

# National Institute Economic Review

Journal of the National Institute of Economic and Social Research

No. 201 July 2007

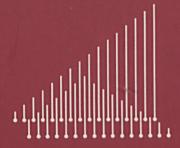
#### THE ECONOMIC OUTLOOK

Interest rates and business returns
by Martin Weale
Evaluating forecast uncertainty
by Ray Barrell, Ehsan Khoman and Simon Kirby
Fiscal policy in Europe
by Ray Barrell and Sylvia Gottschalk

# TECHNOLOGY, JOBS AND SKILLS

Computers and pay
by Francis Green, Alan Felstead, Duncan Gallie and Ying Zhou
ICT and the returns to schooling and job-specific experience
by Simon Kirby and Rebecca Riley
Does offshoring reduce industry employment?
by Alexander Hijzen and Paul Swaim
Human capital, job tasks and technology in East Germany after reunification
by Alexandra Spitz-Oener
Internal versus external labour flexibility: the role of knowledge codification
by Eve Caroli

ISSN 0027-9501



# www.niesr.ac.uk

### **Discussion Papers**

All National Institute discussion papers are now available on our website www.niesr.ac.uk

No. 293.

Unemployment in Britain: some more questions by B. Henry and S. Kirby

No. 294.

Import growth, globalisation and the impact of trade liberalisation by R. Barrell, O. Pomerantz and I. Liadze

No. 295.

Globalisation and technology intensity as determinants of exports by R. Barrell and O. Pomerantz

## **NIESR's Monthly Email Newsletter**

A free monthly email newsletter service from the National Institute of Economic and Social Research. Included every month are:

- \* Summaries of recent research from NIESR
- \* E-newsletter articles on topical economics subjects
- \* Forthcoming NIESR events
- \* Forthcoming publications from NIESR (including discussion papers)
- \* NIESR's GDP estimates (summarised one week after press release date)

To receive the email newsletter please fill in the form at: http://www.niesr.ac.uk/enews/enews.php



#### **National Institute Economic Review**

#### Editor

M.R. Weale, Director, NIESR

#### **Editorial Board**

R.J. Barrell

G.S. Clisham

D. Holland

G. Mason

P. Meadows

H. Metcalf

S.J. Prais

R. Riley

#### **Council of Management**

Lord Burns (President)

Professor Stephen Nickell (Chairman)

Nicholas Barber

Kate Barker

Professor Charles Bean

Colette Bowe

Professor Willem H. Buiter

Bronwyn Curtis

Professor John Ermisch

Professor Charles Goodhart

Hans Liesner

Sir Nicholas Monck

Lord Turnbull

Dr Sushil Wadhwani

Martin Weale (Director)

In 2007 National Institute Economic Review [ISSN: 0027-9501] is published in January, April, July and October by SAGE Publications (London, Thousand Oaks, CA and New Delhi). Annual subscription: full rate (including electronic version), £285/US\$499; individual rate, £106/US\$186; secondary school/teacher/student, (year one) £26/US\$43 (year two) £53/\$86. Single issue rates: full rate, £77/US\$135; individual, £34/US\$60. Electronic only and print only subscriptions are available to institutions at a discounted rate. Please note that VAT may be applicable at the appropriate local level. Visit the Sage website (www.sagepub.com) for more information. Full rate subscriptions include the right for members of the subscribing institution to access the electronic content of the journal at no extra charge from SAGE. The content can be accessed online through a number of electronic journal intermediaries, who may charge for access. Full details are available from www.sagepub.co.uk or from SAGE Publications Ltd, 1 Oliver's Yard, 55 City Road, London EC1Y 1SP. Tel + 44 (0)20 7324 8500; Fax + 44 (0)20 7324 8600 (or in North America from SAGE Publication, 2455 Teller Road, Thousand Oaks, CA 91320, USA).

#### Aims and Scope

The *Review* is the quarterly publication of the National Institute of Economic and Social Research. The Institute's objective is to promote a deeper understanding of the interaction of economic and social forces that affect people's lives so that they may be improved. It has no political affiliation, and receives no core funding from government. Its research programme is organised under the headings of Economic Modelling and Analysis; Productivity; Education and Training and the International Economy.

Copyright © National Institute of Economic and Social Research, 2007. Apart from fair dealing for the purposes of research or private study, or criticism or review, and only permitted under the Copyright, Designs and Patents Act 1988, this publication may only be reproduced, stored or transmitted, in any form or by any means, with the prior permission of the Publishers, or in the case of reprographic reproduction, in accordance with the terms or licences issued by the Copyright Licensing Agency. Inquiries concerning reproduction outside those terms should be sent to the publishers at the above mentioned address. Periodicals postage rate is pending at Rahway, NJ. POSTMASTER. Notification of any change of address should be sent to: National Institute Economic Review, c/o Mercury Airfreight International Ltd, 365 Blair Road, Avenel, New Jersey 07001, USA.

The *Review* welcomes articles relating to the following themes with publication dates in October, 2007, January, April, July and October 2008 respectively: Active labour market policy; Forecasting; The EU's new member states; Social mobility and equality; Ten years of EMU. Articles should normally comprise 4–10,000 words. All articles are refereed. Full notes for contributors are available from Fran Robinson (f.robinson@niesr.ac.uk). website: http://www.niesr.ac.uk. Articles intended for publication should be sent to National Institute Economic Review, 2 Dean Trench Street, London SW1P 3HE, or by e-mail to Fran Robinson (as above).

The Review is abstracted or indexed in Business Periodicals Index, CD-ROM International Bibliography of Periodical Literature in the Humanities and Social Sciences, EconLit, Emerald Management Reviews, IBZ: International Bibliography of Periodical Literature in the Humanities and Social Sciences, Inspec, Journal of Economic Literature (and JEL on CD), Linguistics and Language Behavior Abstracts, Online – International Bibliography of Periodical Literature in the Humanities and Social Sciences, Social Services Abstracts, Sociological Abstracts, World Banking Abstracts, and Worldwide Political Science Abstracts.

Printed by HenDi Systems, London. ISSN: 0027-9501