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Discussion Papers

No. 182.

Mixed fortunes: graduate utilisation in service industries

by Geoff Mason

Service industries now account for over 80% of total graduate employment in the UK economy. This paper focusses on three sectors – retailing, computer services and transport & communications – and identifies two mechanisms by which graduate substitution has contributed to upgrading of hitherto non-graduate jobs. The scope for further upgrading appears limited and the burden of adjustment falls more on individual graduates than on employers. Many enter largely unmodified low-paid jobs where their skills and knowledge are under-utilised and it is hard for them to catch up with the initial headstart in salaries and training opportunities which ‘mainstream’ graduates in the same industries have received. There is therefore a widening divergence of salary and career prospects across the UK graduate labour market.

No. 183.

Does welfare-to-work policy increase employment?

Evidence from the UK New Deal for Young People

by Rebecca Riley and Garry Young

Welfare-to-work programmes were implemented in several OECD countries during the 1990s. With these programmes, entitlement to unemployment-related benefits is conditional on taking up help in finding and actively preparing for work. This paper examines empirically the employment effects of the New Deal for Young People, a welfare-to-work programme for long-term unemployed young people introduced in the UK in 1998. It finds that the programme has reduced measured unemployment among the target group partly by shifting them into non-work activities but also by raising employment.

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No. 184.

The macroeconomic impact of the New Deal for Young People

by Rebecca Riley and Garry Young

The New Deal for Young People (NDYP) is one of the main components of the UK government's Welfare-to-Work strategy aimed at raising employment and reducing benefit dependency. It combines elements of an active labour market programme with a stricter benefit regime. This paper evaluates its impact on the wider economy, emphasising the importance of the programme's effect on wage pressure, which is identified separately from the impact of the National Minimum Wage introduced around the same time. While the impact of the NDYP on the wider economy appears modest, it is associated with an economic gain.

No. 185.

The determinants of economic efficiency in English and Welsh universities

by Philip Stevens

This paper examines the costs and efficiency of institutions of higher education as suppliers of teaching and research, using stochastic frontier analysis, and investigates the impact of staff and student characteristics on efficiency, finding that there is inefficiency in higher education. There is also evidence of convergence in the inefficiency of institutions, implying that the less efficient institutions are ‘catching up’ with those nearer to the cost frontier. The analysis suggests that the anticipation of the introduction of tuition fees may have led to a shake-up in the less efficient universities, but that this effect was short-lived and offset by the more efficient universities relaxing somewhat.

No. 186.

Increasing inequality in higher education: the role of term-time working

by Hilary Metcalf

Over the past two decades the costs of higher education in the UK have moved increasingly from the state to students, a rising percentage of whom now work during the term. Based on a survey of standard-aged, third-year students in four universities, this paper identifies the extent and pattern of term-time working, how this affects studying, and discusses its implications for equity and for the higher education system.



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Fax: +44 (0)1650 511712
email: f.robinson@niesr.ac.uk
website: <http://www.niesr.ac.uk>

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