

Fiscal Affairs Scotland Monthly Bulletin

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Topics covered in this issue:

Analysis of improving schools attainment in London, including any implications for Scotland

Latest earnings data across the UK

Latest Fiscal Affairs Scotland publications

Analysis of improving schools attainment in London, including any implications for Scotland

Understanding ‘the London Effect’

Finding an explanation for the success of London’s schools in improving educational attainment is of continuing interest to academics and politicians. Recent research has focused on the gains achieved since the late 1990s (see Table 1) and, in particular, the success in improving the results for ‘disadvantaged’ pupils. While this ‘London Effect’ has been noted and commented on for some time, a lack of clarity over what might have been the underlying cause, or causes, still remains.

Table 1: Percentage of pupils at the end of stage 4 achieving 5+ A*-C grades (inc English and Maths)

	London	England (exc London)	Difference (London minus England)
1999-2000	35.1	37.6	-2.5
2002-03	39.3	39.5	-0.2
2004-05	43.1	42.3	0.8
2007-08	50.7	48.0	2.7
2010-11	61.9	57.8	4.1

Source: House of Commons Hansard Written Answers 12 June 2013

Factors such as ethnicity, the role of Primary school education and the introduction of various Secondary school polices by central government are all offered as possible drivers. Understanding which of these factors has contributed the most to rising success would be extremely valuable for educationalists and policy makers more widely, as they seek to apply any transferrable lessons learnt to their own schooling environments.

New report

A new report by Simon Burgess of the Centre for Market and Public Organisation at the University of Bristol (see Note 1) concludes that the ‘London Effect’ can be entirely accounted for by ethnic composition.

Analysis of the schools’ attainment data shows that pupils in London score more highly, in terms of GCSE equivalent results at age 16, than any other English region. This positive differential appears to be at its greatest with respect to ‘disadvantaged’ pupils, where disadvantage is proxied by those eligible for free school meals (see Note 2). Burgess finds that the ethnic composition of the school population can account in full for this “London Effect”. This finding is strengthened by the evidence from Birmingham, where the impact of ethnicity is calculated to be even stronger than it is in London.

Because many ethnic pupils reside in poorer areas of London and Birmingham, their impact on results also highlights the better performance amongst ‘disadvantaged’ pupils in these areas.

Previous research

Recent research by the Institute for Fiscal Studies (IFS) and CfBT Education Trust (see Note 3) also looked for possible explanations for the London Effect.

The IFS found that while some of the improvement seen in the performance of disadvantaged pupils in London and Birmingham (the IFS also include Manchester) can be associated with ethnicity, another important cause has been the improvement in attainment levels achieved by the end of Primary School education. However, due to data restrictions, the question of whether or not ethnicity played a role in this improvement during Primary years has not been addressed.

The IFS found little evidence for an impact from education policy changes at Secondary school level, although these will take time to work their way through the system and might still emerge.

The CfBT analysis was more qualitative in nature, depending heavily on in-depth interviews. This highlighted the positive role played by new policies, including the London Challenge, sponsored academies and TeachFirst, along with improved leadership and better use of data by schools and local authorities. However, the CfBT approach found no role for ethnicity in helping to explain the London's improvement. Furthermore, the findings with regards to education policy changes are somewhat at odds with those from the IFS research.

The IFS work is more comparable to the Burgess findings, although the share of the London Effect attributed to ethnic mix is lower. This may be in part due to both (i) the different attainment level measures being used by the researchers (see Note 4) and (ii) to the different time periods covered (see Note 5).

It is also worth highlighting that half of the improvement seen in London's relative performance is not covered by the time period considered by Burgess (2004 to 2012).

Issues over the role of an ethnic contribution

Correlation vs cause

Of course a correlation between ethnicity and attainment does not necessarily mean that there is an associated causal link. The correlation may be spurious or coincidental.

Burgess puts forward the proposal that the causal link can be put down to "*higher pupil aspiration, ambition and engagement among migrants*". It may also be that much of this effect is due to the children's parents who, though poor and disadvantaged in the UK, have come from more advantaged backgrounds

in their country of origin, which may be consistent with a greater degree of ambition. At present, this interpretation is largely conjectural and linking cause and effect remains one of the most difficult tasks for researchers.

One of the less welcome conclusions from the Burgess analysis is that there appears to be little or no improvement in the attainment levels of poor white pupils in London. This suggests little in the way of any spill-over effects from the more aspiring pupils to the less aspiring ones.

However, the IFS analysis is less emphatic on the lack of relative improvement amongst disadvantaged white children in London. Their analysis sees some all-round improvement. The CfBT research is even more trenchant in its view that the improvements seen in London have been shared across all ethnic groups.

Outstanding issues

While the evidence for an ethnic impact might be quite strong, questions remain over the timing of its appearance and its overall importance. For example, London has always had a relatively large ethnic population and yet was under-performing the rest of England as recently as the late 1990s (see Table 1). There are a number of potential explanations, for example:

- The changing ethnic composition from more recent migration, in particular with regards to eastern European and African immigrants;
- A change in impact as you move into the second and third generation of migrant families;
- A tipping point at which the size of the ethnic population moves from being a disadvantage to an advantage to the school system;

- Changes in how pupils from ethnic backgrounds are integrated into schools. Burgess highlights that London schools are much more integrated (i.e., the extent to which the various ethnic groups mix within the school), which may be a relatively new phenomenon.

As a result of there being a number of, possibly complementary, explanations, most of which have not been analysed in sufficient detail, there remains considerable research still to be done in this field of work.

Lessons to be learnt and further research needed

There are some interesting lessons to be learnt from the London Effect analyses. First, a high ethnic concentration amongst pupils can improve attainment levels, although it is not a guarantee of good school attainment. Other effects, at both Primary and Secondary school levels, may also have contributed to the relative improvement seen in London (and elsewhere) but it remains unclear which policies (e.g., the London Challenge and TeachFirst) have made the greatest contribution.

The reason(s) behind London's improvement is likely to be a mixture of different elements that may have combined in different ways in different parts of the city. However, piecing together the jigsaw of how these varying influences worked remains a very valuable exercise if we are to properly understand and learn from its success.

Implications for Scotland?

With so much uncertainty remaining over the cause(s) of the London Effect, the possible relevance for Scotland remains limited at present. However, whilst the degree of influence attributable to ethnicity remains uncertain, it would appear that it has played some role.

Scotland still has a far lower ethnic element to its population than the UK as a whole, although it is growing, from 2% in 2001 to 4% in 2011. In contrast, the ethnic share of England's population is around 14%, while London's stands at 40% and the West Midlands at 17%. Within Scotland, Glasgow has the highest share of ethnic population at just under 12%, followed by Edinburgh and Aberdeen at 8% and Dundee at 6%.

There appears to be little or no ethnic impact with regards to relative school performances within Scotland. For example, Glasgow's school attainment record is the third worst in Scotland and Dundee's the worst (see Note 6). While both Glasgow and Dundee have improved by more than the Scottish average over the decade 2001 to 2011, neither were in the leading group of 'gainers' which included, East Dunbartonshire, East Renfrewshire and Falkirk.

Given the continuing importance of findings ways to reduce the inequality of school outcomes in Scotland, especially for disadvantaged pupils in urban areas, then the improvements achieved in London since the late 1990s should be a continuing source of interest to Scottish policy makers.

Further investigations are merited on a number of grounds. First, the potential for improvements from encouraging higher migration, especially if a knock-on effect for other disadvantaged school children's attainment levels can be better established. Second, the potential positive role played by early intervention policies (i.e., pre Secondary school). Third, the prospect of improving the performance of pupils in urban areas with a high concentration of disadvantaged schoolchildren.

Latest earnings data across the UK

The latest results from the Annual Survey of Hours and Earnings (ASHE) were published in November. The analysis of this data concentrates on 'median gross weekly earnings for full-time employees' over the year to April 2014 (where: the 'median' is the value below which 50% of employees fall; 'gross' means before government taxes and benefits are deducted/added on; and 'employees' excludes the self-employed). So this is very much only one way of looking at how earnings and living standards have been changing over time.

Some of the key points made in relation to **median gross weekly earnings for full-time employees** were:

- At £518, this was up 0.1% on 2013, the smallest annual cash terms growth since ASHE started collecting data in 1997. In real terms (i.e., after adjusting for inflation) this equates to a fall of 1.6%.
 - In real terms, this measure has continued to fall every year since 2008, with the 2014 level now equivalent to that seen in 2001 and a fall from the 2008 peak of 9%.
 - For employees who had been in employment for more than a year, the (cash terms) increase was much higher, at 4.1%, which implies that the earnings of those entering new jobs, typically younger workers, has been falling.
 - Since 1997 the distribution of earnings has remained largely unchanged, with those earners in the top 10% seeing rises at about the same rate as those in the bottom 10%.
 - As the annual increase in private and public sector earnings are similar, public sector earnings continue to outperform those in the private sector, which have remained at about 85% of the public earnings level since 2008.
- The gender gap has narrowed to 9% for the UK, continuing the downward trend seen since 1997, when it was 17%. Scotland has also seen, overall, a downward trend since 1997, but also a recent return to rising inequality, since 2011. In Northern Ireland there is a 'negative' gender gap (i.e., women paid on average more than men) of -4%, in comparison to a 'positive' one of +16.5% in 1979. This is most likely connected in some way to the high proportion of public sector jobs in Northern Ireland.

For Scotland:

- The median gross weekly earnings for full-time employees is £1 higher than for the UK, at £519. This is 2.1% higher than last year, a bigger increase than seen in any other UK region and equivalent to a real terms increase of 0.4%.
- Of the larger Scottish cities the biggest increase was seen in Aberdeen (4.2%), followed by Glasgow (2.9%) then Edinburgh (0.1%).
- For most other Scottish councils the size of the survey sample used means that the data is less robust, i.e. there is less certainty connected with the size of change found. Bearing that in mind, the biggest increases were seen in Argyll & Bute (9.1%), Inverclyde (7.7%) and South Lanarkshire (5.8%) and the lowest in the Western Isles (-13.4%), the Shetland Isles (-12.9%) and East Dunbartonshire (-9.9%).
- Since 1997, Scottish earnings have risen by 73%, in cash terms, as opposed to 62% for the UK.
- Since 2008, Scottish earnings have fallen by around 5%, in real terms, which is less than the near 9% fall seen for the UK.

Latest Fiscal Affairs Scotland publications

The following papers have also been published by Fiscal Affairs Scotland over the past month and are available from our website at www.fiscalaffairsscotland.co.uk.

- Long term Scottish budget projections;
- Supplementary Monthly Bulletin looking at the 2014 UK Autumn Statement

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Notes

- 1 Simon Burgess (2014) ‘Understanding the success of London’s schools’, the Centre for Market and Public Organisation at the University of Bristol
- 2 For example see **Figure 4** from Greaves et al (2014) ‘Lessons from London schools for attainment gaps and social mobility’, SMCP Research Report.
- 3 See: CfBT Education Trust (2014) ‘Lessons from London Schools: Investigating the Success’; Greaves et al (2014) ‘Lessons from London schools for attainment gaps and social mobility’, SMCP Research Report.
- 4 Both reports look at GCSE results at the end of Secondary school, but Burgess concentrates on the score across all 8 subjects while the IFS concentrate on the slightly different ‘% of pupils achieving 5 or more GCSE’s at A* to C and including english and maths’ measure.
- 5 Burgess work only goes as far back as 2004 while the IFS go back to 2002. London’s improvement relative to the UK has gone on for the entire period back to at least the late 1990s.
- 6 See Audit Scotland report ‘School Education’, June 2014.



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