National Institute Economic Review
Journal of the National Institute of Economic and Social Research
No. 219 January 2012

ECONOMIC PROSPECTS
Scotland's currency and fiscal choices by Angus Armstrong
The world economy edited by Dawn Holland
The UK economy edited by Simon Kirby
The government's response to the Independent Commission on Banking by Angus Armstrong

POLICY EVALUATION IN A TIME OF AUSTERITY
Introduction by Alex Bryson, Richard Dorsett and Jonathan Portes
The power of evidence: improving the effectiveness of government by investing in more rigorous evaluation by Rachel Glennerster
The evaluation of English education policies by Stephen Machin and Sandra McNally
Still evidence-based? The role of policy evaluation in recession and beyond: the case of the National Minimum Wage by Tim Butcher
The state of evidence-based policy evaluation and its role in policy formation by Philip Davies
Time-limited in-work benefits in the UK: a review of recent evidence by Haroon Chowdry
Requiring the long-term unemployed to train: is benefit conditionality effective? by Heather Rolfe
Implications of the national employment savings trust for vulnerable sectors of the UK labour market: a reduced-form statistical evaluation by Justin van de Ven

ISSN 0027-9501
Forthcoming issues
In addition to the regular forecasts, articles on the following themes will be the subject of forthcoming issues:

2012
No. 220 April  Measuring performance of EU service sectors
No. 221 July  Financial structure: lessons from the crisis
No. 222 October  From cradle to career: evidence from the British Birth Cohort Studies on education and employment

2013
No. 223 January  The Chinese economy

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

No. 382.  Change and persistence in the German model of collective bargaining and worker representation
by A. Bryson, J.T. Addison, P. Teixeira and A. Pahnke

No. 383.  Education and its effects on the income, health and survival of those aged sixty-five and over
by S. Lui and M. Weale

by S. Lui, J. Mitchell and M. Weale

No. 385.  A structural dynamic micro-simulation model of household savings and labour supply
by J. van de Ven

No. 386.  Examining the relationship between immigration and unemployment using National Insurance Number registration data
by P. Lucchino, C. Rosazza Bondièene and J. Portes

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

To receive the email newsletter please fill in the form at:
http://www.niesr.ac.uk/enews/enews.php
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, 2012. Apart from fair dealing for the purposes of research or private study, or criticism or review, and only as permitted under the Copyright, Designs and Patent Act 1988, this publication may only be produced, stored or transmitted, in any form or by any means, with the prior permission in writing of the Publishers, or in the case of reprographic reproduction, in accordance with the terms of licences issued by the Copyright Licensing Agency. US: Authorization to photocopy journal material may be obtained directly from SAGE or through a licence from the Copyright Clearance Center, Inc. (www.copyright.com/). Enquiries concerning reproduction outside those terms should be sent to SAGE Publications.

The Review welcomes articles relating to the themes listed on the back cover, with publication dates in January, April, July and October respectively. Articles should normally comprise 4-10,000 words. All articles are refereed. Full notes for contributors are available from Fran Robinson (frobinson@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).

Abstracting and indexing

Please visit http://ner.sagepub.com and click on the Abstracting/Indexing link on the left hand side to view a full list of databases in which this journal is indexed.

Disclaimer: The authors, editors, and publisher will not accept any legal responsibility for any errors or omissions that may be made in this publication. The publisher makes no warranty, express or implied, with respect to the material contained herein.

Printed by Rapidity Limited, London.
### National Institute Economic Review No. 219 January 2012

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2</td>
<td>ECONOMIC OVERVIEW</td>
<td>Scotland's currency and fiscal choices</td>
<td>Angus Armstrong</td>
</tr>
<tr>
<td>F4</td>
<td>COMMENTARY</td>
<td>World overview: focus on national monetary policies</td>
<td></td>
</tr>
<tr>
<td>F10</td>
<td>THE WORLD ECONOMY</td>
<td>Box A: Impact of fiscal austerity in the Euro Area</td>
<td>Dawn Holland and Gerhard Rünstler</td>
</tr>
<tr>
<td>F17</td>
<td>]</td>
<td>Prospects for individual economies</td>
<td></td>
</tr>
<tr>
<td>F29</td>
<td>Appendix A: Key forecast assumptions</td>
<td>Dawn Holland, with Aurélie Delannoy, Tatiana Fic, Ian Hurst, Stephen Le Roux, Iana Liadze, Ali Orazgani and Pawel Paluchowski</td>
<td></td>
</tr>
<tr>
<td>F34</td>
<td>Appendix B: Forecast detail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F41</td>
<td>THE UK ECONOMY</td>
<td>Prospects for the UK economy</td>
<td>Simon Kirby</td>
</tr>
<tr>
<td>F64</td>
<td></td>
<td>The Government response to the Independent Commission on Banking</td>
<td>Angus Armstrong</td>
</tr>
<tr>
<td>R1</td>
<td>RESEARCH ARTICLES</td>
<td>Policy evaluation in a time of austerity: introduction</td>
<td>Alex Bryson, Richard Dorsett and Jonathan Portes</td>
</tr>
<tr>
<td>R4</td>
<td></td>
<td>The power of evidence: improving the effectiveness of government by investing in more rigorous evaluation</td>
<td>Rachel Glennerster</td>
</tr>
<tr>
<td>R15</td>
<td></td>
<td>The evaluation of English education policies</td>
<td>Stephen Machin and Sandra McNally</td>
</tr>
<tr>
<td>R26</td>
<td></td>
<td>Still evidence-based? The role of policy evaluation in recession and beyond: the case of the National Minimum Wage</td>
<td>Tim Butcher</td>
</tr>
<tr>
<td>R41</td>
<td></td>
<td>The state of evidence-based policy evaluation and its role in policy formation</td>
<td>Philip Davies</td>
</tr>
<tr>
<td>R53</td>
<td></td>
<td>Time-limited in-work benefits in the UK: a review of recent evidence</td>
<td>Haroon Chowdry</td>
</tr>
<tr>
<td>R65</td>
<td></td>
<td>Requiring the long-term unemployed to train: is benefit conditionality effective?</td>
<td>Heather Rolfe</td>
</tr>
<tr>
<td>R77</td>
<td></td>
<td>Implications of the national employment savings trust for vulnerable sectors of the UK labour market: a reduced-form statistical evaluation</td>
<td>Justin van de Ven</td>
</tr>
</tbody>
</table>

Further detail underlying the forecast figures is available on subscription from NiGEMWEB (http://nimodel.niesr.ac.uk/nigemweb/nigemweb.php).