Karen Mumford and Peter Smith

Gender wage gaps in workplaces

Karen Mumford and Peter Smith are working with the Low Pay Commission to investigate the relationship between the driving forces of the gender pay gap and low pay. Building on their earlier work, this project provides a detailed and contemporary analysis of the structure of pay and gender pay gaps within UK workplaces; explicitly allowing for the importance of workplace and occupational segregation, part-time vs full-time working, and industrial location. This analysis also reflects the variation in the size of the gender pay gap across the wage distribution, from low to high pay, and its determinants. A major focus of this study is the development of relevant policy initiatives. These are informed by a more detailed analysis using additional data and the expertise via co-production with the policy experts on low pay at the Low Pay Commission.

References


Matthias Morys

Gold standard lessons for the Eurozone

The Eurozone crisis has provided me with an opportunity to make economic history relevant to economic policy challenges today. The Great Depression of the 1930s and the breakdown of the gold standard in the 1930s – the Euro of its time – entail important lessons. The gold standard contributed to the Great Depression’s quick propagation and severity, and its abandonment between 1929 and 1936 was a critical factor in ending the Great Depression, with countries devaluing earlier and more sizably recovering more quickly. The parallel with the present situation makes it likely that either some countries will leave the Eurozone to boost their growth prospects; or stronger political cooperation will keep the Eurozone intact, but with low growth rates for the foreseeable future, similar to the experience of the gold bloc countries in the 1930s.

Reference


Laura Coroneo

Modelling government bonds: macroeconomic, financial and international linkages

The recent financial, economic and sovereign debt crises highlighted how financial markets and economic activity around the world are strongly interconnected. This ESRC-funded study applies models for big data to the market for government bonds. By including a large number of macroeconomic indicators, we obtain more accurate estimates of the risk premium of long-term government bonds. This has important implications for: 1) Monetary policy, as central banks use long-term government bonds to evaluate the overall stance of monetary policy; 2) The performance of pension funds, insurance companies and banks, as they are typical clientele for long-term government bonds; 3) Governments, as they need to determine the best mix of securities to issue in order to keep debt servicing costs low and predictable.

Reference


Karl Claxton

Estimating health opportunity costs in the NHS

Whether the NHS should approve a new pharmaceutical and the price it should pay depends on what health could have been gained if these resources had been available to offer effective treatments to other NHS patients. This research has, for the first time, estimated the effects of changes in NHS expenditure. It found that £13,000 of NHS resources adds one Quality Adjusted Life Year (QALY) to the lives of NHS patients. For example, a new drug that costs the NHS an addition £10m is likely to lead to the loss of 773 QALYs, with increased mortality in cancer, circulatory, respiratory or gastro-intestinal diseases and reduced quality of life in neurological diseases and mental health. This research shows that the NHS is currently paying too much for many new drugs because the amount the NHS can afford to pay for the benefits they offer is lower than was previously thought.

Reference

Examples of research

Cheti Nicoletti
Investments in children’s cognitive development

This study examines how investments by schools, parents and children themselves can affect children’s cognitive outcomes. It is partly funded by the ESRC Research Centre on Micro-Social Change. Focusing on adolescents, it provides empirical evidence that children’s own time investments are more relevant than mother’s time investments in explaining cognitive outcomes. Looking at school investments, it finds a small but statistical significant effect of school expenditure per pupil on school test scores at the end of compulsory schooling. Furthermore, to understand whether sibling interactions are a mechanism through which the effect of investments in children may be amplified, this study estimates the extent to which school achievements of older siblings directly improve the school outcomes of their younger siblings and finds a positive sibling spillover effect.

Reference

Jo Swaffield
Identifying sustainable pathways out of in-work poverty

Identifying effective and sustainable pathways out of in-work poverty for low-waged workers significantly benefits the individuals, their families and the state. Our key findings suggest that an organisation that aims to be an ‘anti-poverty employer’ faces a complex picture. The risk of in-work poverty relates not only to the wage rate and whether this may be a ‘Living Wage’ but is also inextricably linked to working hours. We suggest several ways that such employers might help low-waged employees, including: whether some short hour jobs could be actively re-designed to be more significant employment and whether greater consideration could be given to the provision, access and engagement of the lower paid workforce with employee benefit packages. Where career progression is promoted as an answer just because they improve the achievement of the young child childhood. Investments in young children are important not only to the wage rate and whether this may be a ‘Living Wage’ but also because they raise the return to later investments.

Reference
J K Swaffield, R Tunstall, J Bradshaw and C Snell (2014), ESRC Knowledge Exchange Opportunities Scheme ES/L002086/1

Luigi Siciliani
Waiting for health care

Long waiting times and lists for elective surgery are a common health policy concern across the OECD countries. I recently co-edited an OECD book which identifies best practice across eleven countries. We identify maximum waiting time guarantees as the most common policy but show that these seem to be most successful only when combined with supply initiatives and clear economic incentives when guarantees are exceeded. In a recent paper, we investigate whether individuals with higher socioeconomic status wait less for a common procedure such as coronary bypass within a publicly-funded health system. We find evidence of significant differences in waiting times across socioeconomic groups (up to 35% difference between most and least deprived population quintiles). The results have policy implications in terms of guaranteeing equity of access.

References

Emma Tominay
Intergenerational mobility and the timing of parental income

The UK has one of the lowest rates of intergenerational mobility among OECD countries. This means that the success of individuals in terms of their education and earnings are strongly linked to how well their parents fared. This paper asks at which stage of childhood parental income is most important for the later success of their child: early childhood (aged 0-5), middle years (6-11) or adolescence (12-17). We find results that are consistent with dynamic complementary of parental investments in children, where the benefits of parental income for older children (6-11 or 12-17) are increasing in the level of income in early childhood. Investments in young children are important not just because they improve the achievement of the young child but also because they raise the return to later investments.

References
P Carneiro, K G Salvanes and E Tominey (2016), Family Income Shocks and Adolescent Human Capital, mimeo, University of York

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