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In this issue

2 Do parents tax their children? Part-time jobs and the impact on pocket money

Pensioner poverty study warns against scrapping current system

4 Intergenerational fairness: how austerity hit families

5 September conference celebrated 20 years of EUROMOD

Obesity epidemic: is there a better measure than BMI?

7 New report on the UK tax system in an anti-poverty strategy

Do grammar schools increase social inequalities?





Graduates from the European Union represent a valuable resource to the UK workforce

Brexit risk of losing the best and brightest graduates working in British industries

EU students fare better than British ones, even though they are graduating from the same universities

New analysis from the Economic and Social Research Council Research Centre on Micro-Social Change (MiSoC) has shown that graduates from the European Union are among the highest achievers from UK universities.

They are more likely to gain a first class degree than their British classmates – and represent a valuable resource to the UK as a highly qualified graduate workforce, with the highest levels of postgraduate qualifications. The research, by Dr Renee Luthra and Greta Morando, examined data from the Destination of Leavers of Higher Education, a survey following the paths of over two million leavers from UK universities six months after graduation. They found that of those living in the UK, the European Union undergraduates are nearly 50 per cent more likely to obtain a first class degree, are the least likely to be unemployed, more likely to be in a graduate job, more likely to be earning a higher salary and much more likely to *Continued overleaf* *Continued from previous page* continue on to postgraduate study.

The analysis highlights the important role of graduates to skilled professions, with Brexit likely to impact not only higher education enrolments but also the supply of high performing undergraduates and postgraduates in the British labour market. EU domiciled students comprise one in twenty undergraduates, and a further one in ten postgraduates, including more than 10,000 graduate and postgraduates every year in STEM fields alone.

The study found that European Union students did better than their British peers graduating from the same universities, with the same marks, in the same year and in the same subjects. They were more than twice as likely to continue on to postgraduate courses in the UK than their British friends and those from EU15 countries who went into the workplace were earning on average nine per cent more than their British peers, just six months after graduation. They are more likely to get a first class degree in the industryneeded STEM (science, technology, engineering and maths) subjects than the British students studying the same subjects.

Dr Renee Luthra said: "The European Union students at UK universities are clearly the best and the brightest in their class – on the whole their achievements outstrip their British classmates and they represent a significantly well-qualified group of graduate workers entering the UK workforce. This is especially true of undergraduates, as those EU students who study and remain in the UK to work are very high-performing. These top class undergraduates will be having a very positive impact on UK industry.

Although EU students make up only five per cent of the undergraduate population studying in UK universities, they are twice as likely to continue onto post graduate study as their British friends and make up a substantial part of our postgraduate population – nearly one in eight of all research students are from the European Union. Of those in postgraduate research degrees, two-thirds are studying STEM subjects of vital importance to the UK economy. The uncertainty surrounding the vote to leave the EU would almost certainly reduce the flow of these high performing students, particularly in the short term transition period."

"The European Union students at UK universities are clearly the best and the brightest in their class – on the whole their achievements outstrip their British classmates and they represent a significantly wellqualified group of graduate workers entering the UK workforce"



Parents care about their own and their children's consumption, so are prepared to sacrifice some of their income

Do parents tax their children? Part-time jobs and the impact on pocket money

A new IZA Discussion Paper by Dr Angus Holford uses the Longitudinal Study of Young People in England to look at how teens and parents interact over money

Parents care about their own and their children's consumption, but also about the effect that part-time work might have on their children's study time and academic achievement, so are prepared to sacrifice some of their income to subsidise their children's expenses.

A new IZA Discussion Paper by Dr Angus Holford investigates how parents and their teenage children interact to set the amounts of pocket money and part-time work. The analysis uses data on part-time working hours, and pocket money from parents, reported by around 5,000 girls and 5,000 boys in compulsory education in England, interviewed annually between 2004 (when they were 14) and 2006 (when they were 16).

There are two key findings. The first is that parents are more likely to give regular pocket money to teenagers who will have a harder time finding a job. This includes teenagers who are younger within their academic year at school so at a disadvantage when vacancies arise in the autumn, both before the run-up to Christmas and when older cohorts leave for university; those living in areas with higher rates of adult unemployment; and those living in areas from which the nearest shops are less accessible.

The second is that parents are less likely to give regular pocket money to teenagers, the longer the teenager's hours of part-time work. In other words, parents effectively tax their children's earnings from part-time work, by taking away cash they would otherwise be handing over. This effect is larger for girls than boys and strongest when they are 16 years old.

The findings suggest that close to the highstakes GCSE exams, which determine these children's future educational and labour market opportunities, parents become more inclined to use this method to reduce their child's incentive to work, hoping they will spend more time studying instead.

New study of pensioner poverty warns against plan to scrap national disability benefits system

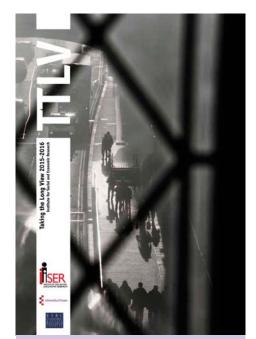
A new report into the relationship between disability and poverty among older people living in the UK has found the current system is falling short of support for those most in need, and considers alternative directions of reform

The in-depth report, *Disability and Poverty in Later Life*, by Professor Stephen Pudney with Professor Ruth Hancock and Dr Marcello Morciano from the University of East Anglia, commissioned and published by The Joseph Rowntree Foundation, makes a case for tailoring the structure of disability benefits more closely to the severity of disability, but cautions against current proposals to scrap national disability benefits in favour of local authority social care funding.

The report finds that effective targeting of support does not necessarily require an extension of means-testing and that the present benefit and social care system is already well targeted but is falling far short of providing full support for those most in need.

Professor Steve Pudney said: "Britain currently has a dual system of public support for older disabled people. Central government pays disability benefits (mainly Attendance Allowance and Disability Living Allowance), while local authorities manage the provision of social care services. The two systems are quite separate and have little overlap, and it is sometimes suggested that they should be merged into a single system of disability support. While this sounds neater and may save some administrative costs, it runs the risk that many more people than at present may miss out on government support completely. We think it is too big a risk to take with such a vulnerable group.

The present system of social care/disability benefit is quite good at using limited resources to minimise the number of older disabled people in poverty. But it is much less effective in protecting people from very deep poverty. The people most affected by this are those with severe disability (and therefore high disability costs), especially those who are unaware of, or not able to negotiate, the systems for claiming help with their care needs."



Taking the Long View 2015-2016

Taking the Long View, ISER's annual review of current research projects and a look back at some of our longer term achievements – including 25 years of the British Household Panel Survey and 20 years of EUROMOD, our microsimulation model for tax and benefit policy comparisons – has just been published. It is available for download now at www.iser.essex.ac.uk/research/ publications/taking-the-long-view

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Four senior ISER roles

ISER is one of the world's leading quantitative social science research institutes, committed to using quality microdata and cutting-edge quantitative methods to inform research that addresses key contemporary issues.

Our continued success in securing research funding means that we are seeking to appoint three new positions at the Professorial level, and one at the level of Reader or Professor. ISER is a research department of the University of Essex within the Faculty of Social Sciences, and researchers at ISER are not expected to undertake undergraduate teaching.

The four posts are Professor and Director of ISER, Professor and Director of EUROMOD, Professor and Co-Director of MiSoC (The ESRC Research Centre on Micro-Social Change) and Professor or Reader in Social Policy and Assistant Director of Policy for *Understanding Society*. For more information on these roles and the closing dates please visit www.iser.essex.ac.uk/jobs

New data released from Wave 8 Innovation Panel experiments with Understanding Society

Wave 8 of the *Understanding Society* Innovation Panel (IP) featuring data from interviews with over 2,000 adults has now be released and can be downloaded from the UK Data Service (UKDS).

The Innovation Panel is a longitudinal survey designed for researchers to use as a test-bed for innovative ways of collecting data and developing new research areas. The latest data release, (IP8) used a mixedmode design, which included both online and face-to-face interviews. The Innovation Panel conducts multiple experiments and methodological tests each year which are submitted by researchers worldwide. The next call for proposals will be launched in February 2017.

The Innovation Panel team has published a new working paper which summarises the results of experiments and methodological tests: *Understanding Society* Innovation Panel Wave 8: Results from Methodological Experiments and can be downloaded at www.understandingsociety.ac.uk/research/ publications/working-paper/understandingsociety/2016-02

Dr Tarek Al Baghal, ISER Research Fellow said: "In the eighth wave of the Innovation Panel, there were a number of experiments conducted to explore innovative ways to improve questionnaire design.

Two experiments used item count techniques to measure attitudes about sensitive topics, while others examined collecting information from interviewers about the health of respondents, personalising the questions asked to make the survey more interesting to respondents, and the impact of how scales are presented.

Additionally, the eighth wave continued an experiment to test the effects of varying the amount of incentives offered to respondents in advance of fieldwork."

"In the eighth wave of the Innovation Panel, there were a number of experiments conducted to explore innovative ways to improve questionnaire design"

ISER's key role in new ESRC postgraduate centre: The Social Biological Centre for Doctoral Training

Creating the next generation of multidisciplinary researchers and helping postgraduate researchers investigate the interplay between a person's biology, experiences and behaviour throughout their lives will be the focus of a new Centre for Doctoral Training involving the University of Essex.

The Social Biological Centre for Doctoral Training (Soc-B) led by University College London (UCL) is part of the new Doctoral Training Network launched this week by the Economic and Social Research Council (ESRC). The University of Essex and the University of Manchester are working with UCL as Soc-B partner institutions.

Soc-B will be 50 per cent co-funded with the BBSRC and is designed to 'pump prime' the development of training in this emerging research area. Funding is for three cohorts of at least 10 students per year. Professor Meena Kumari, from the Institute for Social and Economic Research (ISER), and Professor Leonard Schalkwyk from the School of Biological Sciences are the lead Soc-B academics at Essex. Professor Kumari said the aim of Soc-B is to create the next generation of multi-disciplinary researchers, with skills in both social and biological sciences.

The training programme will develop students and studentships that explore how our social experience and environment 'get under our skin' and affect our biology, and also how our biology impacts us and our behaviour in the social world.

The University of Essex will also be the lead institution within the new South East Network for Social Sciences Doctoral Training Partnership which again will aim to widen access to postgraduate study and deliver the highest quality training in the social sciences. The 14 new Doctoral Training Partnerships covering the UK have been accredited for six years and will start taking students in October 2017. In total around 500 studentships will be available per year with 50 Postdoctoral Fellowships also funded through the Network.

The University of Essex is committed to excellence in education and excellence in research. It was fourth in the UK for research excellence within social science in the last Research Excellence Framework (REF 2014).



There is interplay between biology, experiences and behaviour throughout people's lives

Intergenerational fairness: how austerity hit families

ISER research evidence shows children were hardest hit by policy changes, along with those in their 30s and early 40s

ISER's written evidence on how policy changes have impacted on intergenerational fairness was published by the House of Commons Work and Pensions Select Committee, as part of an ongoing inquiry.

The ISER research evidence found that:

- The overall effect of the 2010-15 Coalition Government's tax and benefit policies was regressive.
- Children were hardest hit by policy changes, along with those in their 30s and early 40s.
- The greatest beneficiaries from changes to taxes were those in their early 60s, but those in their 20s also benefited.
- The gains that the over-65s accrued from the 'triple-lock' on pensions were partly offset by cuts to other benefits, which particularly affected older pensioners.

- Looking at the picture that would emerge in 2020/21 one finds that losses suffered by children would intensify, whilst those over 65 would lose out due to loss of benefits outweighing any gains from the triple-lock.
- Across Europe, the elderly have tended to have larger gains (or smaller losses) – this is the case in the UK, although the indexation employed has a significant effect on outcomes.

The inquiry aims to answer the question of whether the current generation of people in or approaching retirement will, over the course of their lifetimes, have enjoyed and accumulated much more housing and financial wealth, public service usage, and welfare and pension entitlements than more recent generations can hope to receive.



Celebrating 20 years of policy relevant research with **EUROMOD**

EUROMOD, the EU-wide tax benefit microsimulation model developed by ISER, bridges the gap between academic analysis and policy making

The EUROMOD 20th anniversary conference, held at the University of Essex this September marked EUROMOD's achievements so far and looked forward to future developments.

Welcoming delegates, Professor Holly Sutherland, Director of EUROMOD thanked the contribution of many academics, including Professor Sir Anthony Atkinson, in creating the model which has evolved and developed over 20 years and has been used as a basis for creating similar models for many other countries.

Conference delegates enjoyed contributions from key note speakers including Olivier Bargain, Herwig Immervoll, Andreas Peichl and Holly Sutherland, and a policy discussion panel with Barbara Kauffmann (DG-EMPL of the European Commission), Horacio Levy (Social Policy Division, OECD), Manos Matsaganis (Politecnico di Milano), Gerlinde Verbist (Centrum voor Sociaal Beleid Herman Deleeck, University of Antwerp) and Gemma Wright (Southern African Social Policy Research Institute).

The conference also heard from Marianne Thyssen, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, praising the contribution of EUROMOD to European policy analysis.



The conference celebrated the many ways in which EUROMOD itself - as well as models built for non-EU countries using the EUROMOD software platform and approach has been or could be used for research and policy analysis.

Four new PhD scholarships are available at ISER

The ESRC Research Centre for Micro Social Change (MiSoC), based at ISER, has funding for four studentships.

Three are for research in specific areas under the supervision of named researchers:

- The Creation of Cognitive and Noncognitive Skills (Economics/Applied Social & Economic Research) supervised by Professor Sonia Bhalotra
- Subjective Expectations and **Decisions under Uncertainty** (Economics/Applied Social & **Economic Research**) supervised by

Professor Adeline Delavande

• Are recessions good or bad for health? What might the mechanisms be? (Health Research)

supervised by Professor Michaela Benzeval and Professor Paul Clarke The fourth studentship is available for students whose research could contribute to any part of MiSoC's research programme, and is available for students following the Economics or Applied Social & Economic Research pathways. MiSoC's research programme is summarised at www.iser. essex.ac.uk/misoc/strands

For full details of our PhD opportunities, scholarships and the application process see the study pages at www.iser.essex.ac.uk



Can unemployment kill you?

At the height of the recent recession around 2.7 million people were unemployed, and youth unemployment accounted for nearly 40 per cent of that total. Given growing evidence that unemployment is linked to long-term illness and increased mortality, we can expect health implications for those affected.

Senior Research Officer Dr Amanda Hughes analyses the links between being jobless and killer diseases such as heart disease in her recent research for the ESRC International Centre for Lifecourse Studies Work Life. Read the blog at www.worklifeblog.org/2016/04/can-unemployment-kill



Two Dutch women, photographed during the Netherlands famine period near the end of the Second World War

The longer term impact of mothers' malnutrition on babies

Professor Sonia Bhalotra, Professor of Economics at ISER, was interviewed for the recent BBC Radio 4 programme *Down the Generations* about her research into the longer term impacts of maternal malnutrition on chilrden's health and life outcomes.

It looked at studies covering the famine in the Netherlands during the Second World War and examined new evidence on how malnutrition can have a lifelong impact on unborn childen. Listen at www.bbc.co.uk/ programmes/b07krkgt (Professor Bhalotra features at approximately 20 minutes).

Is there a better measure than BMI to look at the impact of poverty and education on obesity levels?

Alternative measures to the standard Body Mass Index (BMI) currently used to assess for healthy weight have revealed new links between socio-economic situations and obesity

This could be an important new tool for policy makers looking to tackle the UK's growing obesity problem.

The new study by Dr. Apostolos Davillas and Professor Michaela Benzeval, published in the journal *Social Science and Medicine*, used alternative measures of body fat to standard BMI measures, drawing on data from the huge UK Household Longitudinal Study, *Understanding Society*, to unpick the link between social inequalities and growing levels of obesity. The study used a variety of obesity measures including body fat (absolute and percentage) and waist circumference in addition to the conventional body mass index (BMI).

The researchers looked at over 13,000 adult participants in a specific health study within *Understanding Society* and compared income inequalities with both the conventional BMI and the alternative combined measures of waist circumference, body fat and BMI to see if the differences between them shed light on inequalities in the growing levels of obesity in the UK population.

The body fat measures collected by *Understanding Society* allowed the researchers to distinguish between the fat- and lean-mass components of BMI.

The alternative measurements found wealthier men were less likely to be obese, contrary to previous research using only BMI, which had failed to find a link to wealth and weight gain.

For women, the conventional BMI and alternative measures combination of waist measure, body fat and BMI – showed inequalities in obesity exist whatever the measure.

Dr Apostolos Davillas said: "By focussing only on BMI previous researchers may have missed the link between income and obesity for men. Our findings could have important implications for the measurement of socio-economic inequalities and any impact this is having on the UK's growing obesity epidemic. There are important lessons for policy makers here in the value of using alternatives to BMI to assess the nation's weight gain issues, and why this is happening and how to tackle it."

Understanding Society collects complex annual data from individuals in households across the UK, including health details, financial, social and lifestyle information as well as beliefs, attitudes and behaviours. The health is study uses objective measures of adiposity taken during an interview conducted by nurses.

You can read the *Social Science and Medicine* journal article 'Alternative measures to BMI: Exploring income-related inequalities in adiposity in Great Britain' at www.sciencedirect. com/science/article/pii/S0277953616304683 •

"By focussing only on BMI previous researchers may have missed the link between income and obesity for men. Our findings could have important implications for the measurement of w socio-economic inequalities and any impact this is having on the UK's growing obesity epidemic"

A new study aims to unpick the link between social inequalities and growing levels of obesity

New report on the role of the UK tax system in an anti-poverty strategy

ISER has published a new report *The role of the UK tax* system in an anti-poverty strategy by Professor Mike Brewer and Dr Ricky Kanabar, commissioned by the Joseph Rowntree Foundation as part of their programme of work on an anti-poverty strategy for the UK

The report provides a guide to the economic arguments behind tax design, and suggests how best to engage in economic debates about the UK tax system from a poverty perspective.

It also highlights some specific reforms that are likely to lead to a fairer and more efficient tax system as well as making a worthwhile contribution to an anti-poverty strategy. It focuses on key design issues rather than on detailed rules and operational issues.

The report gives a brief overview of how economists think about good tax design, discusses some of the value judgements or assumptions that are made when discussing tax policy and poverty, and offers guidance on how one should think about the different ways in which the tax system affects poverty.

The report also considers the main taxes in the UK and discusses the arguments for and against specific reforms and their inclusion in an APS. These include personal direct taxes (Income Tax and the taxation of savings); National Insurance contributions (because they function very similarly to a form of direct taxation); the taxation of housing; the taxation of non-housing wealth (chiefly pensions and savings); the taxation of businesses and environmental taxes.



Professor Steve Pudney has described the changing nature of the drug market in the UK in an article for *The Conversation*.

"Before the millennium, there was a slowly expanding British market for traditional, lowpotency, imported cannabis resin and herb, often originating in south-east Asia and imported through the Netherlands. All that has changed in the past 15 years. Surveys suggest that cannabis use has declined steadily since 2002 and is currently around 40 per cent below its peak.

The nature of the product has changed, too. Evidence from chemical analysis of seized samples suggests that around ten years ago there was a large increase in the market share of high-potency sinsemilla, with the average content of the main psycho-active component D9-tetrahydrocannabinol (THC) approximately doubling from 6 per cent to 12 per cent between 2002 and 2008 in samples tested by the Forensic Science Service.

Most striking is the change in production and supply of cannabis to the UK market. The supply side of the drug market is much more difficult to observe statistically than the demand side. Drug users in the general population can be located by random sampling and many are willing to report their drug use in properly anonymised surveys.

But drug dealers are fewer in number, harder to locate and much less willing to answer questions. Most of our information about supply comes as a by-product of enforcement action and may therefore tell us as much about police priorities as about suppliers' behaviour. Nevertheless, a striking picture emerges from published data on seizures – a move away from imports in favour of UK production." •

Not the golden age of old: new research on life for older people in the UK

On 8 November, ISER will host an event in London as part of the ESRC Festival of Social Sciences presenting new research from Professor Stephen Pudney with new research from Age UK using *Understanding Society* data, which will be followed by a panel discussion with policy experts.

This event is for policy makers, think tanks, third sector organisations and anyone interested in new research on the older population in the UK.

Register now via the ISER events webpage at www.iser.essex.ac.uk/events

Big data and society: is it a game changer?

This free panel debate will be held on 28 November at the University of Essex.

Professor Heather Laurie, Pro Vice Chancellor Research at the University of Essex and Professor of Sociology with ISER will join former Universities and Science Minister David Willetts.

Register now via the ISER events webpage at www.iser.essex.ac.uk/events

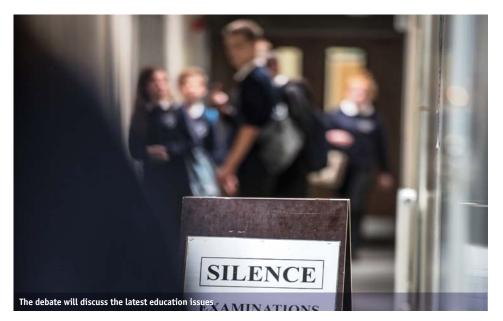
Stabilising the EMU through European unemployment insurance

A high-level conference on the 'Feasibility and Added Value of a European Unemployment Benefits Scheme' featuring new EUROMOD analysis presented by Dr Holguer Xavier Jara Tamayo, was organised by CEPS on 11 July, in close collaboration with the Slovak Presidency of the Council of the EU and the European Commission.

Over 280 policy-makers, academics and other stakeholders participated in the event, which was opened with speeches by Minister Peter Kažimír (Minister of Finance, Slovakia) and CEPS Director Daniel Gros.

It also featured a keynote speech by Commissioner Pierre Moscovici (European Commissioner for Economic and Financial Affairs, Taxation and Customs).





Do grammar schools increase social inequalities?

Understanding Society will host a discussion event, 'Education for All: Looking Beyond the Classroom', on 10 November at the National Union of Teachers headquarters in London.

The evening event, which is part of the ESRC Festival of Social Science, looks at new evidence emerging from research using *Understanding Society*. The keynote speaker will be Professor Simon Burgess, Director, Centre for Market and Public Organisation, University of Bristol, who will present 'Do selective schooling systems increase inequality?'

There will be a panel debate on education chaired by Fran Abrams, Chief Executive of the Education Media Centre, with Professor Simon Burgess, Leora Cruddas, Director of Policy and Public Relations at the Association of School and College Leaders (ASCL), Professor David Gillborn, Director of Centre for Research in Race & Education (CRRE) and Director of Research, School of Education at the University of Birmingham and Lord James O'Shaughnessy, Chair of the Centre for Character and Values, Legatum Institute and previous Director of Policy to David Cameron.

The event is aimed at schools, colleges, policy makers, local authorities, employers and skills bodies, youth and family charities, thinktanks and researchers.

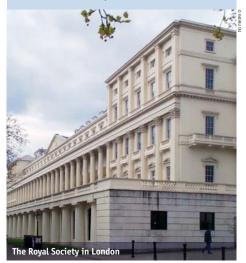
The event will also launch *Insights 2016*, the annual publication highlighting policy-relevant findings from research using *Understanding Society*, with commentary from leading policy thinkers. This year's publication covers education, health and employment, and families and will also explore how *Understanding Society's* large size is informing policy making in the home nations and the growing importance of geography for researchers.

Reducing global inequality: how can we achieve a fairer world?

Professor Sonia Bhalotra will join a prestigious panel of experts for an event to be part of the British Academy Debates on Inequalities on 29 November at the Royal Society in London.

The UN's Sustainable Development Goals consist of 17 objectives which aim to transform the world for the better by 2030. Closely interlinked, these goals pledge to tackle a range of issues-from reducing inequality within and among countries to achieving gender equality. How do nations realise this vision of a shared future with equality and opportunities for all? An expert panel will discuss their priorities and hopes for the years ahead.

Chaired by Eliza Anyangwe, the panel will also include Joe Cerrell Managing Director of Global Policy and Advocacy, Gates Foundation; Mark Goldring CEO, Oxfam Great Britain; Naana Otoo-Oyortey MBE, Executive Director, Forward UK; and Dr Jan Vandemoortele Co-architect of the UN Millennium Development Goals.



The Institute for Social and Economic Research is based at the University of Essex and receives funding from the university and the Economic and Social Research Council (ESRC).

Established in 1989, the Institute incorporates the **ESRC Research Centre on Micro-Social Change** (MiSOC) and **The Microsimulation Unit**, which is responsible for the EUROMOD project.

ISER is home to **Understanding Society**, the UK household longitudinal survey which collects information annually, providing valuable new evidence about the people of the UK, their lives, experiences, behaviours and beliefs.

If you are interested in finding out any more about the articles in this newsletter or about ISER's work, please contact Louise Clarke Cullen at lcullen@essex.ac.uk

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