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## State jobs 'attract least qualified'

By STEVE DOUGHTY, Daily Mail  
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Booming public sector pay has meant some of the least useful workers in the country are now pouring into taxpayer-funded jobs, economists said yesterday.

The worst-educated and least employable are now chasing jobs with the Government, in councils, in the NHS and in quangos, they said.

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Poorly qualified workers who find it hard to hold down jobs in private business are clamouring after public sector work because the pay is 14 per cent higher than profit-making companies can offer, a Bristol University study said.

Low quality workers also enjoy other benefits of state-run organisations, which include half the chance of being sacked compared to a private sector worker; and the guarantee of early retirement, the economists said.

They said they found 'job queuing for for public sector jobs among low-employability individuals, whom we estimate to face large potential premiums for public sector employment.'

The findings suggest that while taxpayer spending on the public sector is rising fast, the quality of many state employees is falling.

Their analysis showed that the state sector is also creaming off a bigger share of graduates and highly-qualified recruits than commercial companies.

The study from the University of Bristol reinforces a growing body of evidence that the taxpayer-subsidised economy is squeezing out business over large areas of the country.

Last week the respected Centre for Economics and Business Research showed that well over half of the economy of the North-West and North-East are dependent on public spending. It reported that the fountain of taxpayers' cash set gushing in the North by Labour is 'crowding out the private economy and harming development.'

The new research shows how public sector jobs are now pulling in both those who find it hard to work in organisations that must make profits, and those whose education means they can pick and choose their jobs.

The Bristol economists examined findings from the British Household Panel Survey, which has followed 10,000 people's lives over the past 15 years.

They said that average incomes for men employed in the public sector were 14 per cent higher than in the private sector. The chances of losing a job, however, were double in the private sector compared to state organisations.

Academics from Bristol's Centre for Market and Public Organisation found that, even over an entire career, workers in business and industry can no longer expect that the bonuses and promotions that come with success will ultimately give them higher rewards than government officials.

'We find that the average value of a job for life is slightly higher in the public sector than in the private sector, with a public premium of about two to three per cent,' they said.

Analysts Fabien Postel-Vinay and Helene Turon added that 'blue collar workers tend to be willing to queue for public sector jobs.'

They also found that more than four out of ten public sector employees are graduates, nearly double the proportion of graduates working in private business.

The high pay and perks offered to public sector workers do not lead to industrial content, Government figures earlier this week showed.

It found that in the first three months of this year, 95 out of every 100 days lost to strike action were caused by strikes in the

public sector - which employs only one in five of all workers in Britain.

Public sector workers enjoy guaranteed 'gold plated' index-linked pensions largely funded out of taxation - they cost the taxpayer more than £21 billion last year. Public sector workers also typically retire much earlier than their private sector counterparts.

Last year ministers abandoned plans to raise the age of retirement of 60 for NHS staff, teachers and civil servants, and council workers are using industrial muscle to oppose efforts to raise their retirement age, which is usually 60 and often earlier.

By contrast private sector workers have been hit by Chancellor Gordon Brown's £5 billion a year tax on their pension funds. Growing regulatory and financial pressures have meant that once-common final salary company pensions, which provided a guaranteed level of payout, have been largely replaced by highly insecure and much less generous 'defined contribution' schemes.

Tony Blair and Mr Brown are also planning to raise the retirement age of private sector workers from 65 to 67.

The Bristol study said: 'Pension packages are more generous in the public sector.'

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