

## The regional geography of new graduate labour in the United Kingdom

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**The regional geography of new graduate labour in the United Kingdom**

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Keywords:	Graduate labour recruitment, United Kingdom, Regional analysis, participation rates, higher education capacity, university catchments



The regional geography of new young graduate labour in the United Kingdom

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R-U pour quatre cohortes de diplômés successives en l'année universitaire 1998-99. On identifie des régions gagnantes et perdantes évidentes dans le recrutement des diplômés, les divers rôles des quatre moyens et l'importance de la mention. Puis, on cherche à expliquer ces résultats régionaux tout à fait différents et proposent des politiques destinées aux régions qui perdent actuellement une main-d'oeuvre diplômée éventuelle suite à ce processus d'interaction interrégionale.

Recrutement diplômé / Royaume-Uni / Analyse régionale / Taux de participation / Capacité d'accueil de l'enseignement supérieur / Secteurs de recrutement universitaires

**Die regionale Geografie von neuen, jungen Arbeitnehmern mit Hochschulabschluss in Großbritannien**

Abstract

Mit Hilfe einer neu entwickelten Datenbank der bisherigen Wohnsitze, Universitäten und ersten Arbeitsplätze von Studenten in Großbritannien entwickeln wir in diesem Beitrag einen Rahmen zur Modellierung von Strömen zwischen diesen Standorten. Hochschulabsolventen, die von einem Arbeitsmarkt angeworben werden, werden nach vier verschiedenen Anwerbungswegen klassifiziert. Anschließend wird das Modell für vier aufeinanderfolgende Absolventenkohorten im Zeitraum von 1998 bis 1999 auf das regionale System Großbritanniens angewandt. Wir identifizieren klare Gewinner- und Verliererregionen bei der Anwerbung von Hochschulabsolventen, die unterschiedlichen Rollen der vier Wege und die Auswirkungen der Abschlussklasse. Anschließend erklären wir die ausgeprägten Unterschiede bei den Ergebnissen der Regionen und schlagen politische Maßnahmen für Regionen vor, die in diesem Prozess der interregionalen Wechselwirkungen momentan potenzielle Arbeitnehmer mit Hochschulabschluss verlieren.

Keywords:

Anwerbung von Arbeitnehmern mit Hochschulabschluss  
Großbritannien  
Regionalanalyse  
Teilnehmerzahlen  
Hochschulkapazität  
Einzugsgebiete von Universitäten

**La geografía regional de nuevos jóvenes universitarios en el mercado laboral del Reino Unido**

Abstract

Con ayuda de una nueva base de datos recién creada sobre las residencias previas, las universidades y el primer empleo de universitarios británicos, en este artículo desarrollamos un estructura para modelar los flujos entre estos lugares. Los universitarios contratados en cualquier mercado laboral se

clasifican en cuatro rutas de contratación. El modelo se aplica luego al sistema regional británico para cuatro cohortes sucesivas de universitarios de 1998/9. Identificamos claramente regiones ganadoras y perdedoras en la contratación de universitarios, las diferentes funciones de las cuatro rutas y el efecto de la clase de diploma. Luego explicamos los resultados de estas diferencias marcadas entre las regiones e indicamos las prescripciones políticas para las regiones que actualmente pierden posibles empleados con estudios universitarios en este proceso de interacción interregional.

**Keywords:**

Contratación laboral de universitarios  
Reino Unido  
Análisis regional  
Tasas de participación  
Capacidad de estudios superiores  
Captación universitaria

**JEL classifications:**

H75 – health, education and welfare  
J2 – demand and supply of labour  
J24 – human capital  
R23 – regional migration

## 1. Introduction

In recent years the UK government has attached importance to more people entering higher education (HE) not just for the social benefits of wider and deeper participation but also the economic benefits of more highly educated

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workforce. A recent official example of this thinking is Lord Leitch’s report on long-term skills needs (H.M.Treasury, 2006) which argued for a wholesale uplift in adult skills, including raising those with at least graduate skills from 29% in 2005 to 40% by 2020. Although some have questioned sending more people to university (Anon,2004; Alpin and Shackleton, 1998; Dolton and Vignoles, 2000; Wolf, 2002), most commentators would argue that a more university-educated population makes for a more humane, cultured, and socially-responsible citizenry and adds materially to the life-long earnings of the individual and the wealth-generating capacity of the nation (Bynner et al, 2002).

Where the economic role of higher education has been considered at a regional level it has usually (for example, Boucher et al, 2003; HEFCE 2001; Kitgagaw, 2004, Thomas, 2002) focussed on two lines of argument. First, that universities serve as ‘basic’ economic sectors, ‘importing’ jobs and income that cycle and recycle around the regional environments ( see Bleaney et al (1992), Brownrigg, 1973, McNicholl, 1993, Sanders, 2002); and second, through their research capacity entrepreneurial talent is ‘spun off’ beyond campus boundaries and into the region beyond (Deilmann, 1992; Forrant, 2001; Howells, 1986; Howells et al, 1998; Keeble, 1989; Passos et al, 2004; Oh, 2002; Westhead and Storey, 1995). In both respects some regions are better served with universities in proportion to their size than others. Thus pressures mount first to ‘fill the gaps in the maps’, exemplified in the United Kingdom by lobbies for further HE investment in Cornwall, Cumbria, Lincolnshire and the Highlands and Islands (eg Hills and Lingard, 2004 ;

1  
2 Utley, 2003), and, second, to achieve critical mass in research capacity  
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4 through consortia of regional (Fazackerley, 2005a, 2005b; Wojtas, 2005).  
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6 Our concern in this paper is with a third facet of the HE-regional economic  
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8 interface - the recruitment of graduate labour - that seems less frequently  
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10 considered (though Hartshorn and Sear 2005 provide a recent exception).  
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12 Here too some regions are relatively better placed than others, in ways and  
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14 for reasons we focus on in the remainder of the paper. Section 2 outlines a  
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16 simple model of home-university-labour-market transitions (our 'HULT' model)  
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18 which Section 3 compares to current research evidence and to contemporary  
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20 debates in the UK. This is also the context for our empirical exploration of the  
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22 HULT model, using a novel dataset outlined in Section 4 and producing the  
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24 results of Section 5. These describe the important flows and explore which  
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26 component(s) of the HULT pathways might be most effectively changed to  
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28 yield an increase in graduate labour. Section 6 provides a summary, some  
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30 implications and extensions.  
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## 35 2. Framework for Analysis

36 Consider the simplest possible HULT system, with just two hypothetical  
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38 regions, North and South (Figure 1a). Each is a source of undergraduates  
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40 who enrol at universities in either region from where they subsequently move  
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42 to graduate employment, again in either region. Four 'H-U' enrolment streams  
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44 can thus be identified with an 'Hxx'- type label, thus HSN is the stream of  
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46 previously- Southern (S) residents who enrol in North's (N) university.  
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48 Similarly four 'U-L' employment streams of 'Lxx'- type labels, similarly derived,  
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50 link both universities' graduates to their first-job labour regional market : so  
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the LNN stream represents Northern graduates who remain there to work. We can pair enrolment and employment streams into ‘pathways’ combining their H,U and L designations. From each of the South and North home bases four such separate ‘H-U-L’ pathways can be traced, as recast in Figure 1b in two matrices, one for each home base.

We can also view these pathways from the perspective of the recruiting labour markets. North and South again have four separate pathways from which they can recruit graduates. Using the Southern labour market as the example we can classify these as follows :

- **the Locals pathway** (*Cell 1 of Figure 1b : stream HSS + stream LSS*) : these are home students from the South who also studied there before also taking a job in the South.
- **the Returners pathway** (*Cell 2 : HSN + LNS*) : those originally from the South but studying in the North, before returning South for work.
- **the Stayers pathway** (*Cell 5 : HNS + LSS*) : Northerners who decide to remain in the South after studying there.
- **the Outsiders pathway** (*Cell 6: HNN + LNS*) : these take a Southern job, despite their home and study experiences being from the North.

The absolute numbers recruited through each pathway are the product of the number of graduates who are potential Southern workers multiplied by the rate at which these convert to Southern rather than Northern jobs. More formally, these '**potential**' and '**conversion rate**' elements are respectively defined for each pathway as follows, the first term representing the potential and the second the conversion rate:

$$\text{Locals} = (\text{cell 1} + \text{cell 3}) \times (\text{cell 1} / (\text{cell 1} + \text{cell 3}))$$

$$\text{Returners} = (\text{cell 2} + \text{cell 4}) \times (\text{cell 2} / (\text{cell 2} + \text{cell 4}))$$

$$\text{Stayers} = (\text{cell 5} + \text{cell 7}) \times (\text{cell 5} / (\text{cell 5} + \text{cell 7}))$$

$$\text{Outsiders} = (\text{cell 6} + \text{cell 8}) \times (\text{cell 6} / (\text{cell 6} + \text{cell 8}))$$

Students exercise choice in where to work, and we assume that personal familiarity, either from experiences prior to, and/or while at, university should be *positive* factors. Assuming the locals pathway benefits from the pull on job-choice of *both* 'home' and 'study' we predict its conversion rate will be the highest of the four. On similar logic, that for outsiders should be the lowest, having neither of these pulls, and those of the stayers and returners intermediate between them.

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We also identify as a region's '*gain rate*' the graduates it attracts at the 'L' stage compared to those it generated in the same cohort at the 'H' stage. For each region this is the sum of their four graduate pathways divided by the sum of the four employment streams they attract divided by the sum of the four enrolment streams they generated, as follows:

$$\text{South gain rate} = ((\text{cell 1} + \text{cell 2} + \text{cell 5} + \text{cell 6}) / (\text{cell 1} + \text{cell 2} + \text{cell 3} + \text{cell 4})) \times 100 \%$$
$$\text{North gain rate} = ((\text{cell 3} + \text{cell 4} + \text{cell 7} + \text{cell 8}) / (\text{cell 5} + \text{cell 6} + \text{cell 7} + \text{cell 8})) \times 100\%$$

Where the gain rate exceeds 100 the region is a graduate 'winner', recruiting more than it generates, and where below 100 a 'loser' region with the opposite characteristics.

For empirical application, of course, this two-regional model has to work in an N-regional context. However, for simplicity of analysis in the UK case to follow (where N = 12) we maintain the same 4-fold classification of recruitment pathways and conversion rates by amalgamating all regions other than the one under consideration, and ignoring the 'internal' flows among them of enrolling undergraduates and recruited labour. So for those graduates recruited by the South West region, for example, locals would be its 'home' students also studying there, returners would be its 'home' students studying in the UK anywhere outside the South West, stayers those whose home

region is elsewhere but studying in the South West, and outsiders those with no prior South Western associations of residence or study.

But before that, we review what we know of such HULT-type mobility thus far in the UK and beyond, and its role in current debates on regional economic growth in Britain.

### 3 : Contexts

#### 3.1 : Academic

The key underlying principles to our investigation – that education facilitates geographical mobility which in turn is characterised by geographical disequilibria – is, of course, part of the received wisdom of the social sciences. Differential regional economic growth is far too complex to be ‘explained’ by just one factor (migration) let alone one sub-factor (graduate migration), but there is a case for believing the latter to have become relatively more important. A detailed overview of the geography of migration in late 20th century Britain portrays internal migration (our focus here too) as being of the young, highly educated, start-of-career or early-career professionals (Champion and Fielding, 1992). As regional specialisation has shifted to one structured on occupation rather than industrial categories so only certain locations can provide the high-flier career opportunities these migrants seek, and the training capacity for them. This reinforces the virtuous

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cycle of growth of favoured regions and, in the zero-sum-game geography of Britain's regions, a vicious one of the draining-away of human capital in others. So regional inequalities widen. Neoclassical regional theory may depict migration as a force for inter-regional equilibrium, but contemporary realities are very different.

More recent work (Champion et al 2007) sharpens the focus on the 'graduate process' in such internal migration flows, and thereby on the population growth of major British cities. Analysis of longer-distance migration from the 2001 Census shows the important role here of the movement of full-time students *to* university, although their levels and patterns of migration *after* graduation cannot be traced so surely. The authors nevertheless believe their results underline the role of mobile, high-skilled graduate workers in supporting the growth points of the modern 'information economy', particularly in London. London's gain is others' loss, so these highly mobile, intending and actual graduates add further to these upwards and downwards cycles, in the HE sector (see for example, Hoare, 1995).

But this recent evidence only sheds partial light on the realities of the HULT system. The same is also true of other evidence derived from a range of other geographical contexts. Table 1 provides a summary of significant contributions. Many are international in scale – the often-called 'Brain Drain' investigations – although inter-regional examples within national confines arise as well, again highlighting the differential economic benefits and disadvantages such flows imply. Most focus on either the H-U or the U-L legs

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2 in isolation. The training and practice of doctors is the single most popular  
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4 research sector, as a comparatively accessible study population and one with  
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6 obvious wider social consequences.  
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10 But as far as our present focus is concerned - continuous time-series tracking  
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12 across H-U-L of the same individuals and within a national set of regions –  
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14 few precedents exist. Kodrzycki's first study from Table 1 (Kodrzycki, 2000)  
15  
16 adopts a variety of source materials to examine New England's performance  
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18 and apparent decline over time in generating, training and attracting graduate  
19  
20 workers compared to other regions. Her second (Kodrzycki, 2001) uses one  
21  
22 of them, the US National Longitudinal Survey of Youth (1979-1996), to follow  
23  
24 high school migrations to college and then for the first 5 years of employment.  
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26 Graduates subsequently emerge as more mobile than non-graduates.  
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28 Migration rates *to* college (H-U) are lower than *after* college (U-L), but the  
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30 former also differentially encourage the latter. Clear winner and loser regions  
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32 emerge in the graduate job league, rationalised by differences in their labour  
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34 markets dynamism and amenity attractions.  
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39 The first UK study (Osborne et al, 1987) traces the early employment  
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41 experiences of Northern Ireland students entering HE in 1979, whether there  
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43 or beyond the region, noting the roles of gender, religion, academic subject  
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45 and degree class. The Province emerges with a serious net loss of graduate  
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47 labour from that cohort, and for our purposes it is pertinent that this is  
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49 especially so for those attaining high class first degrees (upper seconds or  
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51 better). The other UK HULT-type study (Belfield and Morris, 1999) adopts a  
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wider geographical remit in tracking two panels of full- and part-time graduates (of 1985 and 1990 ) to their first employment. These migrations again are unbalanced, and their statistical modelling and follow-up investigations suggest some of the personal and regional characteristics encouraging mobility. Interestingly, those migrating to study (ie the H-U leg) tend to be *less* satisfied with their courses. However, their results depend on limited samples (35% response rates from 20% of British universities) and their transitions are analysed as a set of separate legs (H-U;U-L;H-L) rather than as a continuous process. Since then the relevant datasets have improved, and the financial climate in which British students study has also changed significantly.

3.2 : Political

So have the ways in which regional labour-forces are politicised into related economic strategies. Since 1997 nine Regional Development Agencies (RDAs) have added a new and energetic component to economic analysis and policymaking in England, building on experience of equivalents in Wales and Scotland. In pursuit of their task 'to co-ordinate regional economic development and regeneration, enable the English regions to improve their relative competitiveness and reduce the imbalances that exists within and between regions ' (ODPM, 2005) a set of regional reports (appearing around 2000) were produced where the paramount activity was medium-term (usually to about 2010) regional economic strategies. And *their* single most prominent

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2 issue, common to every such strategy, was the regional resource of labour  
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4 skills.  
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9 At the most basic level this meant upgrading literacy, numeracy and the  
10 culture for learning amongst the low and unskilled. At the 'top end' the focus  
11 was on specialist and high-level skills. Universities represented the major  
12 source of these, as some RDAs explicitly appreciated in their strategy  
13 pronouncements. Thus that for the North East region underlined the need for  
14 'placing universities and colleges at the heart of the region's economy' (ONE  
15 NorthEast, 2000), in part precisely because they are a source of training and  
16 skills among the workforce. This is the closest the RDAs have come to the  
17 symbiosis between labour market needs and the HE sector advocated by  
18 Goddard and Chatterton (1999), giving them an explicit 'third role' alongside  
19 their traditional contributions to teaching and research. The neighbouring  
20 North West stressed the importance of retaining graduates for its own  
21 economic benefit in its Skills and Learning Strategy (Northwest Development  
22 Agency, 2000). And the East Midlands furthered its vision of transforming the  
23 region's educational providers into 'a dynamic strategic force for economic  
24 development' (East Midlands Development Agency, 2000a), partly through its  
25 then on-line '*Getonwithgraduates*' scheme (East Midlands Development  
26 Agency, 2000b) which paired, intra-regionally, the career paths of relevant  
27 graduates with the needs of employers.  
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49 The former Department for Education and Employment's HERD (Higher  
50 Education and Regional Development) Fund also aimed 'to increase higher  
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education's contribution to regional competitiveness by developing its responsiveness to local or regional employment markets' (DfEE, 1999). Partners to its supported ventures included universities among other educational establishments, and private and public sector representatives (1). But however formalised through public policy, regional stocks of skilled labour depend on significant inflows and outflows at different stages in the HULT process. In an inter-regional, zero-sum-game context, there will inevitably be regional winners and losers. However, one could be forgiven for overlooking this in the cascade of words in RDA publications and web-sites. There we find scant awareness of these inter-regional flows, let alone how well (or badly) a particular region fares from them.

**4. Data sources**

So both empirically and politically the case for a more rigorous HULT-type analysis seems clear. Our application of it to the reality of the UK experience for the first time, rests on a fundamental advance in the structure of available time-series data. The recent linking together of hitherto separate UK data sets focussing on the 'H-U' and 'U-L' segments of our model is part of a wider transformation of the scope and accuracy of HE sector statistics. The first graduate cohort to be so treated – the 1998/99 graduates – is also our starting point.

The basic approach is to use multi-stage matching across a range of personal data from individualised records to produce a matrix of links between (and within) datasets, before resolving these links into a logically consistent

1  
2 longitudinal data set (HEFCE, 2005 pp 168-170). Starting with algorithms  
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4 developed by one of us for determining undergraduate non-completion rates  
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6 and university access statistics (HEFCE, 1999), this approach has been  
7  
8 extended to launch studies of participation patterns (HEFCE, 2005a; 2005b)  
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10 and undergraduate progression (HEFCE, 2003). Our analyses here take a  
11  
12 first look at a hitherto unexplored aspect of these new data sets – the linked  
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14 geographies of undergraduate origin, study and first employment.  
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18 The first two geographies derive from the HESA (Higher Education Statistics  
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20 Agency) student records. This individual level data set provides course and  
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22 personal details, including the postcode of the pre-admission residence. We  
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24 supplement the student personal details by linking to the Universities and  
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26 Colleges Admissions Service (UCAS) data sets. Whilst this linking does raise  
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28 the (already high) valid postcode coverage for young entrants to around 99  
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30 per cent (HEFCE 2005b, p 179) its main advantage is in the elimination of  
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32 term-time postcodes sometimes erroneously returned on the HESA record.  
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34 These residence postcodes, in combination with the location of the university  
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36 attended, form the basis of a 'H-U' classification. The 'H' here really is the  
37  
38 'home' location, rather than that of school. The two are usually geographically  
39  
40 close, though not necessarily so for boarding schools. Occasionally a  
41  
42 student's term-time address will be elsewhere (notably for Home Counties,  
43  
44 home-based students studying in London) while some universities have  
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46 locations for first-degree study in other regions (HEFCE 2004), but neither  
47  
48 should make a material difference to the broad patterns of H-U-L transitions  
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50 we identify. Our first look at the data neglects these complications.  
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The data source for the U-L leg is the HESA First Destination Survey (FDS) (HESA 2003), an annual postal survey to discover the employment status of recent full-time graduates shortly after graduation. For those reporting themselves as in full-time employment the geographical location of the employer (not the graduates' residence) is recorded. With a typical response rate of around 80% — 86% for the young degree graduates that we consider in this paper — the FDS provides a comprehensive early snapshot in the evolving employment history of recent highly qualified labour. After 2001/2 the FDS was replaced by the Destination of Leavers from Higher Education (DLHE) survey (HESA 2004), so our analysis too ends with the 2001/2 graduating cohort.

A review of FDS identified some weaknesses, such as inconsistency in how and when first employment was recorded and in the practice of universities in exhorting selected recent graduates to respond. This led to improvements to the FDS for 2000 such as a common survey reference date and more data quality cross-checks by HESA. Our analyses span the pre- and post-review period, but the stability of results suggests this has not been a major break in the series. Bias may persist for our purposes if the differential energies of universities in chasing their FDS respondents and keeping sound records map onto different H-U-L profiles. It is also the case that the FDS response rates vary across groups of graduates, for example graduates who go on to postgraduate study are more likely to respond (HEFCE 2005b, pp 231-232). It seems likely that a similar response bias would exist between, for example,

those in 'proper' graduate occupations and those in more temporary jobs,  
which could distort our view of the H-U-L profiles.

The four cohorts of UK domiciled first degree graduates from Higher  
Education Institutions between 1998-1999 and 2001-2002 total some 969,000  
(around 1,400 EU domiciled first degree graduates are recorded as working in  
the UK on the FDS, but are not included in this analysis). But we are only  
concerned with a sub-set of these, obtained through a sequence of  
restrictions:

- a) they are full-time first degree students
- b) they qualify (from the same institution as they started in) three or four  
after starting, with no previous HE experience
- c) they entered their course aged 18 or 19 (defined relative to their school  
year : HEFCE 2005b, p 172)

Applying restrictions (a) and (b) leaves some 671,000 graduates. The further  
stipulation that they be young on entry reduces the total again to 525,000  
graduates. The effect of these restrictions is to remove geographical  
complications (such as those who have transferred between institutions, and  
those who are having a second chance at HE) and to focus on young full-time  
degree graduates. This group is the numerically dominant component of all  
graduates and is of particular use to us since it is likely to be especially mobile  
geographically, making it a sensitive testing ground for the potential spatial  
transitions underpinning our HULT model. These particular graduates offer

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interpretative and pragmatic attractions too. Their youth means that their 'home' location is likely to have been more than transient and their rapid progress through their courses (compared to part-time students) means each cohort is responding to a common national economic context. Furthermore, the participation geography of young people is better known than for other groups (HEFCE 2005a; 2005b). This is not to deny the importance and interest attached to other sub-sets of graduates (or those attaining other HE qualifications, perhaps through study in Further Education Institutions, a particularly important route in Scotland), but they likely behave differently, are more difficult to measure and less responsive to the regional patterning of employment opportunities.

Our analysis requires further cuts to this population of 525,000 young graduates:

- d) they need to have responded to the FDS (451,000)
- e) and report 'full-time paid employment' as their main activity (261,000)
- f) and be working in the UK (250,000)
- g) and provide sufficient detail on their 'H', 'U' and 'L' geographies to allow the assignment of a region in each case (225,000)

Clearly, we can only analyse those for whom we have FDS information. Of those, our interest is in those who go straight into full-time paid employment: the eventual employment geographies of those who go on to postgraduate study or take longer to find employment are neglected in this paper. The final

1  
2 restriction is the condition of allocating each qualifier into our chosen spatial  
3 framework of UK regions (Figure 2). Although the full postcode derived 'H'  
4 and 'U' geographies could be specified in many ways this is not the case for  
5 the FDS sourced 'L' destinations which are referenced by full postcode, partial  
6 postcode or country in 24 per cent, 74 per cent and 2 per cent of cases  
7 respectively. The country level of location would be assigned where the  
8 respondent had not provided sufficient postcode information so, for example,  
9 "Bristol" would be coded to England. Since Scotland, Wales and Northern  
10 Ireland are regions in our analysis that also enjoy country status, the  
11 graduates employed there are more likely to assigned a valid 'L' geography  
12 than those in England. Almost all the 25,000 graduates removed at stage g)  
13 above are those where the 'L' location is recorded as 'England'; thus  
14 graduates working in England are under-represented slightly in our  
15 population.

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33 Using regions for our spatial framework allows us to assign as many as  
34 possible to a valid geography and avoids the difficulties of finer-grained ones  
35 that might be readily spanned by a commute. Whilst it is easy to criticise  
36 regions for being too coarse an analytical framework, it keeps the first, largely  
37 descriptive, step in our HULT analysis, manageable. More positively, as we  
38 have seen, it is also the scale at which much sub-national policy-making over  
39 jobs, people and homes takes place. Our final population of 225,000  
40 represents 23 per cent of all the first-degree graduates in this period, some 43  
41 per cent of young graduates and (depending on how the FDS non-

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respondents differ from the respondents) probably around 75-80 per cent of the young graduates going directly into the labour market.

In this present, exploratory, paper we deliberately take a simplified view of this innovative dataset, distinguishing its population neither by type of degree subject nor by awarding university, although it might be argued that each may affect their quality, employability and mobility to attain employment. If we had individual university-level data (which we haven't) allowing for such inter-university variation in degree-level training would still be problematic. But by working at the region scale we are using a framework which, in each region, amalgamates universities of very different character and 'status', hopefully smoothing over any sharp site-to-site variations in educational quality.

It is also important to stress that we are not attempting to model the flows in our HULT dataset in any optimal, distance-minimising sense. Our interest is in describing, analysing and considering some policy options based on the real-world geographical interactions that arise, for better or worse, among homes, universities and workplaces.

**5. Analysis**

***The structure of the HULT system***

In this first, descriptive, section we start by examining the gross outcomes of the HULT system through regional gainers and losers. Second, we quantify

the recruitment pathways that underlie these broad-brush outcomes. Finally, we explore the role of degree class, to see whether quality, as well as quantity, differences characterise the UK's geography of graduate labour recruitment. Throughout, one general outcome is the uniformity of these results across the four graduating cohorts: any year-to-year differences are usually of detail rather than substance. Thus for presentational simplicity one year's results can sometimes stand for all four. Another is the reassurance, not least for policy-relevant purposes, that the contemporary geography of graduate recruitment is largely consistent over time.

### 5.1 : Winners and losers

We identify these based on *net* differences between start and end positions for any cohort : in a region with an arithmetic balance of providing undergraduates and recruiting graduates (ie gain rate = 100), substantial numbers of the former could still take jobs extra-regionally, as long as these were matched by inflows of 'stayers' and 'outsiders' to the regional labour market.

Table 2 shows an outcome clear and consistent over time and space. Only two regions – Scotland and Yorkshire and the Humber – approach this balance, each being either in modest surplus or deficit depending on the cohort concerned. The single, and emphatic, winner region is London, which recruits about twice or more first degree graduates as it provides home students to the system. There may be a hint of some *relative* decline over



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time, but this is a detail secondary to the capital's dominance in the geography of graduate recruitment.

The necessary counterbalance comes in the remaining nine regions, all of which are consistently losers. Overall, the smallest such deficits are, predictably enough, in the South East: the region shares something of the economic strength of the London which partly offsets the draw of *its* home students to the capital's adjacent labour market. At the other extreme, Wales, Northern Ireland and the East of England are overwhelmingly loser regions in all four years, in some of which they fail to recruit the numerical equivalent of three graduates for every four they send to university.

A simple measure of consistency over time is the behaviour of the regional *gain rates* (defined above), which show a high degree of stability as mapped in Table 2. Its histograms cannot easily convey the rank orders of regional gain rates, but these also change little over time, as measured by the '*shift*' scores shown. These record the total change in rank position for each region over three inter-cohort comparisons, the theoretical maximum being 33 and the minimum, obviously, zero for no change in rank position. The *highest* shift scores are only 6, in the North East, which has raised its bottom-of-the-pile 1998/9 gain rate (75%) to a 6<sup>th</sup> ranked 90%, the recently improving East Midlands (to 5<sup>th</sup> in 2001/2) and the South East. The last's recent downturn (to 10<sup>th</sup> position -only Northern Ireland and the East of England being worse) might reflect the same depressurising the overheated parts of the national space economy as the possible London trend noted two paragraphs earlier.

At the other extreme, seven regions have not changed position by more than one rank (and sometimes by none) at any stage over four years.

### 5.2 : Catchments, conversion rates and pathways

**University catchments** focus on the H-U flows and determine the numbers of potential graduates on each recruitment pathway, to which their respective conversion rates apply. For present purposes we can summarise the catchments for most of the 12 regions as belonging to two broad groups (Table 3). Members of the leading group each year have larger outflows of home-residents to university places than they have opposite inflows, and these in turn exceed numbers of home students studying within the region. For the smaller group, the first two flows are reversed in size, but the locals stream is again the smallest. The most peripheral university regions display their well-known high dependence on intra-regional student recruitment, although the inflow – outflow balance differs, while the northern English regions show relatively more balance across the three components, and some changes over time.

Turning next to the U-L flows, Table 4 displays regional **conversion rates** across the four pathways, taking 2001/2 as typical. As predicted earlier, locals always produce the highest conversion rates, in every region and for each cohort. This is never below 70%, and over 90% in the most peripheral regions (Scotland, Northern Ireland). At the other extreme, and again predictably, the outsiders pathways generate the lowest conversion rates, in every case. In

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terms of its size, London’s outsiders conversion rate is clearly exceptional, -  
over 11%. They otherwise never breach 5%, and in four peripheral ones –  
Scotland, Northern Ireland, the North East and Wales - fail even to reach 1%.

However, the two middle categories are more clearly differentiated than our  
previous discussion suggested. Of the two recruitment pulls exercised by any  
region – that of being at home there and that of studying there – the former is  
the more powerful, usually by some way. So in eight cases the returners  
conversion rates normally exceed the stayers equivalents by over 15  
percentage points, across the four cohorts. Northern Ireland is an exception,  
but its stayers conversion rate is based on a very small inflow of university  
students studying there from outside. The only other exception is in Scotland,  
where in three cohorts (2000/1 is the exception) the middle rates are reversed  
from their normal order: in-migrant students are more likely, albeit by a small  
amount, to be recruited to Scottish jobs than are those previously living in  
Scotland but now studying outside the region.

Further stability is to be found in the *ranked positions* of the regions on each  
of the four conversion rates across the survey years. Out of 48 ‘region x  
pathway’ cases only four vary by more than two ranked positions across the  
four cohorts and one third are constant in each year. Table 5 shows what  
these ranked positions are, through their mean values by pathway and region.  
Some regions perform very differently depending on the pathway – potential  
locals from the South East seem to develop a preference for jobs elsewhere  
(probably in London) but this region has high conversion rates otherwise,

1 while the South West and East of England have similar, if less extreme,  
2 tendencies. The peripheral regions, and particularly Scotland and Northern  
3 Ireland, show the opposite trend. Each is much more attractive to locals than  
4 outsiders, and more effective at retaining those who have already decided to  
5 move to the region for study than former residents who have left for university  
6 elsewhere. Finally, the very different experiences of the neighbouring North  
7 East and North West are notable in the light of the concern of the latter's RDA  
8 in raising levels of graduate recruitment, reported earlier.

18 London is different again: whatever the pathway, its performance is  
19 impressive against regional competitors. There seems no sign of weakness in  
20 its ability to attract newly qualified, highly qualified, labour, at least within  
21 Britain.

28 The *absolute numbers* of graduates recruited by each pathway are obviously  
29 the product of the university catchments, (generating potential recruits) , and  
30 conversion rates of 'potentials' into 'actuals' (Table 6) : their roles are  
31 sometimes conflicting and sometimes complementary. In practice, although  
32 the local pathway has universally the highest conversion *rates*, only four  
33 regions consistently draw their largest single *volumes* of graduates from it -  
34 the North East, Wales, Scotland and Northern Ireland. In the last two the  
35 percentage of home-origin students who also study in the region is particularly  
36 high, compared to those studying elsewhere or to outsiders studying in the  
37 region, so university catchments and conversion rates reinforce each other. At  
38 the other extreme, London uniquely draws its biggest volume of graduate

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labour from those with no prior familiarity with the region at all, as its exceptionally high ‘outsiders’ conversion rate is applied (inevitably) to the very large absolute number of students in that category. In the central English regions returners consistently generate the most graduate labour. Just two regions show any changes over time. Yorkshire and the Humber depends most on stayers for the first two years, but these are narrowly edged out by locals from 2000/1. The North West, also becomes reoriented towards locals in later years.

5.3 : The importance of degree class

What of the role of degree class? Over the four years between about 55% and 60% of students in the dataset were awarded first or upper second class degrees (‘high’ graduates) as opposed to lower seconds or below (‘low’ graduates). Conversion rates can be calculated separately for these two sub-groups, with the outcomes shown in Table 7. Again the results are very emphatic, and again they separate the performance of the London graduate labour market from those in other regions. In all but two ‘region x cohort’ cases (2) the locals pathway generates a higher conversion rate for low than high graduates. So the likelihood that those who have studied in their home region will also be recruited there is greater the less well they perform in their first degree, consistent with the Osborne et al (1987) finding noted earlier. In the great majority of the returners and stayers cases the same also applies: out of 96 such cases ( 2 pathways x 12 regions x 4 cohorts) only 14 exceptions arise. And of the 16 total exceptions over all three of these

pathways - where *high* graduates are recruited relatively more frequently by a region - no less than nine arise in London, out of its total of 12 cases (3 pathways x 4 cohorts). Only with the outsiders (a very small conduit for graduate recruitment in absolute terms away from the capital) are regional conversion rates generally greater for high than low graduates. So when converted to absolute numbers again (Table 8) the problem for many regions of being a loser rather than a winner in graduate recruitment is compounded by their also being disproportionately dependent on those who, on the evidence of degree class, are the lower attaining and less valued segment of the graduate labour force (Owen, 2003).

So London bucks this trend, as it did earlier ones. It recruits disproportionately more high than low graduates in all but three of its 12 pathway x cohort cases over the study period, as well as enjoying higher conversion rates in general than rival regions.

### ***Diagnosis and prescription***

We now turn from description to a deeper understanding of the very different performances of the 12 regions in recruiting graduate labour, focussing on controlling factors susceptible to medium-term intervention through public policy in the education sector.

Four such factors are identified, as follows:

- i) *HE participation rates* – The participation rate of young people in higher education varies by region (HEFCE 2005). The regional participation rates for our study period varied from about 36% in Scotland to 24% in the North East. Our analysis supposes that a proportional change in a regional participation rate would bring about a similar proportional change in the number of our database population from the ‘H’ region. This is a reasonable approximation though the exact relationship between the two will also depend on factors including non-completion rates, course length, participation in Further Education Institutions and the share of young graduates that fall within the analysis .
- ii) *Regional HE capacity*, in relation to the generation of undergraduates from each region – in 2001/2 universities in the East of England took in only 44% as many students as that region generated, forcing many of them to study outside its boundaries for that reason alone, whereas its neighbour, the East Midlands, had an equivalent 30% oversupply of places.
- iii) *University catchments* – the more a region’s students attend its local universities and those universities recruit local students, the more will students pack into cell 1 of our model (Figure 1b), maximising the likely graduates recruited locally. In 2001/2 91% of Scottish students studied there, comprising 84% of students in

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2 Scottish universities, the comparable figures for the South West  
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4 being only 31% and 33%.  
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9 iv) *Conversion rates* – we have seen how these vary, and self-  
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11 evidently the higher they are, *ceteris paribus*, the higher will be  
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13 regional graduate recruitment.  
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#### 15 16 17 5.4 : Diagnosis 18

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20 We now estimate the contribution of each of these factors by setting them  
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22 separately and in turn to appropriate national benchmarks, and observing how  
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24 regional gain rates change for a given cohort. In the case of i), iii) and iv) this  
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26 involved substituting the cohort national average equivalent, based on the  
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28 unweighted means of the 12 regional figures, for the respective, observed  
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30 region-specific values. For ii) each region's HE capacity was set to the  
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32 number of students that region generated for a given cohort, so each could be  
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34 self-sufficient in terms of crude demand for and supply of HE places. For iii)  
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36 and iv) these changes can be made without affecting the remainder of our  
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38 HULT model, but for i) and ii) it is necessary also to allow regional HE  
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40 capacity and participation rates respectively to respond subsequently, to avoid  
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42 unfilled places or unsatisfied students (3).  
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46 The results again testify to the stability of the HULT system over time. For  
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48 eight of the 12 regions taken separately the relative effects of the four  
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50 separate estimates of graduate recruitment are consistent over all four  
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cohorts (although different among the regions – see below) and for each of the remainder only one cohort breaks ranks. Equally, the effect of the diagnostic changes is almost always in the same direction (upwards or downwards) for each cohort, and in the exceptions the impact is marginal.

Table 9 summarises the diagnosis for the 12 regions. It identifies the factor(s) most responsible for their current observed recruitment status (Col. 1) when compared to that which the application of national benchmarks would generate, those from which they would benefit most (Col 2) against current outcomes, and to some lesser extent (Col 4), if these same national norms were to apply. The additional graduate labour recruitment the dominant-change (Col 2) factor would generate appears in Col 3. The results are very varied, testifying to the complex ways in which a small number of controls can affect regional graduate recruitment. Consistent with what we saw before, the dominant winner (London) benefits massively from its conversion rates and suffers only modestly from being below self-sufficiency in HE capacity. In contrast, for seven regions HE capacity is their major strength while almost all would also benefit from national conversion rates. The North West would gain most from improved participation rates and Northern Ireland from a more normalised pattern of student flows and university catchments. Its potential gain here is a massive one, too, which would almost have doubled its recruitment in one cohort. Wales and the North East also have substantial benefits to reap from national conversion rates.

5.5 : Prescription

To provide more realistic policy prescriptions about increasing absolute numbers of graduates in regional labour markets we now make two further modifications. First, whereas our diagnosis assumed *simultaneous* changes in each controlling parameter *across all regions*, policymaking may well prioritise individual changes by and in specific regions. Second, the scale of changes needed to raise some regions to national norms in the previous section can be unrealistically large.

So now we model the effects of each factor separately for each region (keeping the remaining 11 unchanged) in stepwise increments of 5% for :

- HE participation rates
- regional HE capacity
- conversion rates for :
  - i) locals and returners combined
  - ii) locals and stayers combined
- university catchments :

The last two require further explanation. The first conversion rate modification assumes that policymaking targets students from a home region, wherever

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they study, and the second that the focus is the region’s HE provision, irrespective of students’ origins. It is less clear how it could target either more cells, or fewer (eg locals only), although our approach is adaptable to such cases.

The catchment modification is based on repositioning a tranche of students, numerically equivalent to 5%, 10%, 15%... of the locals cell on Figure 1b, such that a region’s total undergraduate-generating and -attracting capacities are unchanged. This involves increasing cell 1 by the specified percentage, then increasing cell 4 and decreasing cells 2 and 3 by the same absolute amount. In practice, the outcomes of the conversion rate modifications are identical to some other controls, through not of course in the underlying processes – variant i) duplicates the participation rate and ii) the HE capacity effects. Results for any factor are also simple linear functions of the input changes – those for the ‘25% case’ being five times the 5%, for instance.

Table 10 concentrates on those regions identified earlier as in graduate deficit (ie ‘losers’), and summarises the volume of factor-change necessary to effect a 10% increase in graduate labour. In every case a given (eg x%) change in participation rates is more effective than the same change in HE capacity, which in turn is considerably more so than a similar change in university catchments for constant generation and capacity levels. Of course, we cannot automatically assume the same sequence applies in cost-effectiveness terms (an x% rise in participation levels/conversion rate i) may be much expensive than an x% increase in university places/conversion rate ii)). But the ratio of

Cols 1 and 2 (shown in Col 3) gives an indication of regional variations in the *relative* attractiveness of these two strategies : the North East, and Northern Ireland are the best positioned to benefit from capacity expansion/conversion rate i), for example, and the East of England and South East the least so. Similarly, the relative attractiveness of changing catchments (Col 4) is stronger in Wales and the North East and particularly unattractive in the South East where massive redistributions of enrolment streams into and out of the region are necessary before any significant effect on graduate recruitment appears.

The Table also identifies those regions where a given policy initiative is likely to be more or less effective. For both participation rates and HE capacity Northern Ireland, the North West, the North East and Wales are the most attractive contexts. In contrast, the leverage effects of participation rate increases are much weaker in the East Midlands, South East and South West, and, of changed HE capacity, in the West Midlands, South East and East of England. For any programme of encouraging more students to study locally and universities to recruit locally, the North East and Wales reap the greatest returns and the South East the least. Northern Ireland even produces a negative return, given its comparatively high conversion rates for stayers (4).

## 6. Discussion

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To summarise so far, some simple descriptive and modelling exercises have been undertaken on a uniquely compiled set of data on recent graduate employees, tying together, for the first time, their regions of pre-HE origin, of HE education and of First Destination of full-time employment (the ‘HULT’ system). While there are some hints of time-trends, the overwhelming impression is of a consistent geographical structure over all four cohorts. In the competition for the first destination of the young graduates the UK shows a large number of loser regions, two which break even and one dominant winner region (London). It also has a clear regional pattern of university catchments, conversion rates and pathways of graduate labour recruitment. Almost all regions consistently show greater rates of recruiting of students with prior familiarity through home or study, and particularly both, although this does not necessarily mean that the locals pathway is the most important one for absolute graduate recruitment. At one date or another, each of these is dominant in at least one regional setting, although there is a clear geographical split between more peripheral regions most dependent on locals and more central ones on returners. The disadvantage experienced by loser regions becomes greater still once the degree class of graduates is taken into account, since these tend to recruit disproportionately more of those with lower class first degrees.

In many of these analyses London is the glaring exception. It is the overwhelming winner region for graduate recruitment, if marginally less so than it was. It enjoys high conversion rates across the pathways and is the

only region to depend most on the outsider pathway for its graduate recruitment. It is also the only one which draws proportionally higher class degree students from across the pathway spectrum, and not just from outsiders, as is commonplace elsewhere.

Finally, our analysis turns to rationalising these HULT outcomes in terms of factors explicit or implicit the HE system, and the effects of policy initiatives to change these and thus effect expansion in graduate labour in particular regions. We find that the prime reasons loser regions generate more undergraduates than they recruit graduates are very varied, as is the scale of the resultant shortfalls. When we look to some simple prescriptions via more policy-realistic modelling we find that changing any loser region's HE participation rate is more effective in graduate labour changes than manipulating the other factors. We can also differentiate among regions both in terms of the size of the leverage effects of particular factors and the also relative attractiveness of different ones.

We acknowledge that what we have done has its clear limitations. Within the boundaries of the datasets we have used we could (and shall) extend our HULT analysis to a range of other variables. One set would give greater attention to the nature of students – perhaps considering their age, sex, ethnicity, entry qualifications and some classification of the type of neighbourhood where they lived before entry. Another set would look more carefully at the course studied. Subject studied might be important (perhaps contrasting career-specific training degrees - lawyers and engineers – and

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more general purpose ones) and the 12% of degree qualifiers who study part-time will presumably have tighter geographical ties prior to and during their studies. Disaggregating our regional HE data by specific universities would defuse the inevitable criticism that our analysis groups together universities very different in academic profile, wider mission and embeddedness in their local communities (eg same-city research-oriented pre-1992 universities and former polytechnics), although it would reopen questions of the inter-university comparability of academic qualifications

Another attractive option, though less easy and going beyond our dataset, is to follow graduate labour geographically beyond its first destination. Our earlier supposition that the geography of first jobs influences that of subsequent ones seems reasonable but other factors are likely to also be important. With ever more mobile labourforces, both spatially and between jobs, occupations and employers, any assumption that first destinations represent jobs and labour markets for life is clearly never less tenable than now, even aside from the criticism levelled at the FDS data themselves (Utle, 2003). The new DLHE series which has replaced the FDS holds the promise of tracking graduate employment at two snapshot dates. Until then, Alumni records of individual universities are not only confidential but patchy, as former students show less need and interest in maintaining contact as the years pass. And while national longitudinal panel-sourced databases may seem attractive (Ruspini, 2002), none at present has the express purpose of tracking graduates into, through and beyond Higher Education. Those currently in the UK suffer from their fairly coarse data on educational

1  
2 experience (including its location) and/or the small number of panel  
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4 respondents who have moved through the relevant pre-HE and HE stages  
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6 into extended periods of post-degree employment.  
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10 We turn finally to the broader implications of our study. In many ways it is  
11  
12 clear that the geography of graduate recruitment, seen quantitatively and  
13  
14 qualitatively, reflects that of other aspects of the national HE system (Hoare  
15  
16 1994b, 1995), and of the UK space economy more widely, in its centre-  
17  
18 periphery structure. London stands head and shoulders above all other  
19  
20 regions in its powers of attraction on newly-qualified graduate labour and it is  
21  
22 easy to see its advantages as self-reinforcing and cumulative. London  
23  
24 dominates the geography of many graduate occupations, the further training  
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26 capacity that serves sector-wide employers, and related professional  
27  
28 institutions. All this bolsters its 'institutional thickness' and thus the external  
29  
30 economies of scale and scope of the nation's World City economy. At first  
31  
32 glance this seems 'bad news' for the other UK regions, but at least the unique  
33  
34 labour opportunities of London may keep able and ambitious recent graduates  
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36 who otherwise would have taken jobs abroad within the national system, with  
37  
38 a greater chance of some subsequent internal redistribution.  
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42 In Massey's (2007) recent 'world city' essay on London she writes  
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44 persuasively on similar lines. Here the nation's key 'escalator region', its  
45  
46 upwardly spiralling growth encouraged by national government, has its  
47  
48 inevitable flip-side in the draining of skilled, graduate labour from 'the regions'  
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50 for which they are held to blame by the same ministers. Her typically radical  
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responses go well beyond the narrower parameters of our perspective.

Nevertheless, despite its simplicity, our modelling framework demonstrates how regional outturns of young graduate recruitment can and do arise in a variety of different ways, both through the pathways that generate them and the forces relevant to HE policy that underlie these and could alter them. To change outcomes we need some indication of the relative and absolute effectiveness of alternative intervention devices. If we decide these tested here are too expensive or impractical we have to look elsewhere for solutions, perhaps to regional and sub-regional housing allocations, a revitalised regional top-jobs policy and forced decentralisation of the public sector.

Understanding a system is a pre-requisite for improving it and hitherto we've understood little about how potential and actual graduates move about the country. Our paper is intended to move things on.

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Table 1 Previous investigations of HULT components

Scale	HULT element	Author(s)	Date	Geographical context
National	H-U	Desbarats	1977	UK HE applications
		Fairweather	1980	US and English HE enrolments
		Desbarats	1983	UK HE applications
		McHugh and Morgan	1984	US college enrolments
		Hoare	1991a	UK HE enrolments
		Hoare	1991b	UK HE enrolments
		Leppel	1993	US college enrolments
		Hoare	1994a	UK HE applications
		Okada and Iwamoto	1995	Japanese HE enrolments
		Marquez-Serrano <i>et al</i>	1996	Mexican medical students West Timor(Indonesia) migrants to HE UK HE enrolments for geography Australian rural migrants Netherlands HE entrants UK HE applications and acceptances
		Jones <i>et al</i>	1998	
		Croot and Chalkley	1999	
		Alston	2004	
		Sa <i>et al</i>	2004	
		Abbott and Leslie	2004	
	U-L	Thexton and McCarrick	1983	British dentists
		Johnston	1989	UK graduates
		Johnes and Taylor	1989	UK graduates
		Kronfol <i>et al</i>	1992	Lebanese medics
		Barnett	1992	New Zealand medics
		Campbell	1994	US defense scientists
		Salsberg <i>et al</i>	1996	Medics in New York State
		Baer <i>et al</i>	1998	Medics in rural US
		Mick and Lee	1999	Medics in rural US
		Davis and Patterson	2000	Migrant economists
		Guimaraes	2002	Brazilian researchers Pittsburgh graduates
		Hansen <i>et al</i>	2003	
		Danell and Persson	2003	Swedish PhDs
		Peach <i>et al</i>	2004	

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		Nor and Plusa	2004	Victoria (Australia) medics
		Groen	2004	Medics trained in N.England US graduates
	H-U-L	Osborne et al	1987	N.Ireland graduates
		Kodrzycki	2000	New England graduates
		Kodrzycki	2001	US college graduates
		Belfield and Morris	1999	UK HE graduates
<b>International</b>	H-U	Harman	1994	Asian HE admissions
		Brandi	2001	Migrants to Rome
		Ono and Piper	2004	Japanese women to HE abroad
		McAvinue <i>et al</i>	2005	'Outside' trained doctors in US
	U-L	Kronfol <i>et al</i>	1986	Lebanese medics
		Barnett	1992	New Zealand medics
		Baer <i>et al</i>	1992	Medics in rural US
		Mick and Lee	1998	Medics in rural US
		Davis and Patterson	1999	Migrant economists
		Guimaraes	2000	Brazilian researchers
		Nor and Plusa	2002	Medics trained in N.England
			2004	
	H-U-L	Wiltshire	1980	Returning Japanese at HE abroad
		Chang	1992	Taiwan's Brain Drain
		Lianos <i>et al</i>	2004	Returning Greeks at HE abroad

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Table 2 Graduate labour recruitment : regional winners and losers

Status	Region	Gain rates			
		(100 = balance of in- and out-flows)			
		1998/99	1999/2000	2000/01	2001/02
Deficit	North East	75.4	79.8	85.2	90.2
	North West	86.6	88.6	92.1	94.2
	East Midlands	82.2	80.9	83.8	90.7
	West Midlands	86.4	81.8	83.8	87.3
	East of England	75.5	71.0	86.3	73.8
	South East	94.1	91.4	91.1	86.5
	South West	81.2	81.4	84.3	88.6
	Wales	79.8	75.8	81.2	88.7
	Northern Ireland	76.5	73.8	75.5	77.7
Surplus	London	217.6	237.3	215.1	194.3
Balanced	Yorks and Humber	100.8	97.9	101.8	110.3
	Scotland	101.3	98.5	103.8	105.6

**Table 3 Typology of regions based on student flows to university**

Region	Internal	Outflow	Inflow	Cohort conformity
West Midlands	3rd	<b>1st</b>	2nd	All conform
East of England	3rd	<b>1st</b>	2nd	All conform
London	3rd	<b>1st</b>	2nd	All conform
South East	3rd	<b>1st</b>	2nd	All conform
South West	3rd	<b>1st</b>	2nd	All conform
Yorkshire and Humber	3rd	2nd	<b>1st</b>	All conform
East Midlands	3rd	2nd	<b>1st</b>	All conform
Wales	3rd	2nd	<b>1st</b>	All conform
North East	3rd	2nd	<b>1st</b>	2 <sup>nd</sup> and 3 <sup>rd</sup> reversed 2001/2
North West	3rd	1st	2 <sup>nd</sup>	1 <sup>st</sup> and 2 <sup>nd</sup> reversed 1999/00 and 2000/01
Scotland	<b>1st</b>	3rd	2 <sup>nd</sup>	All conform
Northern Ireland	<b>1st</b>	2nd	3rd	All conform

Notes :

1<sup>st</sup> – largest absolute flow

3<sup>rd</sup> – smallest absolute flow

Internal : undergraduate enrolments from same home region

Outflow : undergraduates leave home region to enrol elsewhere

Inflow ; undergraduates from external home regions enrol at university in region

**Table 4 Graduate labour recruitment: regional conversion rates and pathways**

Status	Region	2001/02 Conversion rates by pathways (100 = all potential graduates convert to actual recruits)			
		Locals	Returns	Stayers	Outsiders
Deficit	North East	85.2	44.3	17.2	0.3
	North West	89.5	54.8	26.6	1.5
	East Midlands	77.1	46.2	19.7	1.4
	West Midlands	86.8	51.5	19.5	1.4
	East of England	76.1	45.7	19.3	2.1
	South East	74.6	49.3	27.2	3.7
	South West	80.1	46.5	25.1	1.6
	Wales	90.0	41.8	22.4	0.4
	Northern Ireland	94.1	35.9	60.0	0.04
Surplus	London	88.4	71.2	52.3	9.7
Balanced	Yorks and Humber	84.5	51.2	25.5	1.1
	Scotland	92.1	35.9	43.2	0.4

Table 5 Rank ordering of regional recruitment pathways

Status	Region	Average regional rank of pathways (highest = 1) 1998/99-2001/02			
		<i>Locals</i>	<i>Returners</i>	<i>Stayers</i>	<i>Outsiders</i>
<i>Deficit</i>	North East	6.9	9.3	12.0	10.5
	North West	4.0	2.0	5.0	5.6
	East Midlands	11.5	8.0	10.0	6.9
	West Midlands	5.8	3.5	9.8	5.5
	East of England	10.3	7.0	8.3	3.0
	South East	11.3	3.8	4.0	2.0
	South West	9.0	6.5	7.0	4.0
	Wales	5.0	10.8	9.3	10.4
	Northern Ireland	1.0	10.3	1.3	12.0
<i>Surplus</i>	London	3.5	1.0	1.8	1.0
<i>Balanced</i>	Yorks and Humber	7.9	4.8	6.8	8.0
	Scotland	2.0	11.3	3.0	9.2

Table 6 Absolute levels of regional recruitment by pathway

Status	Region	Largest pathway (and % graduates recruited thereby)			
		1998/99	1999/2000	2000/01	2001/02
Deficit	North East	Locals (39)	Locals (44)	Locals (45)	Locals (47)
	North West	Returners (38)	Locals (40)	Locals (42)	Locals (43)
	East Midlands	Returners (35)	Returners (34)	Returners (36)	Returners (36)
	West Midlands	Returners (41)	Returners (41)	Returners (39)	Returners (41)
	East of England	Returners (47)	Returners (46)	Returners (49)	Returners (52)
	South East	Returners (36)	Returners (37)	Returners (36)	Returners (39)
	South West	Returners (36)	Returners (38)	Returners (38)	Returners (36)
	Wales	Locals (49)	Locals (48)	Locals (49)	Locals (49)
	Northern Ireland	Locals (79)	Locals (82)	Locals (82)	Locals (85)
Surplus	London	Outsiders (49)	Outsiders (55)	Outsiders (49)	Outsiders (45)
Balanced	Yorks and Humber	Stayers (33)	Stayers (31)	Locals (33)	Locals (34)
	Scotland	Locals (88)	Locals (83)	Locals (80)	Locals (80)

Table 7 Regional conversion rates, pathways and degree class

Status	Region	Conversion rates by pathway and degree class 2001/02							
		Locals		Returners		Stayers		Outsiders	
		High	Low	High	Low	High	Low	High	Low
<i>Deficit</i>	North East	82.3	<b>88.8</b>	44.2	<b>44.5</b>	16.6	<b>18.4</b>	0.3	0.3
	North West	87.7	<b>91.3</b>	51.2	<b>60.7</b>	25.5	<b>28.1</b>	<b>1.6</b>	1.4
	East Midlands	73.8	<b>82.2</b>	42.1	<b>53.1</b>	19.5	<b>20.1</b>	<b>1.5</b>	1.3
	West Midlands	85.4	<b>88.9</b>	50.4	<b>53.4</b>	19.0	<b>20.5</b>	<b>1.5</b>	1.2
	East of England	72.2	<b>82.9</b>	43.6	<b>49.6</b>	18.6	<b>20.6</b>	<b>2.3</b>	1.6
	South East	70.7	<b>80.0</b>	46.5	<b>54.6</b>	25.4	<b>30.1</b>	<b>4.4</b>	2.8
	South West	76.6	<b>84.9</b>	44.2	<b>51.3</b>	23.1	<b>28.1</b>	<b>1.6</b>	<b>1.4</b>
	Wales	90.3	<b>89.7</b>	37.8	<b>46.9</b>	22.3	<b>22.5</b>	0.3	<b>0.4</b>
	Northern Ireland	93.6	<b>94.7</b>	33.0	<b>39.4</b>	60.0	n.c	<b>0.04</b>	0.03
<i>Surplus</i>	London	87.9	<b>89.1</b>	<b>72.4</b>	69.2	<b>55.0</b>	47.7	<b>11.9</b>	6.2
<i>Balanced</i>	Yorks and Humber	80.4	<b>89.5</b>	47.6	<b>56.5</b>	24.5	<b>27.2</b>	<b>1.3</b>	0.9
	Scotland	89.7	<b>95.1</b>	<b>41.3</b>	34.2	41.7	<b>46.8</b>	<b>0.4</b>	0.3

Notes : n.c – not calculated due to zero observations  
 larger conversion rate of 'high-low' pair in **bold**  
*italics where conversion rate of high-low' is equal*

Table 8 Dominant pathways and Quality of Graduates, 2001/2 cohort

Region	Pathway(% of all graduates recruited)	% with Low degree	Pathway(% of all graduates recruited)	% with Low degree	Pathway(% of all graduates recruited)	% with Low degree
North East	Locals (47)	47				
North West	Locals (43)	52	Returners (32)	43		
Yorks and Humber'e	Locals (34)	48	Stayers (30)	39	Returners (26)	42
Wales	Locals (49)	49				
Scotland	Locals (80)	46				
Northern Ireland	Locals (85)	39				
East Midlands	Returners (36)	43	Locals (25)	43		
West Midlands	Returners (41)	40	Locals (31)	40		
East of England	Returners (52)	<b>38</b>				
South East	Returners (39)	<b>38</b>	Locals (27)	45		
South West	Returners (36)	<b>36</b>	Locals (28)	45		
London	Outsiders (45)	<b>26</b>				

NBs : Pathways shown providing at least 25% region's graduate recruitment  
% Low graduates below the national 2001/2 mean in **bold**

Overall % Low graduates for cohort : 39%

Table 9 Summary of diagnosis

Status	Region	Dominant present factor <i>Col 1</i>	Most to gain from... <i>Col 2</i>	Max % change (a) <i>Col 3</i>	Additional gain from... <i>Col 4</i>
<i>Deficit</i>	North East	HE	CR	94	PR, UC
	North West	HE	PR	6	
	East Midlands	HE	CR	25	PR
	West Midlands	HE	CR	17	UC,PR
	East of England	<i>None</i>	HE	27	UC,PR.CR
	South East	CR	HE	13	<i>None</i>
	South West	PR	CR	17	UC,HE
	Wales	HE	CR	77	UC
	Northern Ireland	PR	UC	197	CR,HE
<i>Surplus</i>	London	CR	HE	9	UC
<i>Balanced</i>	Yorks and Humber	HE	CR	25	PR
	Scotland	HE	SR	23	PR

Notes : CR :Conversion rates  
 PR : Participation rates  
 UC : University catchments  
 HE : Higher Education capacity  
 (a) : maximum growth in resultant graduate recruitment in any of four cohorts



**Table10 Prescriptive outcomes for deficit regions : % changes necessary for 10% growth in total graduate recruitment**

Region	PR(a)	HE(b)	PR/HE	UC
	Col 1	Col 2	Col 3	Col 4
North East	13.9	14.9	0.93	75.2
North West	13.3	17.5	0.76	277.7
East Midlands	16.4	21.4	0.77	163.9
West Midlands	14.0	22.7	0.62	163.9
East of England	14.7	42.7	0.34	370.3
South East	15.1	24.2	0.62	1428.0
South West	15.5	21.3	0.73	277.8
Wales	13.6	14.6	0.73	69.4
Northern Ireland	10.2	11.8	0.86	<i>Negative effect</i>

Key (a) equivalent to a conversion rate i) change  
(b) equivalent to a conversion rate ii) change  
PR : participation rate  
HE : Higher Education capacity  
UC : university catchment

Figure captions:

Figure 1 : The HULT model : a 2-regional system

(a) Transition streams from home to university to labour market

(b) Graduate labour market recruitment pathways

Figure 2 : The United Kingdom regional system

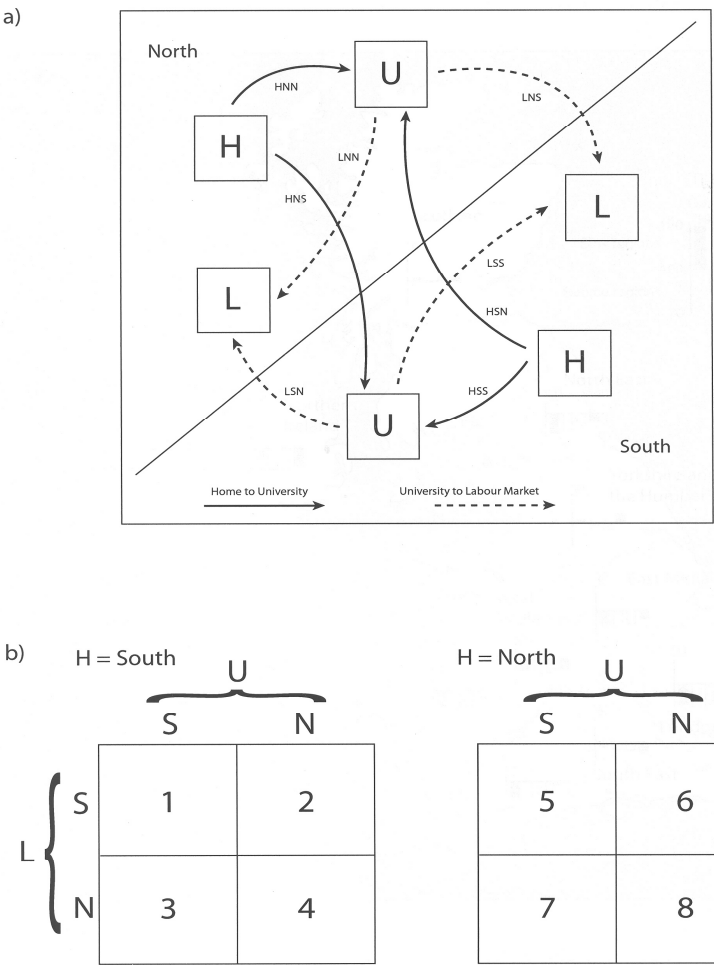


Figure 1



Figure 2