

# Shortage of graduates will harm economy: UK report

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(PhysOrg.com) -- A new report launched this week shows that a shortage of graduates threatens the UK economy.

Contrary to popular belief, labour market indicators suggest that there is a shortage of graduates in the UK, not too many.

The [report](#), 'The way we'll work', is published by the University Alliance, of which the University of Portsmouth is a member, and draws on the large body of evidence on the shape of labour markets in developed economies.

"We are particularly concerned that government policy restricts the number of students whom we can recruit, and will lead to a significant number of disappointed candidates who will not have the opportunity to gain graduate skills with us, and so help to meet the skills gap identified by the report," said Vice-Chancellor Professor John Craven.

In response to the report, University Alliance is launching [university\\_vision](#), a sector-led project being sponsored by Hewlett-Packard and bringing together a diverse mix of thought leaders to identify the big challenges facing the higher education sector.

Commenting on the findings in the report, Libby Hackett, director of University Alliance, said: "The messages coming out of this report have major implications for government policy. Too often we hear it said that 'there are too many graduates' in the UK. It is important to look at the evidence behind this claim as our response to it will have serious consequences for the future wellbeing of our [economy](#) and society.

"Advances in technology are transforming work - what we do and how we do it. Sustained growth in graduate level jobs has been linked to the complementary effect of technology on occupations involving analytical, problem solving

and complex communication activities: typically graduate attributes.

"Our report shows that the [UK economy](#) is not presenting any of the four labour market signals we considered in this report that might suggest there are too many graduates in the economy. Graduate vacancies continue to grow. Jobs in 'graduate dense' occupations are an increasing proportion of the total workforce. Graduate employment rates have been maintained despite the rapid expansion in the number of graduates. Added to all of this there is still a significant graduate premium.

"Universities and [graduates](#) play a vital role to the future wellbeing of the UK and this is why the Alliance is launching a new project, [university\\_vision](#). Drawing together thought leaders from across the sector, business and think tanks, the project will explore, amongst other things, how the UK needs to be preparing itself now to deliver the workforce we'll need in the future to remain globally competitive. This initiative is being led from within the sector and will focus on solutions and outcomes, identifying how the sector can drive its own policy agenda; serve society and the economy; and seek out new and innovative ways to anticipate, approach and tackle the challenges of the future."

Provided by University of Portsmouth

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