Bailey
Caroline Chapain
Michelle Mahdon
Rebecca Fauth



Contents

1. Executive Summary	4
2. Background: What do we know about Longbridge and other plant closures?	10
3. The Research project	13
4. Ex-MG Rover workers: Different pathways to re-employment	21
5. Concluding thoughts. What does this tell us? What needs to be done next time?	52
6. References	61

Acknowledgements

The authors would like to thank the Economic and Social Research Council (ESRC) for funding this research under grant number RES-00-22-2478. Earlier waves of the research were commissioned by BBC Radio 4. We are very grateful to the 200 ex-MG Rover workers who took time to take part in the most recent wave of research, many of whom volunteered for follow up in-depth interviews. We would also like to thank Birmingham City Council, Jobcentre Plus, and the Learning and Skills Council for up to date statistics. The authors would also like to thank Ian Brinkley from The Work Foundation for comments on earlier versions of the report.

About the Authors

David Bailey is Professor of Economic Policy and International Business at the Birmingham Business School. Caroline Chapain is a Research Fellow at the Centre for Urban and Regional Studies, Birmingham Business School. Michelle Mahdon is a Senior Researcher and Programme Leader of Health and Well-being at The Work Foundation. Rebecca Fauth is a Senior Researcher at The Work Foundation.

1. Executive Summary

Background

The closure of the MG Rover plant at Longbridge in April 2005 was one of the largest industrial failures seen in the UK for some 20 years, with around 6,300 workers losing their jobs when MG Rover went into administration, with several thousand more affected in the supply chain. The scale of the job losses in an already economically disadvantaged region, and the loss of the last remaining British owned car manufacturer combined to highlight the consequences of the ongoing decline of manufacturing and the associated human costs of structural change.

A task force was launched by the government to support workers and their families back into work and cope with the situation. Various reports have presented a short term evaluation of the immediate policy response to the closure and its impact on workers (RC 2005a/2005b, RTF 2005/2006, NAO, 2006, Amicus, 2006, Vector Research, 2006, Armstrong, 2006). By February 2006, of the 6,300 claimants resulting directly from the collapse, around 4,000 were back in work (90% of whom were working full-time). A further 667 were in training or awaiting training, 398 had received training but were still not working, 530 were not working and had not received any training, 443 had unknown destinations and 257 had claimed alternative benefits after claiming Job Seekers' Allowance (RTF, 2006).

Whilst much evidence was collected to evaluate the immediate aftermath of the closure, beyond 2006, virtually nothing is known about the impact on workers or the local economy over the longer term. No information exists about the remaining workers still unemployed, the long term impact of those on long term benefits, and in particular the impact of the MG Rover closure on the wider community and stakeholders in the region¹.

To address this gap in knowledge, researchers at the Birmingham Business School and The Work Foundation have undertaken a study looking at the economic and social impact of the Longbridge closure. This report provides the findings from one part of this project², funded by the Economic and Social Research Council, which investigated what happened to the ex-MG Rover workers and their families.

This report

This report presents findings from two elements of the project. First, a review of the spatial impact of the closure: where people now live and work relative to before the closure. Second, results from a survey of ex-MG Rover workers, conducted in April 2008, to investigate their lives

¹ See House of Commons (2007), which notes the differences in estimates of employment rates of former MG Rover workers and the lack of information on the wider impacts of the closure

² This research is part of the ongoing project '*The Economic and Social Impact of the Demise of Rover at Longbridge: A Longitudinal and Holistic Approach to Economic Restructuring*' carried out under the Economic and Social Research Council (ESRC) grant RES-00-22-2478. Its support is gratefully acknowledged

after the closure. The survey was designed to follow on from the previous two surveys of ex-MG Rover workers carried out by The Work Foundation in conjunction with BBC Radio 4's *Life After Longbridge* series, and thereby provide a unique three-wave longitudinal survey.

Ex-MG Rover workers were first interviewed in July 2005 (Wave One, three months after the closure), again in December 2005 (Wave Two, eight months after the closure) and finally in April 2008 (Wave Three, three years after the closure). In the first wave, 273 interviews were conducted with ex-MG Rover workers. At the second wave, 232 interviews (86% of the original sample) were conducted, and in the third wave 204 interviews were conducted, with 176 ex-workers across all three waves and 19 new volunteers. The demographic profiles of the samples were representative of the MG Rover workforce.

This report details the findings of the spatial analysis and survey work, focusing on:

- Where the workers have found work and where they live;
- How the workers have been affected by the closure and how they have coped;
- What support they have had, how useful it was;
- What work or education or training they have gone onto;
- Where they have worked;
- Whether they have experienced unemployment;
- How they feel about their new jobs;
- The impact of the closure on their health.

Key findings

Key points from our Wave Three findings:

- Most workers are now in full time employment on permanent contracts;
- Most workers in employment at Wave Three have witnessed a significant drop in salary relative to their MG Rover wage, on average a fall of £5,640 (adjusted for inflation), but post MG Rover salaries are highly differentiated;
- Managers are earning about the same as they were at MG Rover, just £1,280 more (adjusted for inflation). Those now working in some service sectors took average cuts of more than £6,000 per annum less compared to their final salaries at MG Rover;
- 25% reported being in debt at Wave Three or needing to draw on savings and 36% were just about managing.
- 66% of all ex-MG Rover workers reported being financially worse off now;

- Those who found re-employment sooner use similar skills to those they used at MG Rover and earn more than other ex-MG Rover workers;
- Of those who were still unemployed eight months post closure, 80% underwent some forms of training;
- Overall, 60% of all workers received some form of training or educational support, with 40% taking up the offer of free training;
- Workers who took up training reported higher satisfaction and less of a decline in health than those who did not receive any form of training;
- Workers re-employed sooner reported higher levels of overall job quality with higher life satisfaction and lower anxiety levels.

Compared to the results from Waves One and Two, our findings at Wave Three, (three years after the closure), see a more positive, yet still highly differentiated picture. Most positively, the vast majority of ex-workers surveyed (90%) are back in work, with most in full-time work on permanent contracts. Behind this 'success story', workers nevertheless reported difficulties in findings a job, with the main perceived barriers being age, skills and experience, and the simple fact that there were too many people applying for the same jobs (not a surprise given the scale of job losses at MG Rover and the level of unemployment in parts of Birmingham when the plant closed). In overcoming such barriers to find work, personal initiative and networks have been the key to ex-workers finding jobs. To understand more about the jobs that workers have found since the closure we explored occupational levels, sector, income, job quality and training.

The jobs that ex-MG Rover workers have found are highly diversified, with only 30% working in manufacturing and a mix of both lower and high occupational status. The gross average salary of workers has decreased (on average by £5,640, adjusted for inflation, for workers in full-time employment) even three years after closure. The differentiated picture is highlighted by the fact that a third of respondents have actually reported an increase in salary. Workers in management positions at Wave Three were earning just slightly more (when adjusted for inflation) than when at MG Rover. Workers who were re-employed in the construction sector reported the smallest drop in salaries (when adjusted for inflation) at Wave Three compared to when at MG Rover. People who found work in four sectors – wholesale and retail, real estate and business services, education, and health and social work – took average cuts of more than £6,000 in annual income (adjusted for inflation).

As with most workers in our sample, those amongst the last to find re-employment reported a loss in salary relative to their MG Rover salary, but also they reported lower salaries compared to those who found re-employment sooner.

One explanation behind the differences in income lies in the skills workers use in new jobs. The majority of our sample found work where they have a different role and use different skills compared to their role at MG Rover. The quicker people found re-employment post MG Rover, the more likely they were to use the same skills in their new role as at MG Rover.

In general our sample in Wave Three reported relatively good health but slightly worse than when they worked at MG Rover. Those who had a free training place reported less of a decline in their overall health since MG Rover relative to those who had not received training. Also important in terms of well-being is a strong message from those surveyed that families and connections have played a key role in terms of support.

Job satisfaction at Wave Three was higher for those who had received some form of training relative to those in our sample who had not. Only a third of ex-workers surveyed felt that their current job was better than the one they had at MG Rover. As at Wave Two, nearly half felt that their job was worse than the one they had at MG Rover. Nevertheless, a majority of workers still liked the work that they do and expected to be doing it for the foreseeable future.

Of particular interest, given Prime Minister Blair's hope that ex-MG Rover workers would be able to find 'full and fulfilling jobs', are the skills that ex-MG Rover workers are now using. As mentioned, most workers have retrained and few are using the same skills they used at MG Rover. Ex-MG Rover workers using similar skills in their current job to those they used at MG Rover are earning significantly more and report significantly better overall job quality compared to workers using different skills. Such ex-workers reported significantly more autonomy and challenge in their current jobs and lower levels of monotony. Life satisfaction scores were also significantly higher and anxiety levels significantly lower for ex-MG Rover workers who used the same skills at Wave Three as they did at MG Rover.

Travelling for work also corresponded to job quality. People who were willing to travel further found employment quicker and found better jobs. Also, the lower levels of anxiety of those who commute further compared to those who work closer to home suggest that this extra effort pays off.

**Policy
implications**

In terms of policy interventions, it needs to be recognised that much work was done by the RDA Advantage West Midlands and other agencies before the MG Rover closure, in diversifying the supply chain and economy, and this work may have ‘saved’ as many as 10,000-12,000 jobs in the supply chain (Bailey and MacNeill, 2008).

When MG Rover finally closed in 2005, the MG Rover Task Force Mark II was able to hit the ground running on the day of the announcement of the closure. Such advance preparation work could work well in future closure situations, as it is unlikely that a future closure would happen without at least some prior warning. This lesson points towards the need for good ‘institutional memory’ of how to work in such a situation, and having a permanent capacity to deal with such situations. Keeping knowledge available would help with advanced planning and avoid ‘fire fighting’ in the future.

While the workforce of ex-MG Rover workers have adjusted well and have used much personal initiative in coping with the shock of closure, overall salaries are still substantially lower than at MG Rover, and show a much wider spread. As suggested in the Wave Two report (Armstrong, 2006), a policy response is needed to tackle growing labour market polarisation and inequality – this needs to go beyond a reliance on the National Minimum Wage and include a focus on training and skills.

Our research has identified three ‘pathways’ back into re-employment, looking at different groups of workers (those employed by three months after the closure, those employed eight months on and those still unemployed at eight months but in employment by three years after the closure). The impact of the closure across these groups has varied suggesting a greater degree of differentiation in support may be appropriate in similar situations in the future. Such tailored support would combine help psychologically, in making training and education available and accessible, enabling mobility (both in occupational and physical terms), counselling and support regarding finance and debt, and help for partners to retrain and/or enter work.

Despite liking their jobs today, nearly a half of those in work feel that their jobs are worse than when they were at MG Rover. Good quality manufacturing jobs are hard to replace for many workers. One potential way to help ensure more people keep jobs in the same industry is to ensure proper information and consultation rights and procedures are used to better effect at the first sign of difficulties. Employing such tactics can help businesses and government to explore different solutions to minimise job losses and avoid complete closure overnight. It also means supporting people to have different options to move within the same sector.

Overall we require a mix of proactive and 'intelligent' reactive policy interventions. This could usefully involve:

- A set of policies geared up through 'good institutional memory' drawing on lessons from the MG Rover closure and other closures, being ready to act to support closures;
- Advanced action to support economic diversification, particularly post credit crunch, and where possible to reduce the risk of overnight closures, thereby giving people time to adjust;
- Supporting modern manufacturing, and equipping people with skills for service jobs in the same sector. This is in line with the challenges identified in the Leitch Review in 2006. Government and agencies should ensure employees have the necessary skills to cope as industries change. As such, government needs to ensure high quality, flexible education and training as well as information and mobility programmes.

2. Background: What do we know about Longbridge and other plant closures?

Economic restructuring has been an important feature of the UK economy in the last two decades, with deregulation, privatisation, technological change and globalisation combining to reshape the UK economy. Some industries have grown, while others have declined (on the car industry, see Bailey *et al*, 2008). Moreover, while overall employment has grown, many newly-created positions require skills not found in the industries shedding labour, or are in casual and low paid occupations. Many lesser-skilled workers leaving declining industries are therefore at risk of long-term unemployment or leaving the workforce entirely. Their health and well-being could suffer as a result, and current policies and programmes may not adequately address the labour market difficulties confronting this group.

Job losses arising from plant closure are examples of labour market adjustment due to economic restructuring. The ensuing plant closures have been studied by a number of researchers³. Such studies have followed two major approaches. The first group of studies (particularly on multi-plant closures) tend to look at the nature of plant closures themselves, while the second group focus on the aftermath of closures and their impact on the local economy. Unfortunately, the two streams of research are rarely combined. In addition, Pinch and Mason (1991) note that plant closure studies in the 1970s and 1980s were derived from a restricted geographical base and that they were mostly concerned with redundancies of manufacturing workers in older industrial regions. For such reasons, Tomaney *et al* (1999) and Pike (2005) call for a more 'holistic' approach situating closures both in their local and global contexts.

There are a number of ways in which one might evaluate the impact of redundancy on individual and community well-being. The first is to assume that the costs of adjustment are short-term and that displaced workers are able to find employment in more productive firms and industries (O'Farrell and Crouchley, 1983) and/or migrate to where job growth is occurring (Armstrong and Taylor, 1993). Here, policy initiatives would consist merely of re-training individuals to meet the needs of emerging industries and encouraging labour mobility. However, other authors argue that an abstract view of labour market adjustment can downplay the community and personal factors pertaining to job search (Hinde, 1994). Older workers, in particular, could place a higher premium on staying within their community than on relocation (*ibid.* 716).

The nature and duration of impacts are thus mitigated by various factors. The ways that different households respond depends upon their resources, needs and choices. Changes in commuting

³ See Pinch and Masson (1991), Hinde (1994), Tomaney *et al* (1997, 1999), Kirkham and Watts (1998), Shutt *et al* (2003), Henderson and Shutt (2004), and Pike (2002, 2005)

and migration are potential responses to job loss (Hinde, 1994; Bailey and Turok, 2000). However, there is still debate over the importance of these responses for workers with different occupations and levels of income (Bailey and Turok, 2000; Cowling, 2005). There are a number of issues associated with coping strategies adopted by households. How are decisions about relocation affected by housing tenure? These issues also connect with a consideration of neighbourhood effects. Media presentations of closure often focus on local and community impacts and suggest that these are devastating. If the workforce was concentrated in occupational communities very close to the workplace then local impacts would indeed seem probable. However, where the workforce is more dispersed then spatial impacts are more difficult to ascertain. The impact may not be spatially concentrated at all, or places where such impact is felt most severely might not be adjacent to the workplace.

In addition, as Pike (2005: 97) notes, the wider socio-institutional, temporal and spatial contexts are often underplayed. Plant closure can be seen not merely as a case of shut-down due to economic imperatives, but rather as a contingent, path-dependent process (Tomaney *et al*, 1999: 402). Here, the role of institutions and the interaction between corporate strategy and legal regulation becomes pivotal (*ibid*). For example, a key factor in the decision of Peugeot to cease operations at their Ryton Coventry plant and relocate to Slovakia was that the costs of redundancy would have been three times' higher in France than the UK (Bailey and MacNeill, 2008), the implication being that a different regulatory environment could have precipitated a different outcome for Peugeot employees.

Furthermore, a consideration of social issues suggests that job losses arising from closure are also likely to result in: higher levels of alcohol abuse amongst workers made redundant (Dee, 2001); higher levels of conflict and stress within households, including domestic violence; psychological distress, (Keefe *et al*, 2002); and increased propensity for family break-up (Fallick, 1996). Longitudinal studies of redundancy have reported physiological changes (Cobb, 1974), increased rates of pensionable disability (Westin, 1990) and changes in the rates of hospitalisation (Iversen & Sabroe, 1988). Low self esteem has also been associated with unemployment (Kasl, 1982). Research also suggests that positive psychological health facilitates re-employment following unemployment (Waters & Moore, 2002).

Such research illustrates that the problems of re-integration extend beyond merely providing 'jobs' or 'job opportunities' for displaced workers. They extend to the quality and location of employment, individual health and well-being, and prospects for lasting career opportunities, not

Background: What do we know about Longbridge and other plant closures?

to mention the effects on the household and wider community. Viewed holistically, the social, economic and health consequences of the job losses are considerable. It is the impacts of these on ex-MG Rover workers and their families that this research seeks to illuminate.

Finally, questions remain concerning policy responses and what levels of policy (local, regional and/or national) are effective in addressing local conditions. In particular, how have targeted policy actions (such as the Rover Task Force) mitigated the impact of the closure? Much of the immediate policy response to the closure of MG Rover has been that of 'crisis management', focusing on jobs and short-term financial assistance, under the auspices of the Second Rover Task Force (Bailey and Mac Neill, 2008). An aid package worth £176 million was made available, including £50 million for retraining (up to level 2 skills), £40 million in redundancy payments, a £24 million loan fund to help otherwise viable businesses, and £41.6 million to support MG Rover suppliers to sustain trading. Another £7.6 million was announced by AWM in June 2005 to assist with supplier diversification (RTF, 2006).

These issues have formed the basis for developing our research questions with respect to the pathway to re employment of MG Rover workers in the last three years in the West Midlands economy:

- How the workers have been affected by the closure and how they have coped?
- Where have the workers found work and where do they live?
- What work, education or training they have gone onto?
- Have they have experienced unemployment?
- What types of work are they doing today and how does it compare to the work they had at MG Rover?
- How do they feel about their new jobs?
- How has the closure impacted on their health?
- What support have they had, and how useful was it?

3. The Research project

This report is part of a larger research project funded by the Economic and Social Research Council (ESRC) under grant number RES-00-22-2478. It presents the findings from two elements of the project: first, a review of the spatial impact of the closure – where people now live and work relative to before the closure; second, the results from a survey of ex-MG Rover workers, conducted in April 2008, to investigate their lives after the closure. The survey was designed to follow on from the previous two surveys of ex-MG Rover workers carried out by The Work Foundation in conjunction with BBC Radio 4's *Life After Longbridge* series, and thereby provide a unique three-wave longitudinal survey.

Ex-MG Rover workers were first interviewed in July 2005 (Wave One, three months after the closure), again in December 2005 (Wave Two, eight months after the closure) and finally in April 2008 (Wave Three, three years after the closure). In the first wave, 273 interviews were conducted with ex-MG Rover workers. At the second wave, 232 interviews (86% of the original sample) were conducted, and in the third wave 204 interviews were conducted, with 176 ex-workers across all three waves and 19 new volunteers.

**The
respondents
from the
survey**

The demographic profiles of our respondents were representative of the MG Rover workforce. In general, MG Rover workers were mature men in their 40's and 50's who had worked at MG Rover for most of their life. They were in a variety of occupations with many in skilled, professional or technical jobs. They received a salary which was overall above the regional average. They were family men and most of them owned their own home. Many of them were in a quite good position in terms of their work and benefited from the support of a partner at the time of the closure.

In more detail, the demographic profile of the sample was representative of the MG Rover workforce in terms of age, department and length of service. Similar to the MG Rover workforce, the sample was over 90% male, and the majority (over 70%) of workers were aged between 40 and 54 (with an average age of 48 years), and had worked on average for 21 years at MG Rover. As with the workforce composition overall, a majority of workers worked in the Manufacturing or Powertrain departments. Only 11% of MG Rover workers had no qualification in 2005 compared with 17.6% in the West Midlands.

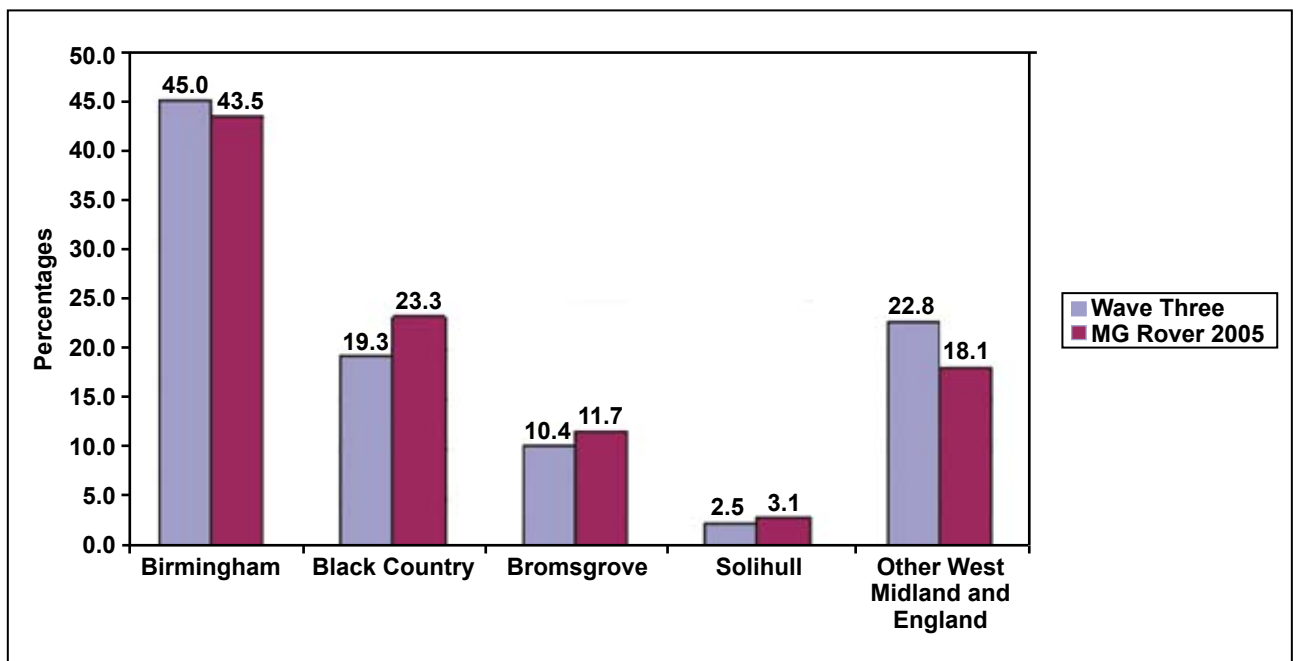
Some 98% of the sample had worked full-time at MG Rover, with around a third of workers then being process, plant and machine operatives; just under 20% were in skilled trades, 8% in

administrative and secretarial positions, 9% in associate professional and technical jobs, 12% were professional and 18% in manager roles.

The average yearly salary of the ex-workers interviewed at MG Rover was £27,624 or a weekly salary of £514, as compared with £404 for a full time worker (£444 for a man) in the West Midlands in 2005.

Almost 80% of the respondents were married (compared with 42% for the West Midlands in 2001), with almost no change from the Wave One survey. Some 93% of the sample were home-owners (with 55% still paying a mortgage) in 2008 compared with 70% for the regional average in 2001. In terms of respondents' location, the overall picture was relatively comparable to the original sample (see Figure 3.1 below).

Figure 3.1: Place of residence of ex-MG workers surveyed in Wave Three



Source: Own survey and MG Rover database (2005)

Note: The 'Black Country' comprises Dudley, Sandwell, Walsall and Wolverhampton

Spatial impact: Chapain and Murie (2008) analyse the extent of the spatial impact of the closure of MG Rover by using payroll dataset of employees at MG Rover at two points in time (1998 and 2005). Both datasets provide postcodes for the home addresses of most MG Rover workers at that time, and they map this data in detail. The 1998 dataset also comprises information on age, type of occupation for each employee (executive, hourly workers, managerial staff, general staff and trainees). Even though Longbridge and the surrounding wards (part of Northfield constituency) have suffered from a concentrated impact, the closure has actually affected a wide geographical area, stretching across a triangle from Bournville (west) to Sandwell (east) to Bromsgrove (south).

Where did the workers live?
What type of labour market did they face to re-enter employment?

There were 13,127 people working at MG Rover in 1998. This number had decreased to 5,858 by 2005. To this extent, the scale of job loss (albeit spread over a longer period) was greater in the period leading up to 2005 than at the final closure; and the final closure came after neighbourhoods affected had already experienced a long drawn out period of employment change.

Table 3.2 and Maps 3.3 and 3.4 present the residential distribution of MG Rover employees in 1998 and 2005. This demonstrates the wide geographical distribution of MG Rover workers in the West Midlands in 1998 and 2005, highlighting the extent of the regional impact both from the job losses during the period 1998-2005 and from the final closure in 2005.

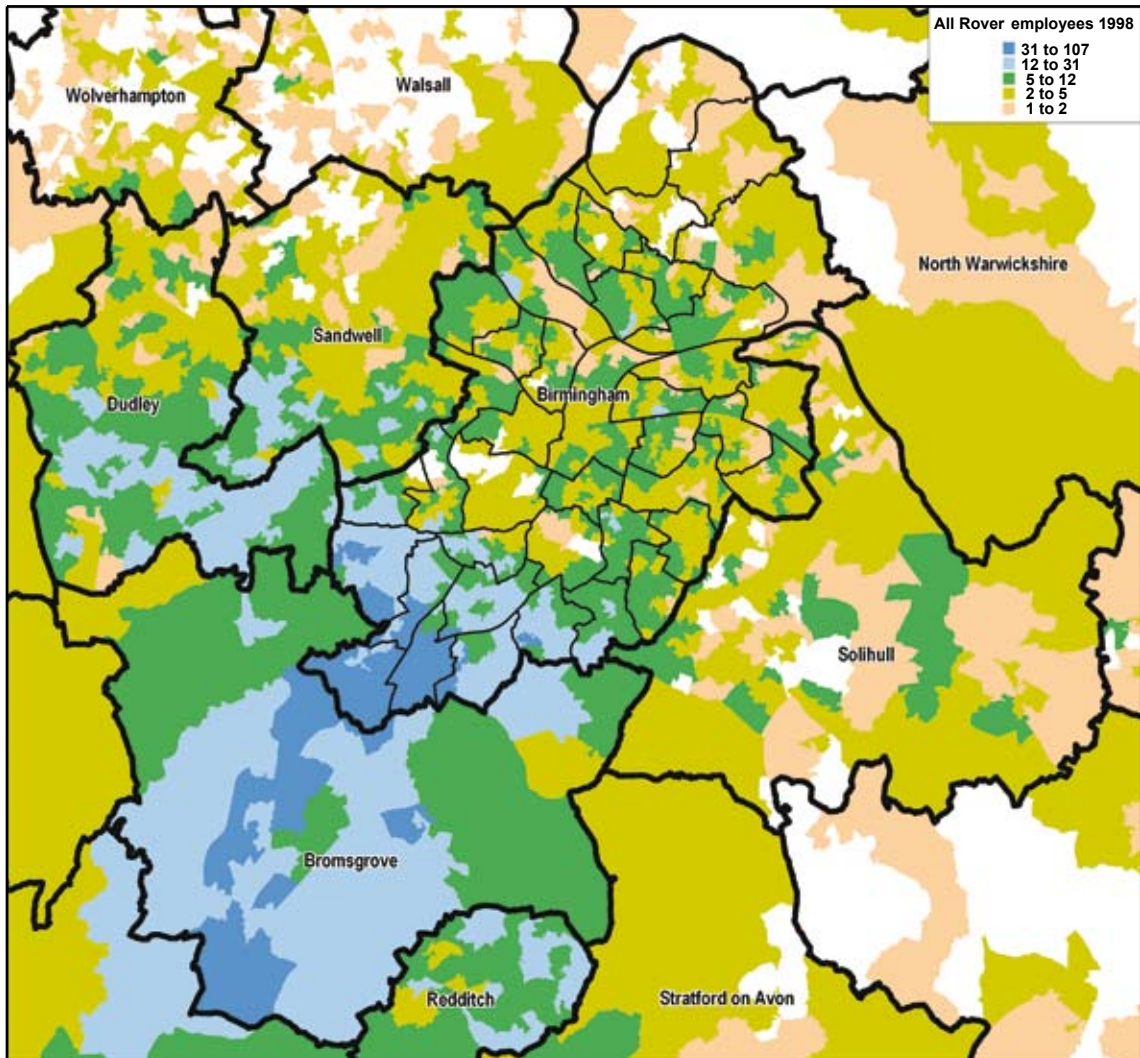
In 1998, the bulk of MG Rover employees lived across a triangle stretching across the south of Birmingham, extending along the A38 to Bromsgrove, Redditch and Wychavon in the south and to Dudley and Sandwell in the west. Around 20% of MG Rover employees lived in the Birmingham Northfield constituency (the wards of Longbridge, Northfield, Kings Norton and Weoley) in 1998, with the largest number in Longbridge (9%) and Northfield (6%). There were also important pockets of employees in other parts of Birmingham and together this comprised 45% of where the workforce lived.

Table 3.2: Distribution of MG Rover employees in 1998 and 2005

	1998			2005			1998			2005		
	Number of employees	% of all employees	Number of employees	% of all employees	Number of employees	Absolute Var. 2005-1998	Ratio of MG Rover employees on all employed people in the area	Ratio of MG Rover employees on all employed people working in manufacturing in the area.	Ratio of MG Rover employees on all employed people in the area	Ratio of MG Rover employees on all employed people working in manufacturing in the area.	Ratio of MG Rover employees on all employed people in the area	Ratio of MG Rover employees on all employed people working in manufacturing in the area.
King's Norton	324	2.5%	125	2.1%	-0.3%		4.0%	22.3%	1.6%	8.6%		
Longbridge	1,188	9.1%	532	9.1%	0.0%		9.4%	49.1%	4.2%	22.0%		
Northfield	731	5.6%	328	5.6%	0.0%		7.0%	38.5%	3.1%	17.3%		
Weoley	359	2.7%	141	2.4%	-0.3%		4.5%	29.6%	1.8%	11.6%		
Northfield Constituency	2,602	19.8%	1,126	19.2%	-0.6%		6.7%	37.2%	2.9%	16.1%		
Bartley Green	354	2.7%	152	2.6%	-0.1%		4.0%	21.9%	1.7%	9.4%		
Billesley	198	1.5%	84	1.4%	-0.1%		1.9%	10.5%	0.8%	4.4%		
Bournville	248	1.9%	111	1.9%	0.0%		2.3%	15.6%	1.0%	7.0%		
Brandwood	241	1.8%	113	1.9%	0.1%		2.4%	14.6%	1.1%	6.9%		
Selly Oak	160	1.2%	64	1.1%	-0.1%		1.6%	15.2%	0.6%	6.1%		
Birmingham	5,977	45.5%	2,545	43.4%	-2.1%		1.6%	9.4%	0.7%	4.0%		
Bromsgrove	1,556	11.9%	687	11.7%	-0.1%		3.6%	19.7%	1.6%	8.7%		
Dudley	1,667	12.7%	766	13.1%	0.4%		1.2%	4.9%	0.5%	2.3%		
Sandwell	937	7.1%	424	7.2%	0.1%		0.8%	3.2%	0.4%	1.4%		
Total West Midlands	12,663	96.5%	5,690	97.1%	0.7%		0.5%	2.6%	0.2%	1.2%		
Rest of UK	144	1.1%	145	2.5%	1.4%							
Outside UK	NA	NA	5	0.1%	NA							
Not allocated	320	2.4%	18	0.3%	-2.1%							
Total	13,127	100.0%	5,858	100.0%								

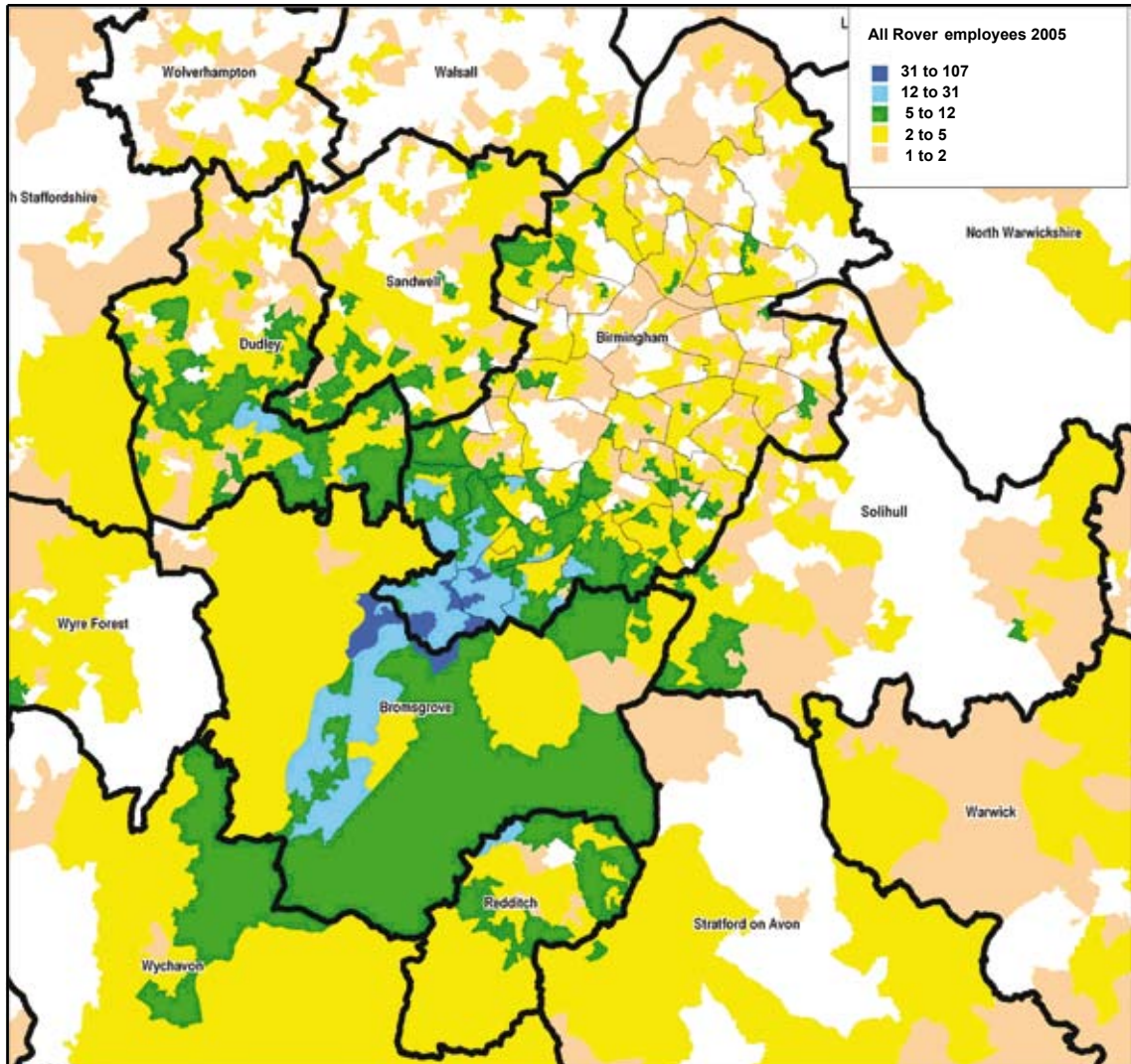
Source: Adapted from MG Rover database and Census data 2001

Map 3.3: Distribution of MG Rover workers (number) in Birmingham and beyond in 1998



Source: Adapted from MG Rover database/JCIS

Map 3.4: Distribution of MG Rover workers (number) in Birmingham and beyond in 2005



Source: Adapted from MG Rover database/JCIS

There was thus relatively little change in the relative geographical distribution of MG Rover employees across south Birmingham by the time of the closure in 2005. The shrinkage in numbers of employees was greater in North Birmingham and less outside the city, but nevertheless overall the continuity in the pattern is remarkable and there is the same spatial distribution across the south west 'triangle'. There are two immediate implications from this. Firstly, while there is a 'local' concentration effect there was also a widely dispersed workforce and the spatial impact is therefore sub-regional rather than local. Secondly by the time of the closure in 2005 all of the areas affected by that closure had already been affected by earlier job losses. The MG Rover closure could be seen as the final shock – following on from a period of long decline which had already affected the labour market and would affect the capacity to adjust to the shock. By 2005, the firm was already effectively 'hollowed out'.

The data available on MG Rover employees can be disaggregated by types of job for 1998. Hourly workers (74%), general staff (14.8%) and management staff (8.8%) formed the three main categories of the MG Rover workforce. The hourly workers mostly lived in Birmingham (50%), Dudley (15%) and Sandwell (10%). In contrast, executive staff were more dispersed with only 20% of them living in Birmingham, Dudley and Bromsgrove. More than half of the management staff also lived outside these three districts. The pattern for general staff lies between these two extremes and involves a more even distribution regionally: 40% of them lived in Birmingham, 17% in Bromsgrove, 9% in Dudley and 30% were dispersed across the rest of the West Midlands.

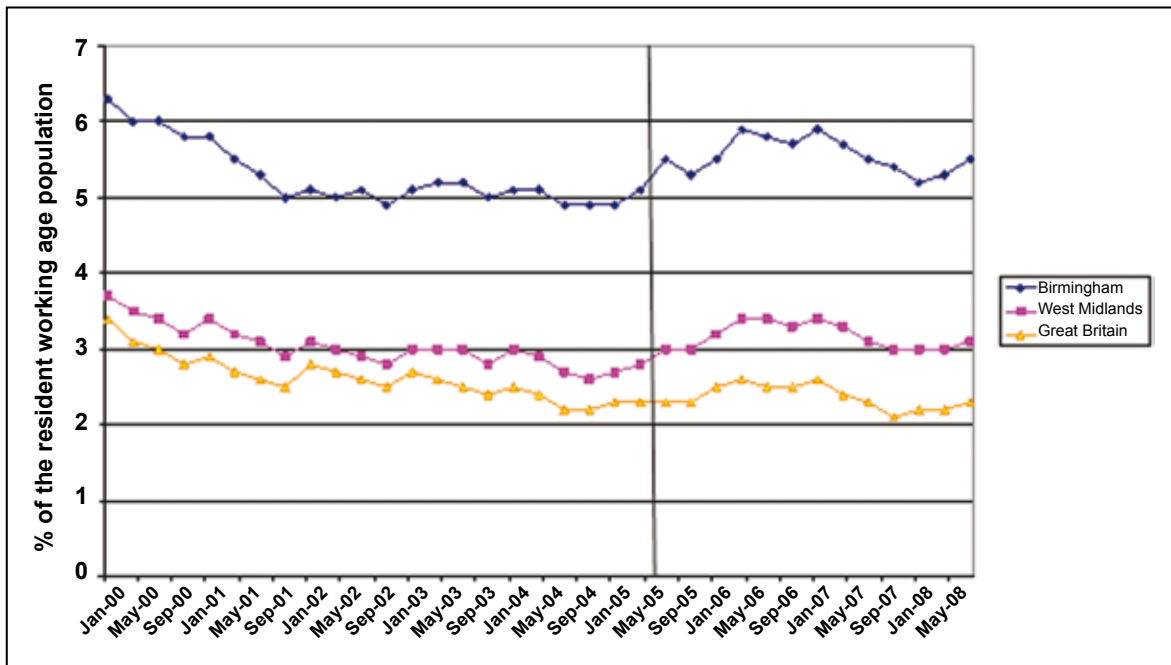
Overall, this suggests that the impact of the plant closure on local labour markets is likely to have been uneven spatially and profession-related (see Chapain and Murie, 2008). This also suggests that some of the redundant workers were competing for similar jobs in areas of Birmingham and the West Midlands. Their chances to re-enter employment were thus dependent on the state of the local labour market as well their propensity to travel to access the regional market.

Figure 3.5 presents the proportion of claimants of unemployment-related benefits⁴ related to the working resident age population for Birmingham and the West Midlands from 2000 to 2008.

⁴ These are currently the Jobseeker's Allowance (JSA) and National Insurance (NI) unemployment credits. Unemployment related benefit claimants do not exactly correspond to unemployment as defined by the International Labour Organisation. For example, claimant counts exclude unemployed people who do not claim or are not eligible for benefits, whilst they include inactive claimants and some employed claimants. That is why the two measures of unemployment are not comparable. Usually the claimant count data is less accurate than other measures of unemployment (ONS, 2006). However, claimant counts can be more reliable at sub-regional level than estimates of unemployment from the Labour Force Survey given the larger numbers involved

The data gives an idea of the degree of unemployment over the period. Up until the time of the closure, Birmingham, the West Midlands and UK were experiencing a relatively stable pattern of economic growth. The closure of MG Rover, abruptly ended this trend in Birmingham, however, and marked the start of an increase in unemployment in the city and the region. This local economic downturn was reinforced by a national trend up to January 2007 of rising unemployment. This suggests a relatively unfavourable economic climate for redundant workers to find reemployment and may have influenced the pathway of ex-MG Rover workers.

Figure 3.5: Job Seekers' Allowance claimants as a proportion of the resident working Age population, 2000-2008



Source: NOMIS (2008)

4. Ex-MG Rover workers: Different pathways to re-employment

This section presents the findings from our survey. First we look at the overall picture in 2008. Where are the ex-MG Rover workers? Have they found employment? What types of pathways do they seem to follow? Second we look in detail at the types of work they are doing. Are they doing manufacturing jobs? Are they in the same types of occupations? Third, we explore the changes in their personal income and fourth how their new situation may have affected their job quality and well-being. Many workers have undergone some form of training since the closure; sub-section five details this process. Finally, the last sub-section presents the extent to which ex-MG Rover workers have benefited from policy support and if they have found this helpful.

4.1 The ‘good news’ story emerging from our findings is that around 90% of ex-MG Rover workers in our sample were in some form of employment in April 2008, with nearly three-quarters employed full-time, around 11% self-employed, and just under 5% employed part-time. However, another 5% were unemployed and looking for work and 2% were unemployed and not looking for work. The results are illustrated in Table 4.1. One person had retired and another is now caring for children or relatives, representing just 1% of our sample. The proportion of those retired or caring for dependents in our sample was lower than the figure reported by Vector Research (2006) in its study 18 months after the closure. Overall the activity rate in our sample was over 95%, above the average for the West Midlands of 83%.

Table 4.1: Main employment status at Wave Three

	Wave One	Wave Two	Wave Three
Total number of respondents	185	176	204
Employment status (%)			
Self-employed	2.2	4.5	10.8
Employed full-time	22.7	52.3	73.5
Employed part-time	2.2	3.4	4.4
Still employed at MG Rover	4.3	2.3	
In full-time education/training	4.9	4.5	1.0
In part-time education/training	2.2	0.6	1.5
Unemployed, looking for work	58.4	28.4	4.9
Unemployed, not looking for work	1.6	0.6	2.0
Caring for children or relatives			0.5
Retired		0.6	0.5
Other or on incapacity/disability benefit	1.6	2.8	1.0

Note: In order to allow for a longitudinal analysis, this table only includes respondents from Wave One and Two that were part of the Wave Three survey. This explains why the numbers of respondents for Waves One and Two are lower than the number of people interviewed for each Wave respectively

Ex-MG Rover workers: Different pathways to re-employment

As to workers' contractual arrangements, some 86% of ex-MG Rover workers employed are now on permanent contracts, with the remainder (14%) employed on a casual basis, or on fixed-term contracts, or via agency work.

An average profile of ex-MG Rover workers by their current status of employment at Wave Three is presented in Table 4.4 on page 25. Overall, workers in full time employment were more likely to be male and younger, having worked a slightly shorter period of time at MG Rover. On average, workers in self-employment at Wave Three were older, more qualified, had been in managerial or professional at MG Rover, and own their own house. In contrast, workers employed part-time at Wave Three were more likely to be female, had higher qualifications, had worked a long period of time at MG Rover and are now working in services. Respondents that were still unemployed and looking for work at Wave Three were more likely to be older, had lower levels of qualification and did not own their house. Finally, respondents that were inactive at Wave Three were more likely to be close to retirement age, to be female, to have lower levels of qualification and to own their house. These brief demographic profiles by employment status suggest that some ex-MG Rover workers may have encountered difficulties in finding work according to their specific characteristics.

This is confirmed by respondents' answers. Opportunities for re-employment were tempered by the problems that ex-workers feel they had to face, with nearly two-thirds of those currently employed, and over 80% of those unemployed, reporting such problems. Key problems cited by ex-workers are detailed in Table 4.2 on the next page, and include too many people applying for the same job, age, a negative reputation of MG Rover workers, a lack of skills and experience, as well as the opposite problem, that of being over qualified for the jobs available. This may explain why some 70% of workers found their job through personal connections and initiative, including personal contacts (including family and colleagues) (29%), searching via the newspaper and internet (27%), approaching firms directly (10%), and starting their own firms (6%).

We found that workers had often had more than one job since working at MG Rover. Around a third of those employed full-time at Wave Three reported having had more than one job since leaving MG Rover whereas this proportion rose to 70% for those unemployed and looking for work. All (100%) of the workers in part-time employment reported that they had had more than one job since MG Rover. Interestingly, three-quarters of those unemployed and not looking for work reported having had more than one job since leaving MG Rover, which raises the question as to why they have now dropped out of the labour market.

Table 4.2 Problems in finding employment

	Employed at Wave Three	Unemployed at Wave Three
Proportion of respondents who faced problems trying to find employment after MG Rover (%)	64.2	83.3
Problems faced (%)		
Age	51.9	46.7
Lack of skills/experience	35.6	40.0
Being overqualified	27.9	20.0
Too many people applying for same job	59.6	66.7
The negative reputation of MG Rover workers	36.5	26.7
Lack of support from Job Centre	3.8	NA
No specific or official qualification	1.9	NA
Health or disability problem	3.8	NA
No local jobs	2.9	NA
Too few jobs in my specific qualification	1.9	NA
Other: wanting a permanent job	1.9	NA

In terms of self employment, 11% of respondents were self employed in March 2008. Of these, the majority became self-employed over a year after the closure. The self-employed workers followed different pathways into self-employment. In November 2005 (ie at Wave Two), 27% were already self-employed, 37% were employed full-time, and 32% were unemployed and looking for work.

In terms of workers who went into self-employment, 13 of the 22 in March 2008 ran a company on their own and 17 had just one client. Common occupations taken up by self-employed workers include work related to the car industry (eg as independent automotive engineers and consultants) but also quite different areas of work such as plumbers, carpenters, gardeners, and driving instructors. The frequency of the first two groups (independent auto engineers and consultants) amongst self-employed workers may help explain why it has been ex-workers with higher occupational profiles who were more likely to have gone into self-employment. Around

Ex-MG Rover workers: Different pathways to re-employment

70% of respondents who are currently self-employed were in managerial or professional occupations at MG Rover (Table 4.4 on the next page)⁵.

4.2 Pathways to work

Previous research has shown that workers present different profiles regarding the time they take to re-enter the labour market depending on their personal characteristics and strategies to work. Around 185 of the respondents were in employment at Wave Three. In order to explore if they have followed different pathways to re-enter the labour market, we divided them according to their employment status at all three waves (employed versus unemployed). This left us with a sample of 129 respondents divided into three categories (see Table 4.3): those in our sample who found employment relatively quickly after the closure (ie, by 3 or 8 months following the redundancies) and that were still in employment at Wave Three; and those who were unable to do so immediately (ie were still unemployed eight months after the closure) but had found work by three years after the closure.

Table 4.3: Pathways to re-employment according to the time taken to re-enter the labour market

	Number	Employed at Wave One (3 months after the closure)	Employed at Wave Two (8 months after the closure)	Employed at Wave Three (3 years after the closure)
Pathway 1	45	Yes	Yes	Yes
Pathway 2	48	No	Yes	Yes
Pathway 3	36	No	No	Yes

Table 4.5 on page 26 presents the average profile of respondents according to each of these pathways. We notice differences in terms of demographic profiles by pathway. For example, the time taken to re-enter the labour market seems inversely related to age and the length of work at MG Rover as well as levels of qualifications. There also seems to be a relationship between the pathways and issues such as work history since the closure, training, the level of occupations at MG Rover, changes in travel patterns, and in income. These differences are explored in more detail in subsequent sections, which look at findings related to work, income, well-being, training and policy support.

⁵ 'Managerial and professional occupations' refers to groups 1, 2 and 3 in the Standard Occupation Classification (SOC), namely managers and administrators, professional occupations, and associate professional and technical occupations

Table 4.4: Key indicators by employment status at Wave Three

	Self-employed	Employed full-time	Employed part-time	In full time or part time training	Unemployed, looking for work	Inactive and not looking for work	All respondents
Number of respondents	22	150	9	5	10	8	204
As a proportion of all respondents (%)	11%	74%	4%	2%	5%	4%	100
Demographic profile							
Average age (years)	51	48	53	44	54	56	49
Proportion of female workers (%)	14%	5%	22%	0%	10%	25%	7%
Housing situation							
Proportion of respondents outright owner/joint owner of their home (%)	59%	37%	44%	40%	30%	88%	42%
Length of work at MG Rover							
Average number of years worked at MG Rover	23	20	24	24	22	23	21
Qualification and occupation at MG Rover							
Proportion of respondents with NFQ4 or more (%)	73%	31%	33%	40%	20%	25%	35%
Proportion of respondents having a managerial or a professional position at MG Rover (%)	68%	34%	44%	20%	0%	50%	36%
Training							
Proportion of respondents who have undergone some form of training since the closure (%)	71%	58%	100%	100%	60%	50%	61%
Job profile at Wave Three							
Proportion of respondents using the same skills as at MG Rover (%)	NA	39%	22%	NA	NA	NA	NA
Proportion of respondents now working in services (%)	NA	59%	78%	NA	NA	NA	NA
Job history since the closure							
Proportion of respondents who had more than one part-time or full-time job	NA	32%	100%	NA	NA	NA	NA
Proportion of respondents who had one full-time job or more before becoming unemployed or inactive	NA	NA	NA	NA	70%	*75%	NA
Travel							
Proportion of respondents who increased their travel distance to work compared with MG Rover (%)	46%	41%	44%	NA	NA	NA	41%
Income**							
Median yearly personal income at Wave Three (£)	20,400	22,000	8,500	5,240	4,814	5,235	20,000
Median yearly personal income difference between Wave Three and MG Rover adjusted for inflation (£)	-11,232	-4,536	-16,662	-21,765	-15,851	-23,670	-5,962
Proportion of respondents who increased their yearly personal income (%)	20%	26%	0%	0%	0%	0%	22%

Note: * This only include the people who were unemployed at Wave Three and not looking for work or retired, but not people on benefit or looking after their family.
****:** We are looking here at personal income for all respondents, not salary as some respondents were not in employment at Wave Three. This explains part of the major differences in income between the various employment statuses.

Ex-MG Rover workers: Different pathways to re-employment

Table 4.5: Average profile of respondents by pathway

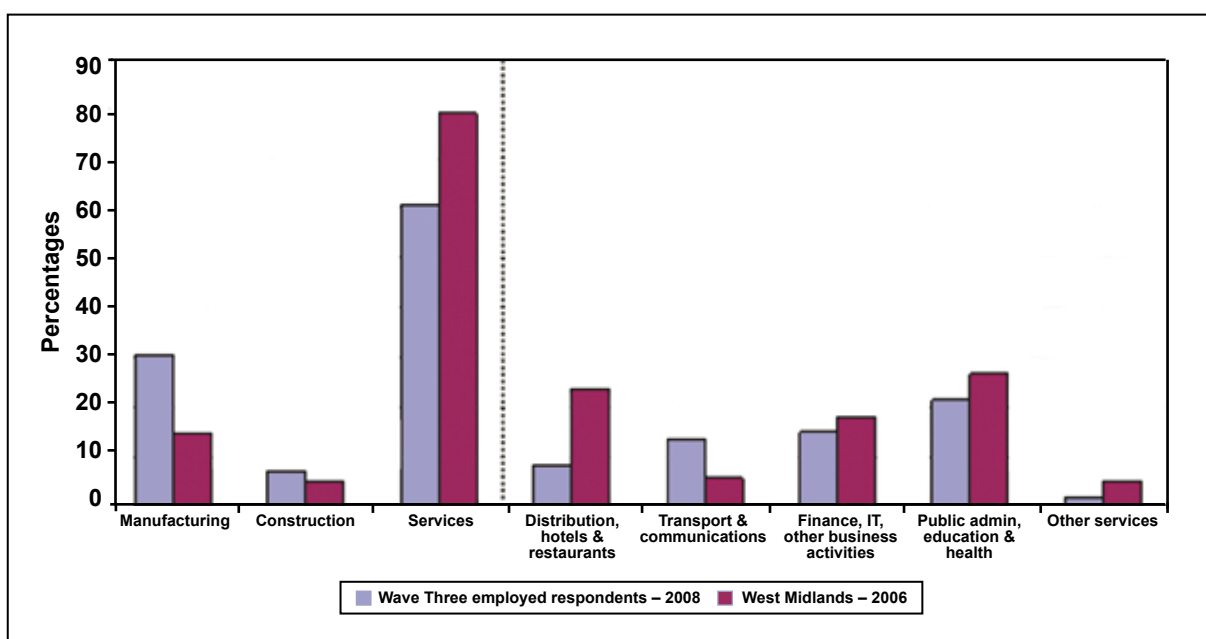
	Path 1	Path 2	Path 3	All respondents
	Employed at all 3 waves	Unemployed at Wave One but employed at Waves Two and Three	Unemployed at Waves One and Two but employed at Wave Three	
Number of respondents	45	48	36	204
Demographic				
Mean age	48	49	50	49
Proportion of female workers (%)	11%	6%	6%	7%
Housing situation				
Proportion of respondents outright owner/joint owner of home (%)	47%	46%	36%	42%
Length of work at MG Rover				
Average number of years working at MG Rover	19	20	22	21
Qualification and occupation at MG Rover				
Proportion of respondents with NFQ4 qualification or more (%)	44%	40%	33%	35%
Proportion of respondents having a managerial or professional position at MG Rover (%)	41%	48%	30%	36%
Work at Wave Three				
Proportion of respondents using same skills as at MG Rover (%)	53%	33%	27%	NA
Proportion of respondents now working in services (%)	56%	68%	66%	NA
Work history since leaving MG Rover				
<i>Proportion of respondents who had more than one job since MG Rover closed (%)*</i>	50%	49%	43%	NA
Training				
Proportion of respondents having had some form of training since the closure (%)	39%	63%	78%	61%
Travel				
Proportion of respondents who increased their travel distance to work compared with MG Rover (%)	40%	56%	25%	41%
Income**				
Proportion of respondents who increased their personal income compared with MG Rover (%)	40%	38%	6%	30%
Median yearly personal income difference between Wave Three and MG Rover adjusted for inflation (£)	-3,664	-5,094	-8,486	-5,962
Proportion of respondents who increased their yearly personal income at Wave Three compared with MG Rover taking into account inflation (%)	30%	31%	7%	22%

* This proportion only includes full-time and part-time workers at Wave Three and does not include people in self-employment.

** We are looking here at personal income for all respondents, which include mainly salary but also other sources of income for some of the respondents.

4.3 Work Firstly, we examined the industries in which ex-MG Rover workers have found employment three years on. Our examination reveals a shift away from employment in manufacturing towards employment in service industries. This shift mirrors the employment structure found in the wider UK economy. However, the proportion of our sample employed in manufacturing was still around double that of the regional average (see Figure 4.6).

Figure 4.6: Re-employment by industry: regional comparison



Source: Own survey and NOMIS (2008)

Major shifts have taken place in occupational patterns from MG Rover, including (as expected) a shift away from employment as plant and machine operatives (from around a third of workers at MG Rover to around 20% of ex-workers at Wave Three), as well as a fall in the proportion classed as managers (from 18% to 12%) and professional (from 12% to 3%). At the same time there was an increase in employment at associate professional and technician status (from 9% to 15%), in personal services (from zero to 9%) and in elementary skills (from 2% to 12%).

This occupational shift is also reflected in the type of skills that workers reported using in their current roles; more than 60 % of all those employed at Wave Three said that in their new jobs they were now using different skills to those they used at MG Rover (see Table 4.7).

Table 4.7: Comparison of skills used

	%
Exactly the same role as you had at MG Rover	3.7
A very similar role, using many of the same skills	19.8
A slightly different role, but using some of the same skills	14.2
A different role, using few of the same skills	8.6
A completely different role, using completely different skills	53.7

Based on this finding, we explored whether workers chose to re-skill to enable them to find employment relatively quickly post-MG Rover, or if workers re-skilled because jobs comparable to those at MG Rover were not readily available. Using the pathways approach identified above to analyse these trends, we found that the quicker people found re-employment post MG Rover, the more likely they were to use the same skills as at MG Rover in their new role (see Table 4.5 above). What this suggests is that those who had found re-employment by three months following the closure reported feeling relatively employable and found jobs using similar skills to those used MG Rover.

In addition to the type of skills used, we also explored the level at which workers are employing these skills. Our examination of occupational level or profile relative to MG Rover revealed that by Wave Three some had changed occupational level (ie, some workers had moved from being unskilled workers to being skilled workers and some up to managers or professionals). 34% reported higher occupational level roles at Wave Three compared to when at MG Rover. Whilst over the span of three years we expected to see some upward movement over time, there was also significant downward mobility: 31% reported a lower occupational status at Wave Three than they did previously. The remaining third maintained a similar position over time.

Table 4.8 shows the changes in occupational status compared with MG Rover in more detail. For example, slightly more than 60% of respondents who were in the position of manager at MG Rover have undergone some form of down-skilling and at Wave Three occupied lower positions. In contrast, all respondents who occupied elementary positions at MG Rover have undergone some form of up-skilling and at Wave Three occupied higher occupational levels either as process plants and operatives, or in personal services or administration and secretarial occupations.

Table 4.8: Changes in occupational status

		Occupation at Wave Three									TOTAL
		1.00 Managers	2.00 Professionals	3.00 Ass. professional and tech.	4.00 Admi. and secretarial	5.00 Skilled trades	6.00 Personal service	7.00 Sales and customer service	8.00 Process, plant and machine operatives	9.00 Elementary	
Occupation at MG Rover	1.00 Managers	38%	4%	29%	13%	13%	0%	0%	4%	0%	100%
	2.00 Professionals	10%	30%	20%	10%	10%	10%	0%	10%	0%	100%
	3.00 Ass. professional and tech.	42%	8%	25%	17%	0%	0%	0%	8%	0%	100%
	4.00 Admi. and secretarial	10%	0%	20%	30%	0%	10%	10%	0%	20%	100%
	5.00 Skilled trades	0%	0%	20%	0%	40%	7%	3%	17%	13%	100%
	8.00 process, plant and machine operatives	2%	0%	6%	4%	18%	14%	4%	37%	16%	100%
	9.00 Elementary	0%	0%	0%	25%	0%	25%	0%	50%	0%	100%

Note: Cases highlighted in blue denote a switch toward higher occupations, while cases highlighted in green denote a switch toward lower occupations. Cases highlighted in yellow show the proportion of people who did not experience any change in their occupation levels

4.4 Income Given these shifts in both occupational status and skills use over time, we would expect to see some changes in income. The previous study (Armstrong, 2006) examining results from Waves One and Two revealed that workers’ salaries were on average lower than when at MG Rover. Three years on, a key question is whether workers’ salaries recovered to their original – or even a higher – rate than at MG Rover? Using median estimates⁶, workers’ unadjusted annual salaries, adjusted for inflation⁷, at the time of the Wave Three interviews were significantly lower than their final MG Rover salaries (Table 4.9) with a median salary difference of £5,640 for

⁶ Here we use median estimates of salary, as large discrepancies between mean and median estimates suggest the mean estimates in this sample were somewhat distorted by outliers

⁷ All salaries reported at Wave Three in 2008, unless otherwise stated, have been adjusted for inflation to 2005 prices. Inflation has been based on the CPI index figures giving an average of 4% each year

Ex-MG Rover workers: Different pathways to re-employment

those employed at Wave Three. Given that the majority of workers had left MG Rover more than three years ago; this discrepancy represents a significant decline in annual wages. Our findings also indicate a greater dispersion of earnings and yet again a differential story, with a third of respondents reporting an increase in salary, and two-thirds a decrease in salary.

Table 4.9: Median, minimum and maximum annual salaries (£)at MG Rover and at time of Wave Three survey*

Employed respondents at Wave Three (n =173)	Median	Min	Max
Last salary at MG Rover	24,000	9,000	70,000
Salary at Wave Three	20,800	3,588	180,000
Estimated inflated salary at Wave Three (to 2005£)	18,728	3,232	162,620

*Only including cases where n>5 workers employed in the respective industry.

As shown in Table 4.10 below, based on adjusted wage differences, workers employed at the time of the Wave Three interviews are earning less than they did while employed by MG Rover across all industries. Workers who found re-employment in the construction sector are earning relatively similar salaries. The largest salary declines are observed for workers who are now employed in the education or health and social work sectors.

Table 4.10: Median annual salary (£) differences by current industry*

	N	Inflation adjusted salary difference (median)
Manufacturing	42	-4,043
Construction	9	-1,421
Wholesale and retail	11	-6,036
Transport, storage and communications	20	-3,473
Real estate and business	20	-6,261
Public admin, defence and social security	7	-4,982
Education	12	-8,788
Health and social work	13	-7,739

*Only including cases where n>5 workers employed in the respective industry.

Examining salaries by industry provides one comparison of income levels, but to provide more insight we also made a comparison by current occupational level (see Table 4.11 below). Our analysis reveals that workers in management positions at Wave Three are earning just slightly more than when at MG Rover. Using median estimates, workers in all other occupational categories are earning less at Wave Three than when employed at MG Rover.

Table 4.11: Median annual salary (£) differences by current occupation*

	N	Inflation adjusted salary difference (median)
Managers/senior officials	16	1,280
Professionals	5	-9,622
Associate professional and technical	22	-5,946
Admin. and secretarial	12	-6,261
Skilled trades	24	-2,232
Personal services	13	-7,739
Process, plant and machine operatives	28	-4,874
Elementary	17	-8,504

*Only including cases where n>5 workers employed in the respective occupation

The overall comparison of income levels highlights the relative drop in salaries that nearly all MG Rover workers have witnessed. However, occupation and industry have not been the only factors to dictate the salary levels of workers. We also observed salary differences among workers who became re-employed shortly after the closure relative to those for whom re-employment took longer. Those who had found employment by eight months following the closure report higher salaries three years on compared to those who were still unemployed eight months after the closure. Those amongst the last to find re-employment (ie, by the time of the Wave Three interview) reported a loss in salary relative to their MG Rover salary, and reported lower salaries compare to those who found re-employment sooner (Table 4.5 above).

We have reported a general trend of lower incomes amongst ex-MG Rover workers, but salaries at MG Rover were relatively high for the manufacturing sector and in many cases workers' salaries reflected their length of service as well as their knowledge and skill. Thus, we also contrasted participants' current salaries with the UK average, as seen in Tables 4.12 and 4.13

below. Former MG Rover workers employed in manufacturing, construction and wholesale and retail at Wave Three are earning similar annual wages relative to the UK median. Ex-MG Rover workers working in other industries at Wave Three (ie, transport, storage and communications, real estate and business, public administration, defence and social security, education and health and social work) are earning substantially less per annum than UK workers on average.

Table 4.12: Median unadjusted annual salary (£) by current industry for ex-MG Rover workers and UK average*

	Median salary at Wave Three (ex-MG Rover workers)	Median salary (UK average – ASHE ⁸)
Manufacturing	24,000	23,892
Construction	24,000	25,795
Wholesale and retail	19,000	19,267
Transport, storage and communications	20,000	24,666
Real estate and business	19,500	27,395
Public admin, defence and social security	20,500	26,041
Education	18,175	25,949
Health and social work	14,000	22,633

*Only including cases where n>5.

Contrasting the same data for occupational levels at Wave Three revealed that ex-MG Rover employees employed in management, administrative or secretarial or skilled trades posts are earning more on average than the typical UK worker. In contrast, workers employed in professional, associate professional, personal services, process, plant and machine operatives and elementary occupations reported earning less than the UK median.

Generally, most ex-MG Rover workers have experienced a fall in their income level even three years after the closure. To investigate the impact of this income drop we examined the implications of these salary shifts on workers' financial wellbeing. Whilst nearly a quarter of the sample at Wave Three were in debt or needed to draw on savings, 36 % said that they were just about able to manage on current income and a further 38 % feel they were in a position to save some money. Thus, nearly three quarters of our sample reported being relatively financially

⁸ See ONS Annual Survey of Hours and Earnings (ASHE) 2007

stable. Despite this stability, overall, the majority of ex-MG Rover workers in our sample (66 %) felt that they were now financially worse off than they were when at MG Rover.

Table 4.13: Median unadjusted annual salary (£) by current industry for ex-MG Rover workers and UK average*

	Median salary at Wave Three (ex-MG Rover workers)	Median salary (UK average – ASHE)
Managers/senior officials	42,000	35,422
Professionals	25,000	34,260
Assoc. professional and technical	22,400	27,286
Admin. And secretarial	21,500	18,157
Skilled trades	24,000	22,464
Personal services	14,200	15,566
Process, plant and machine operatives	16,720	20,738
Elementary	14,560	16,393

*Only including cases where n>5.

The seeming discrepancy between a general drop in wages after the plant closure and the majority of respondents feeling worse off, yet at the same time at least three quarters reporting relative financial stability may be explained by the relatively high levels of wages witnessed at MG Rover. The average yearly salary at MG Rover was £27,624 or £514 weekly compared with £404 for a full time worker (£444 for a man) in the West Midlands in 2005. Thus, disposable income was higher for workers while at MG Rover compared to the regional average.

Finally, it is worth noting that for most ex-MG Rover workers their main source of personal income is salary (66%), for others it is earnings (18%). However, over 6% report a pension as a main source of income. Interestingly, only one person in the sample identified themselves as being retired. The other individuals drawing a pension have reported themselves as either being in some form of employment or in training.

4.5 Just as perception of workers' financial situations compared to actual relative income is an important aspect of post MG Rover life for ex-workers, it is also important to consider the wider job-related impacts on their quality of life. Here we look at workers' perceptions of their current jobs in terms of quality and satisfaction, and also consider their commuting time and general life satisfaction.

**Job quality
and
well-being**

Previous research has highlighted the importance of the quality of jobs for workers' health and well-being and performance. 'Good-quality' jobs can be seen to comprise the following factors:

- Autonomy and task discretion;
- Control;
- Lack of monotony;
- Appropriate use of skills;
- Balance between effort and reward;
- Fairness;
- Support;
- Opportunity for development and progression.

In a recent analysis of the European Working Conditions Survey (EWCS), Fauth and McVerry (2008) constructed an index of 'good jobs' based on the above definition. Using elements of the EWCS survey, at Wave Three we asked our sample of ex-MG Rover workers about various aspects of their current jobs in order to compile a comparative measure of their job quality (see Table 4.14). The index created by Fauth and McVerry comprised 18 indicators, each coded in a 'yes' or 'no' format⁹. In our survey we asked respondents about 17 of those 18 indicators. Table 4.14 exhibits the proportion of ex-MG Rover workers with non professional occupational profiles who agreed that each indicator is present in their current jobs and the comparative score from the EWCS profiles of UK non professional men in manufacturing. The results are provided for men only given the high proportion of male workers at MG Rover¹⁰.

In general, the job quality reported by our sample is reasonably positive with an average score of 7 out of 17 job quality indicators. However, when compared with national averages collected by the EWCS, the differences were particularly striking when comparing workers from the two

⁹ Respondents were asked to rate each item on a 1-5 scale of agreement where 1 meant strongly disagree and 5 strongly agree. To create this index scores of 3,4 and 5 (neutral, agree and strongly agree) were recoded as 'yes' the indicator is present in the current job. An index of overall job quality was created as the sum of 'yes' responses to each indicator

¹⁰ Exploratory Factor Analysis was used to create reliable subscales of good quality jobs, the items that comprise each subscale can be seen in Table 4.14

surveys working in ‘non-professional occupations’¹¹ (see Table 4.14). The ex-MG Rover workers reported slightly lower levels of autonomy, challenge, skill use and progression and opportunity in their new jobs compared with the UK national average.

Table 4.14: Comparison of average job quality of ex MG Rover workers to UK average – non professional male manufacturing profiles only

Subscales of job quality and individual items	Ex-MGR non professionals	EWCS (UK) non professionals
Autonomy	1.69*	2.05
Some choice over schedule	0.32	0.37
Choose/change speed/rate of work	0.42*	0.61
Choose/change order of tasks	0.51*	0.57
Choose/change methods of work	0.46*	0.53
Support, opportunities and progression	2.16*	2.8
Perception of job security	0.65*	0.84
Well paid for work	0.31*	0.51
Assistance from supervisors available	0.57*	0.64
Opportunities to learn/grow	0.42	0.54
Good prospects for career advancement	0.23*	0.35
Monotony	0.37	0.4
No monotonous tasks	0.37	0.4
Skill use	1.33*	1.72
Able to apply own ideas	0.51	0.5
Job duties correspond well with skills	0.36	0.54
Opportunity to do what do best	0.48*	0.69
Challenge at work	1.56*	1.78
Complex tasks	0.46	0.42
Learning new things	0.54*	0.58
Employer offers training	0.18*	0.51
Intellectually demanding	0.39	0.3
Total (of 17 items)	7.12	8.74

* Ex-MG Rover workers report significantly lower score than UK average for comparative occupational profiles

¹¹ ‘Non professional’ includes: administrative and secretarial; skilled trades; personal services; process, plant and machine operatives; elementary)

In addition to comparing the job quality of ex-MG Rover workers to the national average, we are also interested in ex-workers' perceptions of general job quality in their current posts relative to their experiences at MG Rover.

Of those in our sample employed at Wave Three, just over a quarter feel that their current job is better than the one they had at MG Rover (see Tables 4.15 and 4.16) yet 45% think their current job is worse than at MG Rover. Despite this, the majority (63%) reported liking their current job, and see themselves doing it for the foreseeable future. So, while most workers like their current job, the previously reported strong camaraderie and good working conditions experienced at MG Rover held strong positive memories that were hard for new jobs to compete with (Armstrong, 2006).

Table 4.15: Perceptions of current job compared with MG Rover

Current job compared with MG Rover	%
Better than your job at MG Rover	28.3
About the same as your job at MG Rover	21.2
Worse than your job at MG Rover	45.7
Not sure	4.9

Table 4.16: Perceptions of job future

How respondent feels about their job	%
A job that you like, and see yourself doing for the foreseeable future	63.0
A job that you don't like, but see yourself doing for the foreseeable future	14.9
A stop-gap while you wait for something better to come along	21.0
A way to pay the bills until you finish your education /training	1.1

Income, perceptions of financial stability and job quality – both current and relative – are all important influences on life satisfaction and general well-being. At Wave Three, most workers reported good health more generally as well as with regards to lifestyle (eg, exercise, substance use¹²). Anxiety levels at Wave Three were significantly lower than at Wave Two across the

¹² 70% of our sample undertook moderate or vigorous exercise for 30 minutes or more on two or more days a week, 40% did so on 4 or more days per week. 176 out of 204 of our sample were non-smokers and 62 out of 204 did not drink alcohol, 115 out of 204 drank between 1 and 14 units a week (within NHS recommended weekly guidelines – see <http://units.nhs.uk/howMany.html>)

whole sample. Anxiety levels at Wave Two were moderate, with a mean rating of 3 out of 5 but by Wave Three had fallen to 2.4 out of 5¹³ (where 1 = low anxiety and 5 = high anxiety).

Thus, approximately three years following the closure, impacts on ex-workers' general health do not appear to be substantial and ex-workers appear to have adjusted quite well. Given reports of anxiety in previous surveys, however, we examined job-related influences on life satisfaction and anxiety amongst our sample in Wave Three, specifically comparing differences between those who were re-employed at different points in time following the closure.

Two key factors from our survey are positively related to life satisfaction and anxiety levels: the use of similar skills in current jobs when compared to MG Rover and commuting distance to work.

Ex-MG Rover workers who reported using similar skills in their current job to those they used at MG Rover earned significantly more at Wave Three¹⁴ and reported significantly better overall job quality¹⁵, as compared to workers who reported using different skills at Wave Three. Specifically, they reported significantly more autonomy and challenge in their current jobs and lower levels of monotony¹⁶. Life satisfaction scores are also significantly higher and anxiety levels significantly lower for ex-MG Rover workers who use the same skills at Wave Three as they did at MG Rover¹⁷. This latter result is perhaps unsurprising in that if workers use comparable skills over the course of their careers, job changes are likely to be less threatening and the learning curve is flatter.

The second and more unexpected finding was that those people who had a longer commute to work reported lower anxiety levels and better overall job quality than those who worked comparatively closer to home at Wave Three. The average commute of those employed or studying at Wave Three was 16 miles and 70% of workers travelled 16 miles or less. 74% used their own car to travel to and from work. To examine the effects of change in commute time compared to working at MG Rover we created an indicator variable identifying those whose

¹³ n=172 (respondents present at Wave Two and Three), standard deviation = 1.24 and 1.23 correspondingly

¹⁴ Mean earnings when using same skills of £2,007 (unadjusted) more than at MG Rover compared to mean earnings of £3,084 (unadjusted) less than at MG Rover if using different skills (significant at 5% level)

¹⁵ Mean of 8.6 out of 17 job quality indicators if use same skills now compared to mean of 6.9 out of 17 if use different skills (significant at 5% level)

¹⁶ Mean scores if use same skills now all higher than if use different skills – challenge at work 0.7 out of 4 higher (significant at 1% level); autonomy 0.4 out of 4 higher (significant at 10% level); monotony 0.15 out of 1 higher (significant at 10% level)

¹⁷ Those using the same skills had mean life satisfaction scores of 3.1 (out of 5) and anxiety 2.1 (out of 5). Those using different skills had scores of 3.4 and 2.6 respectively. Differences were significant at 5% level

commute had increased or decreased relative to their commute to MG Rover. For 54%, the commute distance to work had increased since working at MG Rover. An increase in travel compared to when at MG Rover was associated with lower anxiety levels¹⁸. Comparing workers' commute times at Wave Three revealed that longer commute times were positively associated with autonomy, skill use, challenge at work and overall job quality¹⁹.

The explanation for this may lie in the fact that our analysis also revealed that variation in workers' length of commute was related to the time it took the ex-MG Rover workers to become re-employed. Those who found employment by eight months (Wave Two) reported having to travel further to work than those who found employment later (ie, by the time of Wave Three) – see Table 4.5. This finding suggests that people who were willing to travel further found employment quicker and found better jobs. Further, the lower levels of anxiety of those who travel further for work compared to those who work closer to home suggest that perhaps this extra effort pays off.

To summarise our findings on job quality and well-being, most participants in our sample were employed by Wave Three, workers reported reasonable job satisfaction and perceived that they would be in their current jobs for the foreseeable future. Whilst many felt that their jobs were not as good as at MG Rover and incomes were generally significantly lower than at the time of the closure, the majority felt worse off *yet also* financially stable even if they were not able to save substantial amounts of money. In general, life satisfaction rates were not overwhelmingly high, but neither were they very low. Most people reported feeling healthy, but felt that their health was generally poorer than when they were at MG Rover. Positively though, reported anxiety levels were lower than in previous waves of our survey. Three years on from the closure, those who were re-employed by eight months in jobs that used similar skills to the ones they used at MG Rover but commuted further to work reported the lowest levels of anxiety.

4.6 Training At Wave One, around a quarter of the sample were not even aware that MG Rover workers were entitled to reskilling in a manufacturing skill. Consequently, only 29% of the sample had actually taken advantage of the reskilling opportunity. In addition, fewer than half of the workers were aware of the free training support available for wives and partners of MG Rover workers,

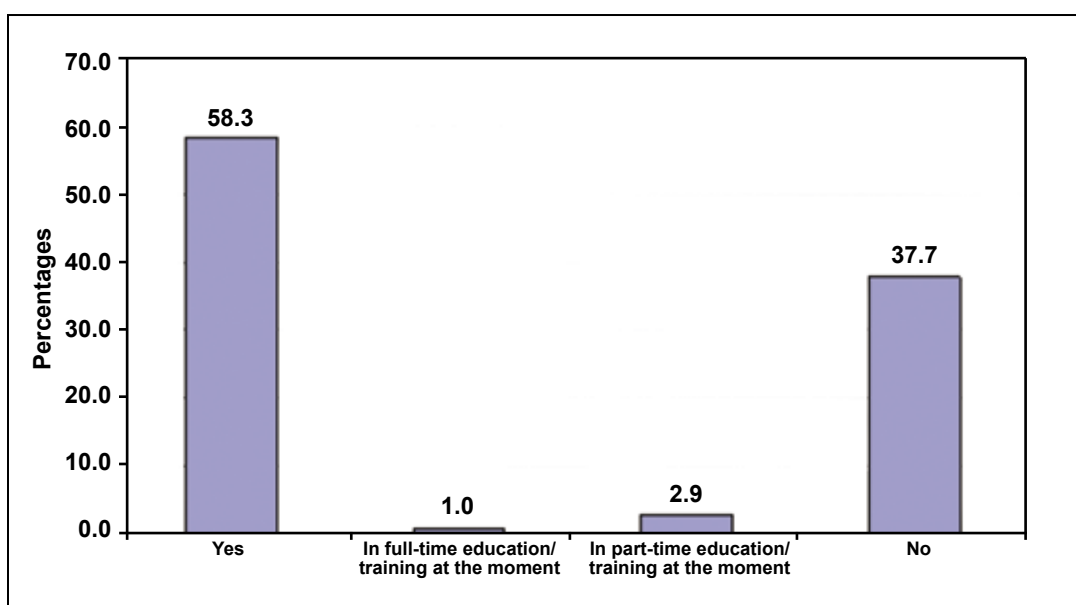
¹⁸ Anxiety levels in those reporting an increase in commute distance compared to MG Rover were 2.14 (out of 5 where 1 is low anxiety) compared to 2.56 in those who reported a decreased commute. The difference was significant at 5% level

¹⁹ Longer commute times were positively correlated with higher levels of autonomy in a new job ($r=0.2$, $p<0.05$); skill use ($r=0.16$, $p<0.05$); challenge at work ($r=0.23$, $p<0.01$) and overall job quality ($r=0.22$, $p<0.05$). This might also link to the observation in Vector Research (2006) that the Leamington Spa/Warwick and other Warwickshire area (including Gaydon) had become significant, with automotive firms in this area taking on ex MG Rover workers, especially those in professional and managerial roles

resulting in just 5 out of the 273 having a partner enrolled in the training. At Wave Two, this picture was very similar, with not many more workers and their partners taking advantage of the services available to them. From the point of view of both workers and service-providers, this was clearly less than ideal and would appear to reflect a lack of effective communication as to what support was available.

By Wave Three, the situation had improved dramatically, with 60% of respondents indicating that they had undertaken some form of training (including on job training), as indicated in Figure 4.17 below.

Figure 4.17: Whether Wave Three respondents had any education or training since leaving MG Rover



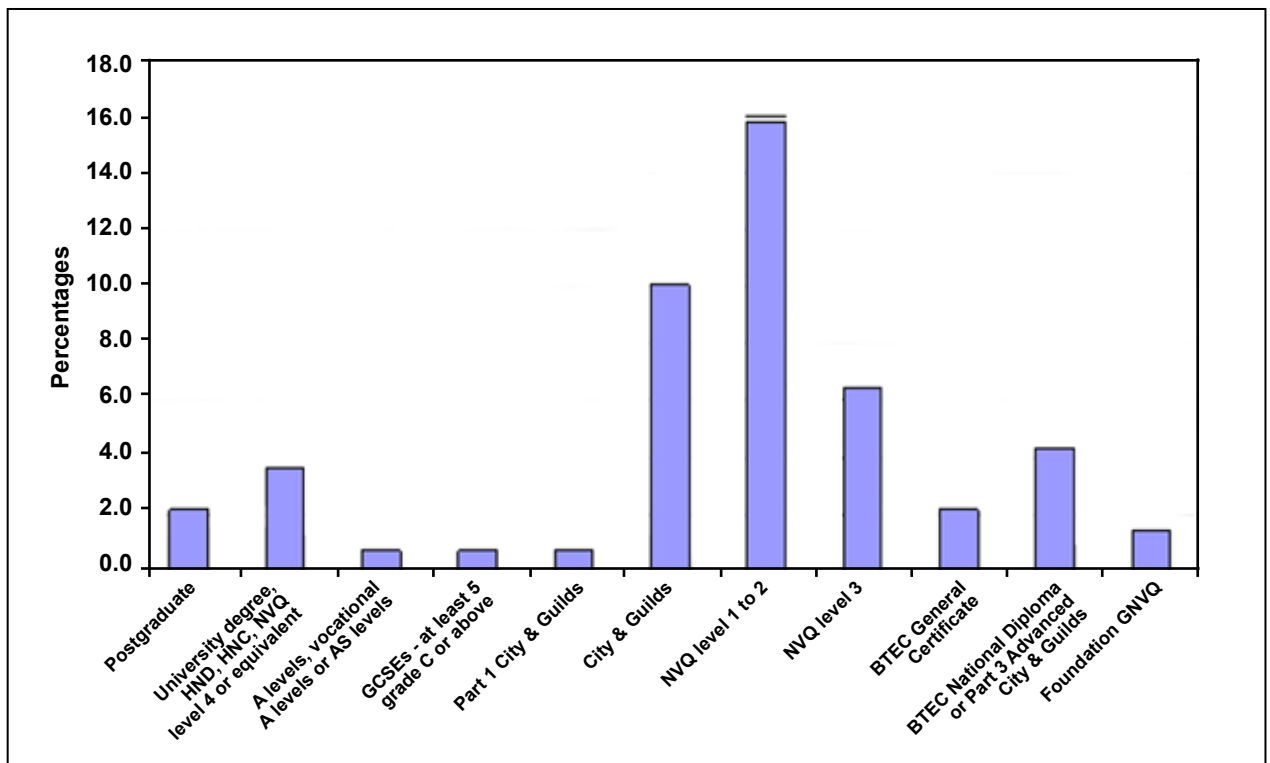
A positive feature of this finding is that a majority of workers retrained to increase their opportunities or to change career or vocation; in particular 35% decided to retrain to increase their opportunities, 24% to change career, and 13% as a requirement of their new job²⁰. Interestingly, only 8% took up training as an alternative to unemployment, and 7% because they were simply unable to find work with their qualifications.

²⁰ This appears to tally with other research on ex MG Rover workers; Vector Research (2006) found that after 18 months, around 40% of ex-MG rover workers saw the closure as a career opportunity

Ex-MG Rover workers: Different pathways to re-employment

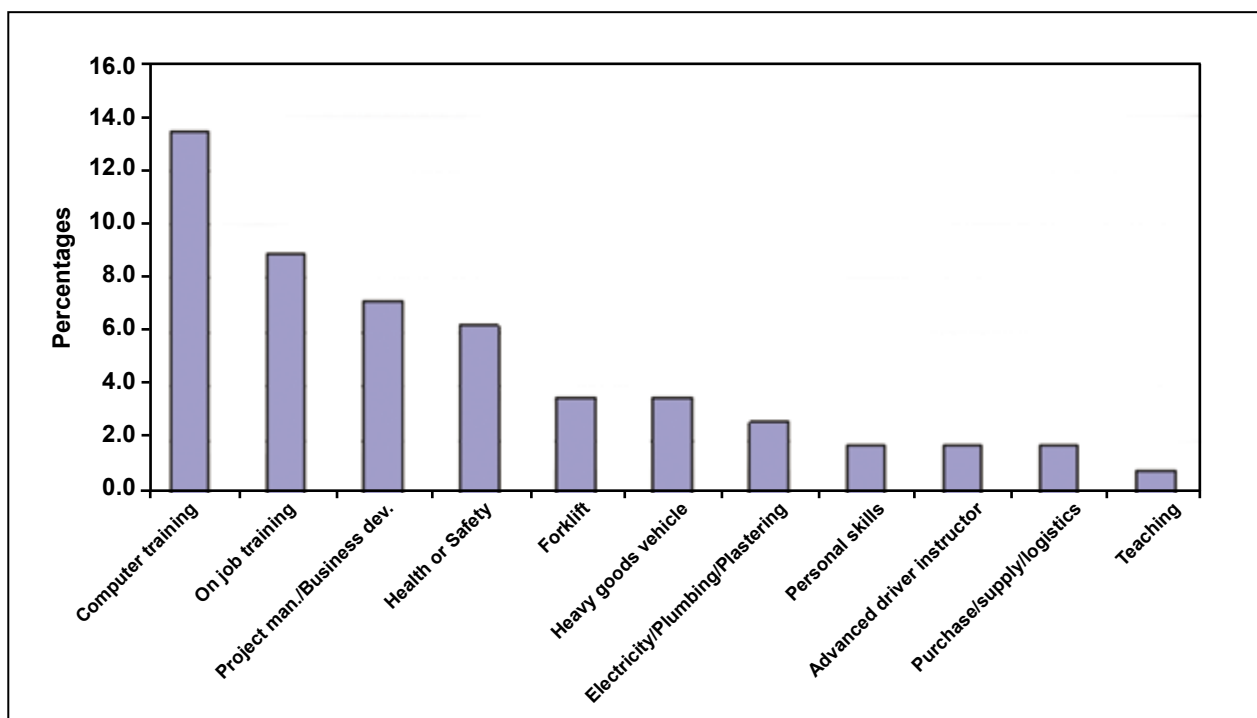
Of those workers undertaking training, around a half trained towards a recognised academic qualification (mostly vocational in nature). Figures 4.18 and 4.19 below indicate the academic and non-academic qualifications pursued by ex-MG Rover workers. The very fact that ex-workers pursued specific forms of academic and vocational training ranging from post-graduate studies to National Vocational Qualifications (NVQs) in a range of currently demanded skills such as information technology may help to explain some key findings of our study, notably the positive uptake of training opportunities, in contrast to research on other plant closures²¹. For example, Shuttleworth *et al* (2005) in their study of workers made redundant at Harland and Wholff noted a low take up of training in general skills by redundant workers, but a positive outcome on programmes specifically linked to employment.

Figure 4.18: Academic qualifications worked or working towards



²¹ See Donnelly and Scholarios (1998) who survey research on plant closures and note a general finding of low reported levels of training, reskilling or transition to self-employment

Figure 4.19: Non-academic qualifications worked or working towards



Further analysis shows that there is a small yet significant difference in perceptions of health where people have done some form of training, specifically if they had access to a free training place. Those who had a free training place reported less of a decline in their overall health since MG Rover relative to those who had not received training. Job satisfaction is also higher for those who have received some form of training, but there was no difference in job satisfaction between those who had a free training place and those who did not. Of course, there may be possible selection/recollection effects in operation; those who have taken up training places and generally feel better may remember their health to be better at MG Rover as compared with those who have not taken up free training places or who have 'worse' (ie lower quality) jobs. So, possibly the healthier were more likely to take up help and get on better, or those who have faired 'worse' perceive the difference compared to MG Rover to be greater. Whether this is real, or state of mind, is not clear.

Ex-workers going onto manufacturing jobs split quite evenly between those having and not having received training, whereas – perhaps not surprisingly – workers moving into different

Ex-MG Rover workers: Different pathways to re-employment

sectors (such as construction, transport, storage and communications, and real estate and business) tended to be more likely to receive training, as shown in Table 4.20 below:

Table 4.20 Who took up training? Of those now working, the following received training (includes self employed):

N=149	Received training (n)	Didn't receive training (n)
Agriculture	1	0
Manufacturing	25	21
Utilities	2	1
Construction	10	0
Wholesale and retail	6	7
Transport, storage and communications	13	7
Financial intermediation	1	0
Real estate and business	13	7
Public admin, defence and social security	5	2
Education	7	5
Health and social work	7	6
Other	3	0

Workers across different age ranges seem to have undertaken training, as indicated in Table 4.21 below, with the age group 45-54 accounting for the largest group in the sample.

Table 4.21: Who received training? By age group the following received training:

Age groups (N=119)	Received training (n)	Didn't receive training (n)
25-34	2	2
35-44	33	23
45-54	59	27
55+	25	25

Referring back to our 'pathways' approach (Table 4.5), of those who had some form of training, 23% were employed in all waves (Pathway 1), 40% were unemployed in Wave One and employed in Two and Three (Pathway 2), and 38% were unemployed in Waves One and Two and employed in Wave Three (Pathway 3). Those who were employed earlier (ie at Wave One) were less likely to receive training, whereas those who were not employed until later waves (Two and Three) were more likely to take up training, with the figure for the third pathway (ie those unemployed at Waves One and Two but employed at Wave Three) most noticeable in that almost 80% of this pathway had received training.

Finally it is worth noting that the take-up of training varies considerably across workers depending on their employment status at Wave Three, with 100% of those in part-time employment taking up training. This may be because such workers have taken up part-time employment to enable training and study (a positive choice) or have only been able to find part-time work, in which case engaging in training and education is a way of trying to improve their prospects.

The self-employed were the next most likely to have taken up training and education (over 70% of this group having done so), with the 'employed full time' group least likely amongst those working to have taken up training or education (58% having done so). Amongst those unemployed, 60% of those looking for work stated that they had taken up training or education, whilst only 25% of those not looking for work had done so, reflecting the fact that they have in effect dropped out of the labour market.

4.7 Policy support and implications

There was a wide-ranging policy response to the closure of MG Rover in 2005 through the various organisations that were part of the second MG Rover Task Force. As noted above, the effectiveness of the various policy interventions, their level of take-up and how they were perceived by their target groups can all have an impact on the pathway to re-employment of redundant workers. In this section, we present some of our findings related to these issues.

One of the key actions of policy makers in the days following the closure of MG Rover was a very speedy response in terms of registering redundant workers onto job seeker allowance payments. This has proved to be effective as 86% of respondents made a JSA claim. 74% of them had done so one week after the closure and up to 82% were registered after two weeks. The remaining claimants (18%) took up to one year to register which might indicate some initial unsuccessful job search or even job experiences.

Ex-MG Rover workers: Different pathways to re-employment

Table 4.22 gives some information on the workers' knowledge about the forms of assistance that were available to them and their families and the degree to which they used these.

It is interesting to note that workers were more informed about the direct and job related forms of assistance available than the ones available to their families such as training for their partners or child care allowance. In addition, very few knew that their new employer could send them on a training course; however, up to a third of workers who did know about this form of assistance actually used it. The more personal and traditional forms of assistance seem to be the ones that received the most take-up like visits to a job fair, information on job opportunities and help from Jobcentre plus. These are forms of assistance which imply very few changes in the existing skills of the workers. On the contrary, only half of the workers who knew about training needs and assessment and free training courses used this form of assistance.

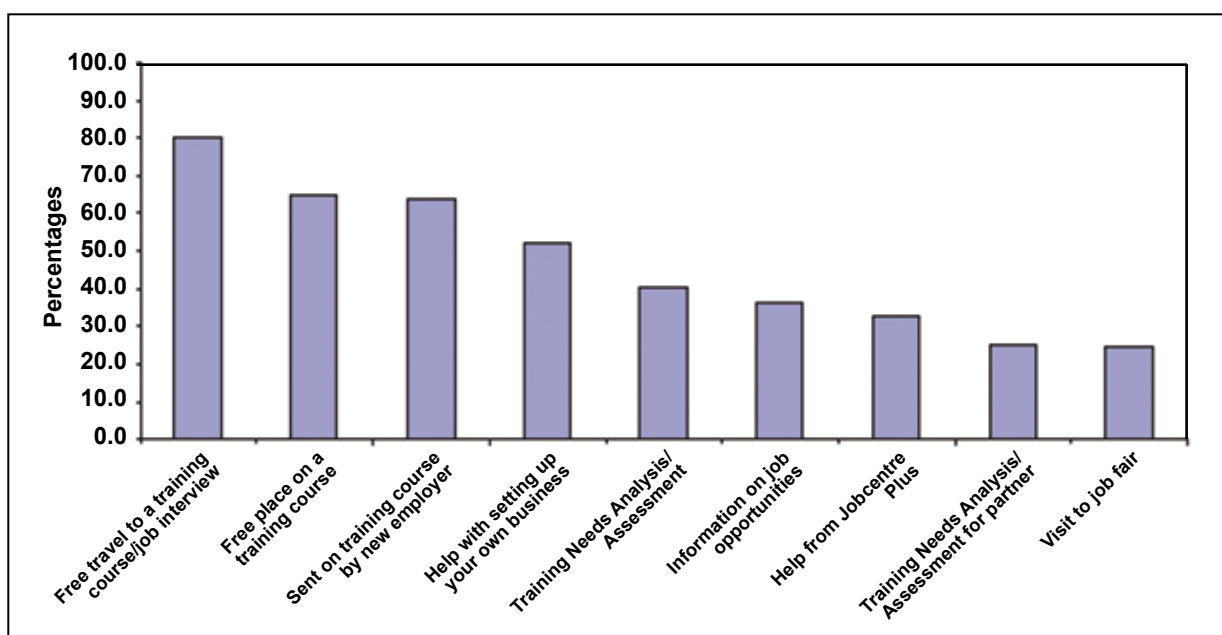
Table 4.22: Knowledge and use of available policy support

	Knew about the form of assistance	Received this form of assistance	Ratio use/knowledge
Visit to a Job fair	78.4%	56.4%	72%
Free place on a training course	73.5%	37.3%	51%
Training Needs Analysis/assessment	67.6%	32.8%	49%
Information on job opportunities	65.2%	45.6%	70%
Help from Jobcentre plus	52.5%	35.8%	68%
Free travel to a training course/job interview	48.0%	9.8%	20%
Help with setting up own business	43.6%	10.3%	24%
Training Needs Analysis/assessment for partner	33.8%	2.0%	6%
Free place on a training course for partner/wife/husband	29.4%	0.5%	2%
Sent on training course by new employer	17.6%	5.4%	31%
Child care allowances for going on a training course	17.2%	1.0%	6%

Note: The cases highlighted in yellow indicates that the ratio use/knowledge is above 50%

Although more traditional forms of help such as obtaining information or visiting a job fair were the most popular in terms of take up, less than 40% of the workers who used these found them helpful (see Figure 4.23). These findings are confirmed by the fact that a majority of employed workers at Wave Three found their new job through their own initiative or through personal relations. Alternatively, more than 60% of workers who took up assistance such as free training courses or free travel to go on training courses or a job interview found these helpful. These findings re-iterate the importance of the more transformational types of assistance like training in the re-employment process. However, these types of assistance are the ones that seem to have been less widely disseminated and which have received less take up from workers. This suggests a need for a better framework of intervention to help and inform workers at the beginning of the redundancy process and also a better management of workers' expectations regarding the help they would receive. It is important to remember, however, that having to cope with 6,000 redundant workers simultaneously was a huge challenge for the organisations concerned and may have hindered operational efficiency in terms of marketing and delivery. A more gradual process of redundancy might well have helped delivery organisations to deal with these issues.

Figure 4.23: Proportion of workers finding assistance helpful



Ex-MG Rover workers: Different pathways to re-employment

There was very little difference between the assistance received by respondents in Pathways 1 and 2 (Table 4.24). However, higher proportions of respondents in Pathway 3 (ie those who took more time to re-enter employment) received assistance especially in terms of training and help from Jobcentre Plus. This is consistent with the fact that many of these workers had to acquire new skills to find a new job.

Table 4.24: Take up of support by Pathway

	Pathway 1	Pathway 2	Pathway 3	All respondents
Visit to a job fair	46.7%	56.3%	58.3%	56.4%
Information on job opportunities	44.4%	43.8%	50.0%	45.6%
Free place on a training course	24.4%	35.4%	55.6%	37.3%
Help from Jobcentre plus	31.1%	29.2%	50.0%	35.8%
Training Needs Analysis/assessment	31.1%	29.2%	47.2%	32.8%
Help with setting up own business	13.3%	10.4%	13.9%	10.3%
Free travel to a training course/job interview	6.7%	12.5%	11.1%	9.8%
Sent on training course by new employer	8.9%	8.3%	5.6%	5.4%
Training Needs Analysis/assessment for partner	2.2%	6.3%	0.0%	2.0%
Child care allowances for going on a training course	2.2%	0.0%	2.8%	1.0%
Free place on a training course for partner/wife/husband	2.2%	2.1%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%

Note: The cases highlighted in green indicate that these proportions are at least 10% higher than the average proportions for all respondents

In addition to the help provided by the MG Rover Task Force, Birmingham City Council set up a telephone help-line to answer questions from workers. Like other forms of assistance, this had to be set up very quickly, and was broadly seen as a welcome development, stimulating thinking about having a more permanent emergency line at the local level. Interestingly, some two thirds of respondents said that they knew about this help-line. Half of these used this form of assistance and 44% found it helpful. The latter figure, however, might still suggest a need for an evaluation of the gap between the expectations of the workers and the help they received.

Ex-MG Rover workers: Different pathways to re-employment

In addition to the specific supports put in place by the MG Rover Task Force and Birmingham City Council, workers were able to access 'regular' medical and community supports. When asked about their use of these services since the closure, 15% to 25% of workers stated that they had seen a GP or had been a hospital in-patient more than usual since the closure, which is suggestive of a negative impact in terms of health as discussed previously (Table 4.25). Very few used other community or health services more than usual although around a tenth were already receiving this type of support prior to the closure, which might have had a positive impact.

Table 4.25: Frequency of other services used since the closure

	General practitioner	Hospital in-patient	Self-help or support group	NHS walk in centre	Government family and youth services	Community support	Private councillor
More than usual	24.0%	14.7%	3.4%	1.5%	1.0%	1.5%	2.9%
Same as usual	57.8%	29.4%	14.2%	13.2%	11.3%	13.7%	9.3%
Less than usual	8.8%	5.9%	2.5%	2.0%	2.0%	2.0%	2.0%
Not at all	9.3%	50.0%	79.9%	83.3%	85.8%	82.8%	85.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Even though many workers have received some form of policy support to help in overcoming the shock of redundancy, few of them felt that they had received adequate support from their local community or the government in the last three years (Table 4.26). In contrast, ex workers felt that family and friends played a key role in terms of support throughout the redundancy process, as well as support from ex-MG Rover employees and the trade unions, especially in the three to eight months following the closure. These results highlight the importance of existing support networks in helping workers through these difficult times. This may be explained by a shared culture and understanding of their professional and personal situations easing the process of adaptation. Again, this might suggest the need for more embedded support and a gradual redundancy process when dealing with plant closure on such a scale.

Table 4.26: Scale of agreement regarding support received

	Agree or strongly agree (%)		
	Wave One	Wave Two	Wave Three
I feel supported by family and friends at this time	76.5	71.1	75.5
I am receiving adequate support from my local community at this time	10.8	12.7	10.3
I am receiving support from ex-MG Rover employees	31.8	26.0	15.2
I am receiving adequate support from the trade unions	18.6	13.2	8.3
I am receiving adequate help from government	Na	Na	6.4
I would like to receive further support at this time	60.1	43.6	Na

In terms of satisfaction with support by pathway, workers in Pathway 1 (who in general used least support services as they quickly re-entered work – see Table 4.24 above) showed higher levels of satisfaction with support offered, especially that offered by trade unions (see Table 4.27 below). Workers in Pathway 3 (those re-entering employment later) also seemed more appreciative of the support they received than Pathway 2 workers.

Table 4.27: Scale of agreement regarding support received by pathway

	Agree or strongly agree (%)			
	Pathway 1	Pathway 2	Pathway 3	Total – Wave Three
I feel supported by family and friends at this time	97.8	62.5	80.6	75.5
I am receiving adequate support from my local community at this time	20.0	6.3	2.9	10.3
I am receiving support from ex-MG Rover employees	26.7	10.4	16.7	15.2
I am receiving adequate support from the trade unions	15.9	2.1	5.6	8.3
I am receiving adequate help from government	8.9	4.2	8.3	6.4

Thinking more broadly about policy implications, effective policy intervention requires supporting people to enable them to have different options to move within the same sector. Avoiding sudden closures and slowing down the process also enables workers released to pick up jobs

arising through 'replacement demand' where firms require workers to cover those who have left, retired and so on. Such replacement demand can actually be quite significant and in the medium term may outweigh negative changes arising from projected decline (see Wilson *et al*, 2006).

Economic diversification should also be supported, particularly post credit crunch. This means supporting modern manufacturing (see BERR/DIUS, 2008 for example), such as through equipping people with skills for service jobs in the same sector. On this, government and agencies need to ensure that employees have the necessary skills to cope as industries change, through high quality, flexible education, training, information, and mobility programmes (a more 'Nordic' approach). Here it needs to be recognised that much work was done by the RDA Advantage West Midlands and other agencies, before the MG Rover closure, in diversifying the supply chain and economy, and this work may have 'saved' as many as 10,000-12,000 jobs in the supply chain (Bailey and MacNeill, 2008).

Another key lesson is the need for agencies to be able to hit the ground running; on this it is helpful to have knowledge and actions in place rather than 'fire fighting' after the event. Indeed, when MG Rover closed in 2005, the MG Rover Task Force Mark II was able to start work on the day of the closure announcement. Such advance preparation work could work well in future closure situations, as it is unlikely that a future closure would happen without at least some prior warning. There is a need for a permanent capacity to deal with these issues, as a way of having institutional memory of how things were done. This is particularly pertinent given the current climate and the potential for more closures and possibly simultaneous closures of smaller businesses.

While the workforce of ex-MG Rover workers have adjusted well and have used much personal initiative in coping with the shock of closure, overall salaries are still substantially lower than at MG Rover, and show a much wider spread. Workers who remained employed in the manufacturing sector are earning relatively similar salaries as they did at MG Rover. The largest salary declines were observed for workers who are now employed in the education or health and social work sectors. As suggested in the Wave Two report (Armstrong, 2006), a policy response is needed to tackle growing labour market polarisation and inequality – this needs to go beyond a reliance on the National Minimum Wage and include a focus on training and skills.

The 'success' story in the case of ex-MG Rover workers seems linked to the specific forms of training and education that were taken up and which provided skills of use in the local labour

market. Training and education played a key role in particular in ensuring those who did not find re-employment quickly were not left unsupported and moving onto long term benefits. Moreover, those who retrained, specifically those who took up a free training place, reported more positive health outcomes compared to those who did not. However, a greater degree of differentiation in support may be appropriate in similar situations in the future. In particular, our research has identified three 'pathways' back into re-employment, looking at different groups of workers (those employed by three months after the closure, those employed eight months on and those still unemployed at eight months but in employment by three years after the closure).

As noted, those who found employment earliest used similar skills as before and reported high levels of satisfaction in their new work. Fewer of this group also took up training. Such workers reported better salaries than those who found work later. Those re-employed later on tended to use different skill sets in new employment and more took up training. This supports OECD findings that workers who remain in similar jobs maintain higher relative wages following closures (see OECD, 2005). Despite liking their jobs today, nearly a half of those in work feel that their jobs are worse than when they were at MG Rover. Good quality manufacturing jobs are hard to replace for many workers. One way to help ensure more people keep jobs in the same industry, a point we allude to in this report, is by businesses and government ensuring that proper information, consultation rights and procedures are used to better effect at the first hint of trouble to explore different options and avoid complete closure overnight.

In terms of the local labour market, the strength of the local economy and labour market is a key determinant of how many workers will find re-employment. In this sense, whilst the Birmingham economy has relatively high unemployment, the broader West Midlands economy offered opportunities for re-employment for workers. Supporting the ability to travel to work (as happened in this case through the MG Rover Task force intervening to renegotiate car loans) also appears a critical factor. Those ex-workers who made the effort to travel furthest to find work reported lower anxiety levels and more satisfying jobs.

Overall, a differentiated and tailored approach is needed in closure situations to support the needs of individuals in coping with the change. Some require more psychological support, particularly if they cannot find re-employment quickly. Whilst a 'baseline' set of services is necessary for all workers, if the characteristics of workers likely to go into different pathways can be identified at the outset, a more tailored approach may be possible which better suits ex-workers' training and other needs. As suggested in the Wave Two report (Armstrong,

2006), for workers in Pathways 2 and 3, specific interventions may be needed that build the psychological resources of the underemployed and unemployed ex-workers and help to limit the negative impact of their lack of good work on their psychological and physical well-being. That is especially important as at Wave Two those in training and education reported the highest levels of anxiety. Such tailored support would combine help psychologically, in making training and education available and accessible, enabling mobility (both in occupational and physical terms), counselling and support regarding finance and debt, and help for partners to retrain and/or enter work.

Overall we require a mix of proactive and 'intelligent' reactive policy interventions. On the one hand, this involves a set of policies geared up through good institutional memory, ready to act to support closures, as well as advanced action to support economic diversification, particularly post credit crunch. The latter means supporting modern manufacturing, and equipping people with skills for service jobs in the same sector. Government and agencies should ensure employees have the necessary skills to cope as industries change. As such government needs to ensure high quality, flexible education and training as well as information and mobility programmes.

5. Concluding thoughts. What does this tell us? What needs to be done next time?

This report has presented new data related to a major factory closure that has been collected at a later stage (three years after the MG Rover closure) than that discussed in much of the wider literature.

Previous research has highlighted the importance of considering various dimensions when looking at the pathways to re-employment after a redundancy, including:

- The personal attributes of the workers;
- Local labour demand and geographical mobility;
- The quality and location of employment, individual health and well-being, and prospects for lasting career opportunities;
- How effective various policy interventions were, their level of take-up and how they were perceived by the target group.

This is the approach taken in this report, which has presented an overview of where ex-MG Rover workers were in April 2008, three years after the closure. These new data and findings shed further light on the longer term adjustments linked to plant closure and redundancy in the current changing economy.

The MG Rover workers and the spatial context of the closure

At the time of the closure, in 2005, the MG Rover workers were widely distributed throughout Birmingham and the West Midlands with many of them living in a triangle stretching across the south of Birmingham, extending along the A38 to Bromsgrove, Redditch and Wychavon in the south and to Dudley and Sandwell in the West. There were, however, some disparities in this geographical distribution with workers with lower occupations being centred on Birmingham and the 'Black Country' and higher occupation workers working further away.

This suggests that the impact of the plant closure on local labour markets is likely to have been uneven spatially and profession-related and that some of the redundant workers were competing for similar jobs in some parts of Birmingham and the West Midlands. Their chances to re-enter employment were thus dependent on the state of their local labour markets as well as their propensity to travel to access the regional market.

The overall picture

The 'good news' story emerging from our findings is that around 90% of ex-MG Rover workers were in some form of employment in April 2008, with nearly three-quarters employed full-time, around 11% self-employed, and just under 5% employed part-time. Only 5% were still

Concluding thoughts. What does this tell us? What needs to be done next time?

unemployed and looking for work. Overall the activity rate for the sample was over 95%, above the average for the West Midlands (83%). As to workers' contractual arrangements, some 86% of ex-MG Rover workers employed are now on permanent contracts, with the remainder (14%) employed on a casual basis, or on fixed-term contracts, or via agency work.

These figures suggest a successful process of re-entering the labour market for a majority of workers. However, they hide different stories at the individual level as many workers reported problems in finding work such as age, a negative reputation of MG Rover workers, a lack of skills and experience, as well as the opposite problem, that of being over qualified for the jobs available.

Overall, workers in full time employment were more likely to be male and younger and had worked for a slightly shorter period of time at MG Rover. On average, workers in self-employment at Wave Three were older, more qualified, had been in managerial or professional positions at MG Rover and owned their homes. In contrast, workers employed part-time at Wave Three were more likely to be female, have higher qualifications, have worked long periods of time at MG Rover and were now working in services. Respondents that were still unemployed and looking for work at Wave Three were more likely to be older, had lower levels of qualification and did not own their home. Finally, respondents who were inactive at Wave Three were close to retirement age, were more likely to be female, to have lower levels of qualification and to own their home.

Some 70% of workers found their job through personal connections and initiative, including personal contacts (including family and colleagues) (29%), searching via the newspaper and internet) (27%), approaching firms directly (10%), and starting their own firms (6%).

Work

Our findings reveal a shift away from employment in manufacturing towards employment in service industries. This shift mirrors the employment structure found in the wider UK economy. However, the proportion of our sample employed in manufacturing was still about double that of the regional average.

Major shifts have taken place in the occupation patterns from MG Rover, including (as expected) a shift away from employment as plant and machine operatives as well as a fall in the proportion classed as managers and professionals. At the same time there was an increase in employment at associate professional and technician status, in personal services and in elementary skills.

Concluding thoughts. What does this tell us? What needs to be done next time?

This occupational shift is also reflected in type of skills workers reported using in their current roles; more than 60% of all those employed at Wave Three said that in their new jobs they were now using different skills to those they used at MG Rover.

Income

Given these shifts in both occupational status and skill use over time, we would expect to see some reflection in income. The previous study (Armstrong, 2006) examining results from Waves One and Two revealed that workers' salaries were on average lower than when at MG Rover.

Using median estimates, we found that workers' unadjusted annual salaries at the time of the Wave Three interviews were still significantly lower (£5,640 less) than their final MG Rover salaries. Given that the majority of workers had left MG Rover more than three years ago, this discrepancy represents a significant decline in annual wages.

Workers who were re-employed in the construction sector are earning relatively similar salaries. The largest salary declines are observed for workers who are now employed in the education or health and social work sectors. In addition, our analysis reveals that only workers in management positions at Wave Three are earning just slightly more than when at MG Rover.

When compared with the other UK workers, former MG Rover workers employed in manufacturing, construction and wholesale and retail at Wave Three are earning similar annual wages relative to the UK median. Ex-MG Rover workers working in other industries at Wave Three (ie, transport, storage and communications, real estate and business, public administration, defence and social security, education and health and social work) are earning substantially less per annum than UK workers on average.

Whilst nearly a quarter of the sample at Wave Three were in debt or needed to draw on savings, 36% said that they were just about able to manage on current income and a further 38% felt they were in a position to save some money. Thus, nearly three quarters of our sample reported being relatively financially stable. Despite this stability, overall, the majority of ex-MG Rover workers in our sample (66%) felt that they were now financially worse off than they were when at MG Rover. These findings reflect the major quality of life changes that many workers had to face following the closure.

Concluding thoughts. What does this tell us? What needs to be done next time?

Job quality and well-being

Respondents employed at Wave Three reported reasonable job satisfaction and perceived that they would be in their current jobs for the foreseeable future. Whilst many felt that their jobs were not as good as at MG Rover and incomes were generally significantly lower than at the time of the closure, the majority felt worse off yet also financially stable even if they were not able to save substantial amounts of money.

In general, life satisfaction rates were not overwhelmingly high, but neither were they very low. Most people reported feeling healthy, but felt that their health was generally poorer than when they were at MG Rover. Positively though, reported anxiety levels were lower than in previous waves of our survey.

Training

At Wave One, around a quarter of the sample were not even aware that MG Rover workers were entitled to re-skilling in a manufacturing skill. Consequently, only 29% of the sample had actually taken advantage of the re-skilling opportunity. At Wave Two, this picture was very similar, with not many more workers and their partners taking advantage of the services available to them.

By Wave Three, the situation had improved dramatically, with 60% of respondents indicating that they had undertaken some form of training (including on job training) by the time of the Wave Three survey.

A positive feature of this finding is that a majority of workers retrained to increase their opportunities or to change career or vocation; in particular 35% decided to retrain to increase their opportunities, 24% to change career, and 13% as a requirement of their new job.

Of those workers undertaking training, around a half trained towards a recognised academic qualification (mostly vocational in nature). The very fact that ex-workers pursued specific forms of academic and vocational training ranging from post-graduate studies to NVQs in a range of currently demanded skills such as information technology may help to explain some key findings of our study, notably the positive uptake of training opportunities, in contrast to research on other plant closures.

Concluding thoughts. What does this tell us? What needs to be done next time?

Further analysis showed that there is a small yet significant difference in perceptions of health where people have done some form of training, specifically if they had access to a free training place. Those who had a free training place reported less of a decline in their overall health since MG Rover relative to those who had not received training. Job satisfaction is also higher for those who have received some form of training, but there was no difference in job satisfaction between those who had a free training place and those who did not.

Pathways

Previous studies showed that workers may present different profiles regarding the time they would re-enter the labour market depending on their personal characteristics and strategies. Findings from our research seem to substantiate this idea.

Respondents who found re-employment sooner (ie were employed 3 months after the closure) were younger, use similar skills to those they used at MG Rover and earn more than other ex-MG Rover workers. They also seem to have been more mobile with many of them increasing their travel to work travel distance. Workers re-employed sooner also reported higher levels of overall job quality with higher life satisfaction and lower anxiety levels.

In contrast, workers who took more time to re-enter employment tend to be older, less qualified and less mobile. They had to undergo some form of training and had to change their work profile to find a job in their labour market. Consequently, they had to cope with a major reduction in their personal income.

Policy support

One of the key actions of policy makers in the days following the closure of MG Rover was to quickly register redundant workers on job seekers' allowance. This proved to be effective with the great majority of respondents making a claim in the first two weeks following the closure.

Other policy measures put in place had varying degrees of success in terms of marketing and take-up. Workers seem to have been more informed about the direct and job-related forms of assistance available than the support available to their families like training for their partners or child care allowance. The short term and traditional forms of assistance seem to be the ones that received the most take-up such as visits to a job fair, information on job opportunities and help from Jobcentre Plus. These are forms of assistance which imply very few changes in the existing skills of the workers. In contrast, only half of the workers who knew about training needs and assessment and free training courses used this form of assistance.

Concluding thoughts. What does this tell us? What needs to be done next time?

Although more traditional types of help like getting information or visiting a job fair were more popular, less than 40% of the workers who used these found them helpful. These findings are confirmed by the fact that a majority of employed workers at Wave Three found their new job through their own initiative or through personal relations. Alternatively, more than 60% of workers who used assistances such as going on a free training courses or receiving free travel to go on a training course or a job interview found these helpful.

In addition to the help provided by the MG Rover Task Force, Birmingham City Council set up a telephone help-line to answer questions from workers. Around two third of respondents stated that they knew about this help-line. Half of these used this form of assistance and some 44% found it helpful.

Even though many workers have received some form of policy support to overcome the challenge of redundancy, very few of them felt that they had received adequate support from their local community or the government in the last three years. It seems that family and friends played a key support role throughout the redundancy process, as had ex-MG Rover colleagues and the trade unions, especially in the three to eight months following the closure.

Policy implications

First of all, it is important to recognise that much work was done by the RDA Advantage West Midlands and other agencies before the MG Rover closure in diversifying the supply chain and economy and this avoided much larger job losses in the supply chain (Bailey and MacNeill, 2008). In addition, when MG Rover closed in 2005, the MG Rover Task Force Mark II was able to start work immediately on the day of the announcement of the closure.

Such advance preparation undeniably helped cushioned some of the impacts of the closure and could work well in future closure situations, as it is unlikely that a future closure would happen without at least some prior warning. This lesson points towards the need for good 'institutional memory' of how to operate in such situations, with some sort of permanent capacity to deal with closures.

While ex-MG Rover workers have adjusted well and have used much personal initiative in coping with the shock of closure, overall salaries are still substantially lower than at MG Rover, and show a much wider spread. Despite liking their jobs today, nearly a half of those in work feel that their jobs are worse than when they were working at MG Rover. Good quality

Concluding thoughts. What does this tell us? What needs to be done next time?

manufacturing jobs are hard to replace for many workers, and a greater emphasis on supporting manufacturing – and good quality manufacturing jobs – would be welcome.

Effective policy intervention requires supporting people to enable them to have different options to move within the same sector. Avoiding sudden closures and slowing down the process also enables workers released to pick up jobs arising through ‘replacement demand’ where firms require workers to cover those who have left, retired and so on. Such replacement demand can be quite significant and in the medium term may outweigh negative changes arising from projected decline (see Wilson *et al*, 2006).

Economic diversification should also be supported, particularly in a post credit crunch economy. This means supporting modern manufacturing, such as through equipping people with skills for service jobs in the same sector. On this, government and agencies need to ensure that employees have the necessary skills to cope as industries change, through high quality, flexible education, training, information, and mobility programmes (a more ‘Nordic’ approach).

Our research has identified three ‘pathways’ back into re-employment, looking at different groups of workers (those employed by Wave One, those employed by Wave Two, and those employed by Wave Three) with workers finding re-employment sooner being more able to find a job similar to their job at MG Rover and being in a better position in the labour market. Those who found employment earliest used similar skills as before and reported high levels of satisfaction in their new work, with fewer of this group taking up training. Such workers also reported better salaries than those who found work later. Those employed later on tended to use different skill sets and more took up training.

The largest salary declines were observed for workers who are now employed in the education or health and social work sectors. As suggested in the Wave Two report (Armstrong, 2006), a policy response is needed to tackle growing labour market polarisation and inequality – this needs to go beyond a reliance on the National Minimum Wage and include a focus on training and skills.

Whilst a ‘baseline’ set of services is necessary for all workers, if the characteristics of workers likely to go into different pathways can be identified at the outset, a more tailored approach may be possible which better suits ex-workers’ training and other needs. This is supported by our findings. The take up and effectiveness of the offered policy support measures allude to the

Concluding thoughts. What does this tell us? What needs to be done next time?

importance of the more transformational types of assistance like training in the re-employment process. However, these types of assistance were the ones that seem to have been less widely disseminated and which have received less take up from workers. This suggests a need for a better framework of intervention to help and inform workers at the beginning of the redundancy process but also a better management of workers' expectations regarding the help they would receive.

As suggested in the Wave Two report (Armstrong, 2006), for workers in Pathway 3, specific interventions may be needed that build the psychological resources of the underemployed and unemployed ex-MG Rover workers and help to limit the negative impact of their lack of good work on their psychological and physical well-being. That is especially important as at Wave Two those in training and education reported the highest anxiety levels. Such tailored support would combine help psychologically, in making training and education available and accessible, enabling mobility (both in occupational and physical terms), counselling and support regarding finance and debt, and help for partners to retrain and/or enter work.

Such training and education is ultimately associated with positive outcomes as those who retrained (especially if they took up a free training place) – as against those who did not – reported better health outcomes.

The fact that most workers found their work through personal contact and initiatives and that most of them found more support through their families and friends and many through ex-MG Rover colleagues highlight the importance of existing support networks in helping workers through difficult times like redundancy. This may be explained by a shared culture and understanding of professional and personal situations easing the process of adaptation. Again, this might advocate the need for the management of a more embedded support and gradual redundancy process when dealing with plant closure on such a scale.

Supporting the ability to travel to work (as happened in this case through the MG Rover Task Force intervening to renegotiate car loans) also appears a critical factor. Those ex-workers who made the effort to travel furthest to find work reported lower anxiety levels and more satisfying jobs.

The 'success' story in the case of ex-MG Rover workers also seems linked to the specific forms of training and education that were taken up and which provided skills of use in the

Concluding thoughts. What does this tell us? What needs to be done next time?

local labour market. In this regard, as has been noted in other studies of plant closures, the strength of the local economy and labour market is a key determinant of how many workers will find reemployment. In this sense, whilst the Birmingham economy has relatively high unemployment, the broader West Midlands economy offered opportunities for re-employment for workers.

Overall we suggest a mix of proactive and 'intelligent' reactive policy interventions. On the one hand, this involves a set of policies geared up through good institutional memory, ready to act to support closures, as well as action in advance to support economic diversification. The latter means supporting modern manufacturing, and equipping people with skills for service jobs in the same sector. Government and agencies should ensure employees have the necessary skills to cope as industries change. This is in line with the challenges identified in the Leitch Review in 2006. As such government needs to ensure high quality, flexible education and training as well as information and mobility programmes.

6. References

- Amicus the Union, *MG Rover Survey Report*, London, 2006
- Armstrong, K., *Life after MG Rover. The impact of the closure on the workers, their families and the community*, A report prepared for BBC Radio 4, The Work Foundation, 2006
- Armstrong, H. & Taylor, J., '*Regional Economics and Policy*' 2nd edition, Philip Allan, Oxford, 1993
- Bailey, D. & Macneill, S., The Rover Task Force: A Case Study in Proactive and Reactive Policy Intervention? *Regional Science Policy and Practice*, forthcoming, Vol.1, Iss.1, 2008
- Bailey, D., Kobayashi, S. & Macneill, S., Rover and Out? Globalisation, the West Midlands Auto Cluster, and the end of MG Rover, *Policy Studies*, Vol.29, Iss.3, 267-279, 2008
- Bailey N. & Turok I., Adjustment to Job losses in Britain's Major Cities, *Regional Studies*, Vol. 34 No. 7, pp. 631-653, 2000
- BERR/DIUS (Department for Business, Enterprise and Regulatory Reform/Department for Innovation, Universities and Skills), *Manufacturing: New Challenges, Opportunities*, BERR/DIUS, London, 2008
- Chapain C. & Murie A., The impact of factory closure on local communities and economies: the case of the MG Rover Longbridge closure in Birmingham, *Policy Studies*, 29:3,305 – 317, 2008
- Cobb, S., 'Physiological changes in men whose jobs were lost.' *Journal of Psychosomatic Research* 18: 245-58, 1974
- Cowling, M. & Isles, N., *Sent to Coventry? The Re-Employment of the Longbridge 5000*, The Work Foundation, London, 2005
- Dee, T., 'Alcohol abuse and economic conditions: Evidence from repeated cross sections of individual-level data.' *Health Economics*, 10: 257-70, 2001
- Donnelly, M. & Scholarios, D., Workers' experiences of Redundancy: Evidence from Scottish Defence-Dependent Companies, *Personnel Review*, 27(4), 1998

References

- Fauth, R. & McVerry, A., *Can 'good work' keep employees healthy? Evidence from across the EU*, The Work Foundation, London, 2008
- Fallick, B., 'A review of the recent empirical literature on displaced workers.' *Industrial and Labour Relations Review* 50(1): 5-12, 1996
- Henderson, R. & Shutt, J., Responding to a coalfield closure: old issues for a new regional development agency? *Local Economy*, 19 (1), 25-37, 2004
- H M Treasury, *Leitch Review of Skills. Prosperity for all in the Global Economy – World Class Skills, Final Report*, HMSO, London, 2006
- Hinde, K., Labour market experiences following plant closures: the case of Sunderland's shipyard workers, *Regional Studies*, 28, 713-724, 1994
- House of Commons. Trade and Industry Committee, Success and failure in the UK car manufacturing industry, *Fourth Report of Session 2006-07*, Report together with formal minutes, oral and written evidence, HC399, The Stationery Office, London, 2007
- Iversen, L. & Sabroe, S., 'Hospital admissions before and after shipyard closure.' *British Medical Journal* 299: 1073-76, 1988
- Kasl, S., Strategies of research on economic instability and health, *Psychological Medicine*, 12, 637-649, 1982
- Keefe, V. *et al*, 'Serious health events following involuntary job loss in New Zealand meat processing workers', *International Journal of Epidemiology* 31: 1155-61, 2002
- Kirkham, J. & Watts, H., Multi-locational manufacturing organisations and plant closures in urban areas, *Urban Studies*, 35 (9), 1559-1575, 1998
- Leitch Review of Skills, *Prosperity for all in the global economy – world class skills*. HM Treasury. Final Report, 2006
- MG Rover Task Force (RTF), *Six month on*, Prepared for submission to the Department of Trade and Industry, 2005

- MG Rover Task Force (RTF), *Final update report: the work goes on*, Prepared for submission to the Department of Trade and Industry, 2006
- National Audit Office (NAO), *The closure of MG Rover*, Ordered by the House of Common, 2006
- OECD (Organisation for Economic Cooperation and Development), *OECD Employment Outlook*, OECD, Paris, 2005
- O'Farrell, N. & Crouchley, P., Industrial closures in Ireland 1973–1981: analysis and implications, *Regional Studies*, 17, 411-427, 1983
- Office of National Statistics (ONS), *How exactly is employment measured? 2006*. Available from: http://www.statistics.gov.uk/downloads/theme_labour/employment.pdf (accessed 31st of May 2007)
- Pike, A., Task force and the organisation of economic development: the case of the North East Region of England. *Discussion Paper 02/3*, Centre for Urban and Regional Development Studies, University of Newcastle Upon Tyne, 2002
- Pike, A., Building a geographical political economy of closure: the case of R&DCo in North East England, *Antipode*, 39 (1), 93-125, 2005
- Pinch, S. & Mason, C., Redundancy in an expanding labour market: a case-study of displaced workers from two manufacturing plants in Southampton, *Urban Studies*, 28 (5), 735-757, 1991
- Regeneris Consulting (RC), MG Rover Task Force, *Closure of MG Rover: economic impact assessment: An interim report*, 2005a
- Regeneris Consulting (RC), MG Rover Task Force, *Closure of MG Rover: economic impact assessment. Stage 2 report*, 2005b
- Shutt, J., Henderson, R. & Kumi-Ampofo, F., Responding to a regional economic crisis: an impact and regeneration assessment of the Selby Coalfield Closure on the Yorkshire & Humber Region. *Paper delivered to the Regional Studies Association International Conference*, Pisa, Italy, 12th-15th April 2003.

References

- Tomaney, J., Cornford, J., Whittingham, D., Hayward, S., Pike, A. & Thomas, D., Workers' experience of plant closure: the case of Swan Hunter On Tyneside. *Discussion Paper No. 97/1 Centre for Urban and Regional Development Studies*, University of Newcastle upon Tyne, 1997
- Tomaney, J., Pike, A. & Cornford, J., Plant closure and the local economy: the case of Swan Hunter on Tyneside. *Regional Studies*, 33 (5), 401-411, 1999
- Vector Research, *MG Rover and Supplier Employee Longitudinal Study (ref no.368) Report 4 (18 months)* Prepared for Advantage West Midlands, Birmingham, 2006
- Waters, L. & Moore, K., Self-esteem, appraisal and coping: a comparison of unemployed and re-employed people, *Journal of Organisational Behaviour*, 23, 593-604, 2002
- Westin, S., The Structure of a Factory Closure: Individual Responses to Job Loss and Unemployment in a 10 Year Controlled Follow up Study, *Social Science Medicine*, 31(12), 1301-1311, 1990
- Wilson, R., Homenidan, K. & Dickinson, A., *Working Futures 2004-2014 National Report*, Wath-Upon-Deerne; Sector Skills Development Agency, 2006

Contact details

Birmingham Business School

Telephone: 0121 414 6706

<http://www.business.bham.ac.uk>

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording and/or otherwise without the prior written permission of the publishers. This publication may not be lent, resold, hired out or otherwise disposed of by way of trade in any form, binding or cover other than that in which it is published, without the prior consent of the publishers.

We provide:

Research

Consultancy

Leadership

Advocacy

Partnership

© The Work Foundation

Registered as a charity no: 290003

First published: November 2008

The Work Foundation

21 Palmer Street

London

SW1H 0AD

Telephone: 020 7976 3500

Email: enquiries@theworkfoundation.com

Website: www.theworkfoundation.com