# The Impact of England's New Deal for Communities Programme on Worklessness

Roxana Gutiérrez-Romero[*],
Michael Noble[**] and
Ilaria Covizzi[***]

## Abstract

The New Deal for Communities (NDC) Programme is designed to bridge the gap in living standards between 39 of the most deprived neighbourhoods in England and the rest of the country. Each of these 39 NDC neighbourhoods has organised Partnerships in order to identify local priorities, set appropriate targets, and implement suitable initiatives. This paper investigates whether the NDC Programme has enhanced the probability of leaving worklessness. Worklessness refers to the involuntary exclusion from the labour market of working-age individuals and in this article worklessness is measured as the number of individuals of working age that are in receipt of Job Seeker's Allowance (JSA) or Incapacity Benefit/Severe Disablement Allowance (IB/SDA). The impact of the NDC Programme on worklessness is assessed using administrative data on benefit claims and the Difference-in-Difference evaluation method.

**Keywords:** social policy, area-based initiatives evaluation, worklessness

[*] *Roxana Gutiérrez-Romero, Department of International Development, University of Oxford, Unitrd Kingdom.*

[**] *Michael Noble, Department of Social Policy and Social Work, University of Oxford, United Kingdom.*

[***] *Ilaria Covizzi, Institut für Soziologie, Universität Basel, Switzerland.*

# 1 Introduction

Increasing community involvement in area regeneration is seen as one of the corner stones for development in many developed and developing countries. As a result, in the last fifty years there has been a growing interest of governments in Europe, the USA and developing countries on funding community engagement in the design and implementation of Area Based Initiatives (ABIs) (Burton et al., 2004; OECD, 1998; Smith, 1999). In general, ABIs are publicly funded initiatives targeted on areas of social or economic disadvantage, which aim to improve the quality of life of the residents through an umbrella of programmes. A key distinction from other publicly funded programmes is that ABIs seek for active participation by residents, representatives of the community, voluntary and community organisations (Burton et al., 2004).

The purpose of this article is to present findings of one aspect of the evaluation of an area-based initiative launched in the UK called the "New Deal for Communities" (NDC) Programme. The NDC Programme is one of the most ambitious area-based initiatives ever launched in the UK given its design, budget and the length of time during which the initiative will be active. Over £2 billion will be invested in the NDC Programme over a period of 10 years. The purpose of the NDC Programme is to bridge the gap between 39 of the most deprived neighbourhoods and the rest of the country so that within 10 to 20 years no one should be disadvantaged because of where they live (Social Exclusion Unit, 2001: 5). The NDC Programme is part of the National Strategy for Neighbourhood Renewal, which focuses on the regeneration of deprived areas on five major themes: worklessness, crime, health, education and housing (Office of the Deputy Prime Minister, 2001b).

This article focuses on assessing the impact of the NDC Programme on worklessness.[1] Specifically, the article analyses what would have happened to individuals of working age, who are in receipt of Job Seeker's Allowance (JSA) or Incapacity Benefit/Severe Disablement Allowance (IB/SDA) living in NDC areas, if the NDC Programme had not been implemented. In order to build this counterfactual scenario, the Difference-in-Difference (DD) method is employed.

[1] *In this article, we refer to worklessness as those jobless people of working age who are actively seeking work and are claiming unemployment benefits or those people who are incapable of work due to disability or ill health and are claiming sickness benefits.*

The DD method is a widely used technique for evaluating programmes at both individual and neighbourhood level. The DD method was originally applied by Jonathan Gruber (MIT) and David Card (UC Berkeley) in their studies in labour economics and public policy, but now is widely applied in economics, sociology, medicine, psychology, natural sciences, and many other fields (Grimm, 2001).[2] The DD method assesses the net impact of the NDC Programme by comparing the transitions off worklessness benefits made by claimants in NDC areas *before* and *after* the intervention (NDC), to the changes in outcomes experienced by individuals with similar characteristics to those in NDC areas who that are not living in areas targeted by the NDC Programme. In the Programme evaluation literature, this group of individuals is referred to as a control group. The control group in this article consists of JSA and IB/SDA claimants living in the rest of England. A key advantage of the DD method is that it can isolate the impact of the NDC Programme by controlling for demographic characteristics and area factors that might influence transitions off benefits. In addition, the DD method can also control for the fact that, on average, NDC areas started from a more deprived situation than the rest of the country.

In order to assess the impact of the NDC Programme on worklessness, it is necessary to have data on benefit claimant's characteristics before and after the NDC Programme was launched. A major strength of the approach reported in this article is its use of administrative data on benefit claimants rather than survey information. The administrative data used, GMS-ONE, are held and maintained by the Department of Work and Pensions (DWP). The advantages of using this source are numerous. It is continuously updated, it contains historical information on the characteristics and benefits spells of claimants, it is subject to rigorous quality checks and it contains information on 100 percent of the benefit claimants' population in the UK.

The rest of the article is structured as follows. Section II discusses the background of the NDC Programme. Section III, describes the administrative data used. Section IV describes how the NDC beneficiaries and non-NDC beneficiaries groups were selected. Section V describes the evaluation methodology. Section VI presents the results of the DD evaluation. Section VII presents the conclusions.

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[2] *For instance, Bertrand, Dufflo and Mullainathan (2003) conducted a survey of all articles that used the DD estimator in six journals between 1990 and 2000. From the 92 articles surveyed, labour related variables were the most commonly used dependent variables.*

# 2 Background of the NDC Programme

There has been a growing gap in living standards between the most deprived neighbourhoods in England and the rest of the country. This gap has been growing since the economic recessions of the 1980s and the 1990s when poor neighbourhoods struggled to adapt to the economic transformation of the country, such as the declining importance of manufacturing and the rising demand for skills. Areas with high levels of unemployment saw the greatest rise in mass joblessness, combined with a rise in health inequality, poverty, crime and eventually worse public services than the rest of the country (Social Exclusion Unit, 2001).

In 1998 the UK government carried out a study that identified 4,000 deprived neighbourhoods in the country with high levels of worklessness (Social Exclusion Unit, 1998). As a result the Labour Government has instigated a number of policies to deal with worklessness in general (Social Exclusion Unit 1998, 2001; Office of the Deputy Prime Minister, 2001a, 2001b, 2002, 2003, 2004; Wilkinson, 2003) as well as specific area-based initiatives (ABIs) which have as one of their objectives to reduce worklessness in particular deprived areas. Among these ABIs initiatives the New Deal for Communities (NDC) Programme was launched in 1998 initially considering 17 selected neighbourhoods (NDC areas), followed by a second round of the Programme including another 22 neighbourhoods in 1999. The 39 NDC areas were selected based on two key criteria. First, the degree and extent of deprivation of the neighbourhood based on the - then current - 1988 Index of Local Deprivation; and second, to include neighbourhoods in all the nine Governmental regions - so that lessons could be learnt from different parts of the country.

The key characteristic of this programme is that each of the 39 NDC neighbourhoods selected to participate in the programme will identify local priorities, set appropriate targets, and implement suitable initiatives. Each NDC area will receive on average £5 million over a period of 10 years. The aim of the NDC Programme is to bridge the gap in living standards between these neighbourhoods and the rest of the country so that within 10 to 20 years "no one should be disadvantaged because of where they live" (Social Exclusion Unit, 2001: 5). Another distinctive characteristic of the NDC Programme is that it does not rely on a unique policy but rather on a wide range of non-compulsory projects aimed at tackling deprivation in five key domains: reducing high levels of worklessness; reducing high levels of crime; improving educational attainment; improving poor health; and tackling problems with housing and the

physical environment. This article will evaluate the extent to which the NDC Programme has helped people claiming unemployment and sickness benefits in ceasing to claim these types of benefits.

NDC Partnerships have designed and implemented diverse projects to specifically tackle worklessness and to ease the transition into work. These projects aim to close the jobs gap, empower and bring new opportunities to workless people and prevent discrimination and long worklessness spells. To achieve these aims partnerships are providing workless people with training, support on enhancing inter-personal skills, basic literacy, numeracy, IT support to facilitate job search, support to micro-enterprises, help for people with disabilities, to mention just some.

The aim of this article is to estimate the extent to which the NDC Programme has influenced the worklessness rates in partnerships, by comparison with what would have happened to them without the programme. Evaluating the impact of the NDC Programme on worklessness is of great importance for the communities involved and for the government so they could assess whether NDC areas are bridging the gap with the rest of the country. To evaluate the NDC Programme this article uses the administrative data on benefit registers GMS-ONE and the difference in difference (DD) method. The database used is described next.

# 3 Data

The longitudinal database used, GMS-ONE,[3] is a continuous record of all UK benefit claimants,[4] which allows for analyses of claimants' transitions in and out of benefits, geographical migrations and individual/household characteristics. An estimated 2.5 billion records are loaded annually into the database (Syntegra, 2005).

[3] *The administrative data used (GMS-ONE) in this article were anonymised by the data provider (DWP) and were kept secure during the analysis. The data have been analysed in such a way as to avoid the possibility of individuals being identified from any of the information contained within.*

[4] *It contains information obtained from 406 local authorities on jobseekers allowance, income support, bereavement benefit/widows benefit, incapacity benefit, severe disablement allowance, retirement pension, disability living allowance, attendance allowance, invalid carers allowance, child benefit, industrial injuries, pension credit, lone parent benefit, housing benefit, and council tax benefit.*

The GMS-ONE database was set up in 1999 initially to evaluate the then Department of Social Security's (now Department of Work and Pensions) "ONE" pilots[5] and is constructed from data scans from a database maintained by the Generalised Matching Service (GMS) of the Department of Work and Pensions. The Generalised Matching Service was set up in the early 1990s to examine the extent of overpayments within the benefits system due to fraud and error.

# 4 Advantages of GMS-ONE

GMS-ONE type data are unique offering various desirable properties for evaluating the NDC Programme:

- Data are derived from the *actual administrative registers* on benefit claims. Having information on 100 percent of the benefit claimants' population avoids the problems of non-response and attrition presented in surveys;
- It does not suffer from sampling errors. Given that GMS-ONE contains information on claimants in every region, regardless of its size, there will be no loss of precision from clustered sampling or self-selection usually introduced in survey sample designs;
- It is continuously updated capturing historical information on the characteristics and benefits spells of claimants. This is not accurately detectable in surveys. People can change in behaviour, personal characteristics or claim new benefits between survey cohorts. Hence, GMS-ONE provides more reliable data for comparing the transitions in and out of benefits over time;
- It relies on actual administrative data sources and is subject to rigorous quality checks. These two characteristics prevent GMS-ONE from having errors such as data inaccuracies, data collection problems and measurement errors commonly observed in sample surveys. In the latter, people can forget or provide inaccurate information on the benefits claimed such as starting and ending date claims, type of benefit claimed, etc.

[5] *"ONE" was part of a welfare to work programme signifying a single work focussed assessment of new social security claimants. This initiative has now been incorporated into a broader welfare to work programme and is not the focus of this study.*

Moreover, although GMS-ONE contains information only required for detecting benefit fraud and for other administrative purposes, it has proved to be an important data source for research. A number of studies by the Department for Work and Pensions (DWP) have employed GMS-ONE data for research purposes and also for evaluating government programmes such as the New Deal for Lone Parents among others (Department of Social Security, 2000; Knight and Lissenburgh, 2005; Smith et al., 2004).

Managing GMS-ONE represents a computational challenge. Given its complexity and size it is impossible to work with it in a conventional computer. Overall GMS-ONE contains one or more claims per individual, having 57 million records and representing 40 gigabytes of storage.

# 5 Selecting NDC Beneficiaries and Non-NDC Beneficiaries

Constructing the unobserved counterfactual is the central issue that evaluation methods address. We cannot observe the outcome programme participants would have experienced had they not participated. Instead, programme impacts are measured by comparing a treatment group's (people living in the NDC area) outcomes to those of a control group (those not living in an NDC area), which consists of individuals similar to those in the treatment group who did not live in the area where the NDC Programme operated. Then, the treatment and control groups must be similar in all important characteristics, e.g. age, sex, JSA and IB/SDA proportion of claimants, etc.

In broad terms there are two methods to select the treatment and control groups. The first methodology is to use observational data such as responses to survey questions that sample NDC beneficiaries and control areas. The second method is to randomly select the members of the groups. A major pitfall of the first method is that it has a selection bias, i.e. units of observation self-select to be evaluated in the programme. For instance, the NDC communities that are more likely to introduce policies to reduce the number or workless people are also more likely to have a larger reduction in the number of workless people. Therefore the initial difference between the characteristics of workless people in the treatment and the control group could potentially bias the evaluation, and it will be not be possible to distinguish whether

the gains from the NDC Programme were due to the policies implemented or because of the initial differences between the treatment and the control groups.

An alternative methodology is to randomly select NDC inhabitants and non-NDC inhabitants from GMS-ONE. This method ensures that the control and treatment groups selected are the same on average. Therefore, there are no systematic differences in the observed or unobserved characteristics between programme beneficiaries and individuals in the control group (Regalia, 1999).

Table 1 **Distribution of the Variables Introduced in the DD Models for Those Who Were Claiming JSA Benefits and IB/SDA Benefits in January 2000 by NDC Area / Rest of the Country**

| | JSA claimants | | IB/SDA claimants | |
|---|---|---|---|---|
| | NDC areas | Rest of England | NDC areas | Rest of England |
| **Gender** | | | | |
| Male | 79.2 | 76.0 | 65.7 | 63.4 |
| Female | 20.8 | 24.0 | 34.3 | 36.6 |
| **Age** | | | | |
| 16-24 | 29.2 | 25.1 | 11.2 | 15.2 |
| 25-34 | 30.4 | 28.8 | 20.1 | 23.6 |
| 35-44 | 21.6 | 21.0 | 22.2 | 25.7 |
| 45-59 | 18.5 | 24.2 | 39.1 | 31.1 |
| 60-64 | 0.4 | 0.9 | 7.4 | 4.4 |
| **Presence of partner** | | | | |
| Yes | 83.5 | 83.5 | 93.4 | 93.6 |
| No | 16.5 | 16.5 | 6.6 | 6.5 |
| **Number of children** | | | | |
| 0 | 86.1 | 86.7 | 89.9 | 89.5 |
| 1 | 4.3 | 5.0 | 4.8 | 4.8 |
| 2 | 4.4 | 4.2 | 2.1 | 3.2 |
| 3 | 2.6 | 2.4 | 1.7 | 1.6 |
| 4 | 1.5 | 1.1 | 0.7 | 0.6 |
| 5+ | 1.0 | 0.7 | 0.7 | 0.3 |
| **Presence of children aged 0-4** | | | | |
| Yes | 7.7 | 6.7 | 4.0 | 3.1 |
| No | 92.3 | 93.3 | 96.0 | 96.9 |
| **Previous worklessness spell(s)** | | | | |
| Yes | 14.1 | 15.3 | 13.5 | 10.7 |
| No | 85.9 | 84.8 | 86.5 | 89.3 |
| **Previous worklessness spell longer than six months** | | | | |
| Yes | 0.3 | 0.2 | 0.5 | 0.4 |
| No | 99.7 | 99.8 | 99.5 | 99.6 |
| **Total** | 6,029 | 267,260 | 3,687 | 222,722 |

*Source: Authors' estimates using GMS-ONE.*

Further, when the treatment and control groups are determined randomly, their similarity can be assessed by simple tests. For instance, we can compare the proportion of JSA, IB/SDA claimants in both groups before the NDC Programme started. A stratified random sample was drawn "without replacement" – for giving each observation in the data the same chance of being selected. The control group was defined as the group of claimants not living in NDC areas. The stratified sample for JSA claimants is made up of 1,366,445 observations. The sample for IB/SDA consists of 1,132,295 observations.

We compared the samples for treatment and control groups by 1) JSA, IB/SDA proportion of claimants, 2) age distributions, and 3) gender. For this we performed statistical tests to determine whether any of the observed differences between the two groups were statistically significant. For age distributions we used the Kolmogorov-Smirnov test which tests whether there is equality between two distribution functions.[6]

# 6 Evaluation Methodology

Intuitively the DD estimator evaluates the impact of a programme by comparing the difference in indicators of two groups (treatment and control) at two points in time (e.g. at the beginning and at the first stage of the programme). In this article the indicator to evaluate is whether a person has ceased to claim worklessness benefits or not. Thus, the DD method compares the changes in outcomes in the "treatment group" (JSA and IB/SDA claimants living in NDC areas) *before* and *after* the implementation of the NDC Programme, with the changes in outcomes in the control group (JSA and IB/SDA claimants living in the rest of England). In mathematical terms, the fixed-effects logistic model is presented in the following equation:

$$\Delta Y_{it} = \beta_0 + \beta_1 Treatment_i + \beta_2 Post_t + \beta_3 Treatment_i * Post_t + \beta_4 X_{it} + \gamma_i + \lambda_t + \varepsilon_i \qquad (1)$$

$i = 1,2 \ldots, n$ Denotes the individual (benefit claimant).

[6] *This test was carried out with the* ksmirnov test *in Stata. For the rest of the variables we performed Pearson Chi-squared and t-tests to test the proportions of discrete value variables. These were computed with the tabulate command in Stata. The results of these statistical tests showed that the treatment and control groups are similar in the dimensions compared.*

$t = 1,2 \ldots, n$ Denotes the time period of measurement (year: 2000, 2001, 2002...).

$Y_{it}$ = Dummy variable for being on JSA – or IB/SDA / not being on JSA at time t.

*Treatment (Di)* = Dummy variable for being in the treatment group (JSA claimant living in NDC area), or equal to zero if the $i^{th}$ claimant is in the control group (JSA claimant living in the rest of England).

$Post_t$ = Dummy variable for whether date $t$ (baseline period 2001) is after the NDC program started, 0 otherwise.

$Treatment_i * Post_t$ = Dummy variable coded 1 if the $i^{th}$ claimant has received the treatment by date $t$ (e.g. 2001), and 0 otherwise.

$X_{it}$ = Variables for the $i^{th}$ claimant (age, migration in/out of NDC areas, etc.).

$\gamma_i$ = Fixed-effects for variables that can vary from one state (e.g. individual) to the next but are invariant over time.

$\lambda_t$ = Fixed-effects of time (e.g. years) – common to all individuals in period $t$.

$\varepsilon_i$ = Error term.

$\beta_3$ = Estimate for the effect of NDC intervention on the dependent variable Y.

In the above equation by focusing on the change in Y (transitions off benefits) over the course of the experiment, the DD estimator removes the influence of initial values of Y that vary systematically between the treatment and control groups, whereas the coefficient *Post*Treatment* measures the net impact of the NDC Programme on the transitions off worklessness benefits of claimants in NDC areas relative to the claimants living in the rest of the country. In other words, this coefficient measures the net effect of the NDC Programme.

In addition, a key property of the DD estimator is that it also takes into account region specific effects - provided that these remain constant over time. Therefore the DD estimator controls for pre-existing differences between NDC - beneficiaries and NDC - non beneficiaries. Another important feature of the DD estimator is that it

can also measure the impact that individual characteristics (e.g. age, the presence of partner, number of children) have on the observed outcome. Hence, the DD estimator controls for region specific effects, time effects and individual characteristics.

# 7 Regression Results

This section presents the estimated net impact that the NDC Programme has had on transitions out of benefits in NDC areas over the years 2000, 2001, 2002, 2003 and 2004. This is assessed using two different DD models. The first model assesses the net impact of the NDC Programme on JSA claimants. The second model assesses the net impact on the NDC Programme on IB/SDA claimants. The reason for analysing these two groups of workless claimants separately is that our descriptive analysis shown in Table 1 revealed that these two groups are quite different in demographic characteristics and also have quite different history of worklessness spells. Thus, if the analysis is carried out including both JSA and IB/SDA claimants, the NDC effects could hide important effects of the programme.

Each of the two DD models estimated controlled for demographic and area characteristics. This was done in order to isolate the impact of the change in transitions out of benefits across people with different characteristics (e.g. age, partner, region, etc.) regardless of where they live. Specifically, the explanatory variables included in the two DD models ran are the following:

- age of workless claimants;
- whether claimants have a partner;
- whether claimants have children aged under 5;
- whether people geographically moved out of NDC area: transitions out of NDC area;
- whether people geographically moved into NDC areas: transitions into NDC area;
- record of previous worklessness spell(s);
- record of previous worklessness spell(s) longer than six months;
- index of Multiple Deprivation 2004 score;
- NDC areas included in Round 1 (NDC areas selected in 1998) and Round 2 (NDC areas selected in 1999);
- region of residence.

The NDC Programme has had a positive net effect in NDC areas according to the estimates of the two DD models ran for both the JSA and IBS/SDA claimants in Table 2. Model 1 in Table 2 shows that, after the implementation of the NDC Programme, JSA claimants living in NDC areas are 1.1 times more likely to leave JSA benefits than JSA claimants living in the rest of the country, whereas IB/SDA claimants living in NDC areas are 1.6 times more likely to leave IB/SDA benefits than IB/SDA claimants living in the rest of the country (Model 2 in Table 2). Therefore these results suggest that the NDC Programme increased transitions out of JSA and IB/SDA benefits for claimants living in NDC areas relative to those living in the rest of the country.

Table 2 **Difference-in-Difference Odds Ratios of the NDC Programme Effect on Transitions off JSA and IB/SDA Benefits Between 2000 and 2004**

| | Model 1 | Model 2 |
|---|---|---|
| | JSA | IB/SDA |
| **Effect of NDC Programme** | | |
| (Treatment * Post) | **1.1** | **1.6** |
| **Control Variables:** | | |
| Age | 2.4 | 3.4 |
| Partner | 0.4 | 2.1 |
| Children aged 0-4 | 1.1 | 1.4 |
| Transition out of NDC area | 0.6 | 0.6 |
| Transition into NDC area | 0.5 | 1.5 |
| Record of previous worklessness spell(s) within the dataset | 0.5 | 0.8 |
| Record of previous worklessness spell(s) longer than six months within the dataset | 0.3 | 0 |
| Index of Multiple Deprivation 2004 | 1 | 1 |
| Round areas 2 | 0.7 | 1.2 |
| Region of Residence<br>*North-West (reference group)* | | |
| London | 1.3 | 1 |
| South-East | 1.2 | 0.8 |
| South-West | 1.2 | 0.8 |
| West Midlands | 1.2 | 1 |
| East Midlands | 1.4 | 1.1 |
| Yorkshire and the Humber | 1.1 | 1.1 |
| North-East | 1.1 | 1 |
| East | 1.2 | 1.3 |

*Note: Estimates are presented as odds ratios. All odds ratios are significant at 5 percent level.*
*Source: Authors' estimates.*

Based on the model run specifically for JSA claimants a number of conclusions can be reached about what affects the likelihood of leaving JSA benefits. JSA claimants

with a partner are less likely to leave benefits than single claimants. Those who moved in or out of NDC areas are less likely to leave benefits than those who did not change residence. Those who have a record of worklessness spell(s) within the dataset before the baseline period (2001) are less likely to leave benefits than those who do not have a record of worklessness in the dataset before 2001. The rest of the control variables analysed had a positive effect on the likelihood of leaving benefits. For instance, JSA claimants with children aged under five are 1.1 times more likely to leave JSA benefits compared to those who do not have children aged under five, regardless of whether claimants live in an NDC area or in the rest of the country. With respect to the regional difference, JSA claimants in the eight regions analysed were more likely to leave JSA benefits compared to those living in the North-West region.

Based on the DD model ran for IB/SDA claimants, a number of conclusions can be reached about what affects the likelihood of leaving IB/SDA benefits. IB/SDA claimants who moved out of NDC areas are less likely to leave IB/SDA than those who did not leave an NDC area. Those who have a record in the dataset of previous worklessness spell(s) before the baseline period are less likely to leave IB/SDA benefits than those who do not. The rest of the control variables analysed had a positive effect on the likelihood of leaving IB/SDA. For instance, IB/SDA claimants with children aged under five are 1.4 times more likely to leave IB/SDA compared to those who do not have children aged under five, regardless of whether claimants live in an NDC area or in the rest of the country. With respect to the regional difference, IB/SDA claimants in the South-East, South-West, West Midlands and North-East are less likely to leave IB/SDA benefits compared to those living in the North-West region. On the other hand, IB/SDA claimants in London, East Midlands, Yorkshire and the Humber are more likely to leave IB/SDA compared to those living in the North-West region. IB/SDA claimants living in NDC areas that were included in second round of the NDC Programme are 1.2 more likely to leave IB/SDA compared to those living in non-NDC Round 2 areas.

While this article may have uncovered some possible positive effects of the NDC Programme, it is important to bear in mind two limitations of the analysis. First, the control group (identified here as individuals living in non-NDC areas) is broadly defined. A second limitation of this article is the unknown labour market destination of people who ceased to claim JSA or IB/SDA benefits. The lack of information in the GMS-ONE dataset on the labour market destinations of those claimants exiting

benefits has prevented this analysis from assessing whether these people ceased to claim benefits because they actually got a job.

Research is currently being undertaken to redefine the control areas so they are similar in levels of deprivation and with comparable labour market conditions to those in NDC areas. In addition, we are currently working on the recently produced administrative database Work and Pensions Longitudinal Study (WPLS). WPLS offers an unprecedented database in the UK that links 100 percent of benefit records to employment records according to Inland Revenue Data. Having information on employment will help us assessing directly whether the NDC Programme has increased the likelihood of transitions from worklessness benefits into work. The results of these refinements in our analysis are forthcoming in Gutiérrez-Romero, Noble and Covizzi, and in a forthcoming Social Disadvantage Research Centre (SDRC) research report.

# 8 Conclusions

The aim of this article was to estimate the extent to which the NDC Programme has influenced the worklessness rates in partnerships, by comparison with what would have happened to these areas without the programme. We analysed the impact of the NDC Programme by using the DD method and administrative data.

The results suggest that on average the JSA claimants living in NDC areas were 1.1 times more likely to exiting this type of benefits than JSA claimants living in the rest of the country. The results also showed that NDC Programme had a more sizeable effect on IB/SDA. On average the IB/SDA claimants in NDC area are more likely to exit this type of benefits than IB/SDA claimants living in the rest of the country.

This article contributes to the NDC impact evaluation in various areas. First, the article assessed the effectiveness of the programme. As the results show, there have been changes in the worklessness rates attributable to the NDC Programme. This sheds light on the effectiveness of the NDC Programme in reaching its goals and what the situation of the beneficiaries would have been without the programme. Second, the results show that the worklessness rates have improved even though the NDC Programme is just in its early stages. These results are particularly useful in assessing the rapid impact that the NDC Programme has had. Third, the results show

that the NDC Programme has had different impacts on the JSA and IB/SDA claimants. This is particularly important for the NDC evaluation since it reveals whether the programme execution and scope should be modified to improve its effectiveness. Therefore, the results presented in this article are important contributions to the NDC evaluation.

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