

<b>Institution:</b> University of Cambridge
<b>Unit of Assessment:</b> 18 Economics and Econometrics
<b>a. Context</b> <p>A key strategic aim of the Faculty, and each of the research groups in the Faculty, is to generate important and sustained impact of its research on economic policy, government, international organisations, commerce and industry. Impact is also fundamental to the remit of the Cambridge INET Institute (C-INET) set up in the Faculty in 2012. The Keynes Fund for Research in Applied Economics which funds Faculty research projects includes impact on policy debates as one of its important criteria in allocating research resources. Close engagement with policy makers is an important part of enhancing research. A major motivation for the reorganisation into research groups was to improve and coordinate the impact of Faculty research, as outlined in the strategy section below.</p>
<b>b. Approach to impact</b> <p>Impact does not take place without academics making concerted efforts to communicate their research to non-academics. Faculty members have directly engaged in numerous ways with policy debates and non-academic users. The general approach to impact has three strands: (1) policy conferences organised with academics and non-academics; (2) direct engagement with policy-makers through expert advisory positions, participating in influential discussions and through invited presentations; and (3) policy commentaries and non-academic outputs. The faculty encourages such engagement by providing dedicated support. Examples of how each approach has been implemented by the research groups are provided below.</p> <p><b>Policy and Non-Academic Conferences</b></p> <p>Support for organising policy and non-academic conferences is provided by the Faculty Research Office, and operated in conjunction with C-INET.</p> <ol style="list-style-type: none"> <li>1. Macroeconomics Research Group: Three high-profile policy conferences to discuss monetary policy were organized in March 2010, September 2011 and September 2013 by Holly. External speakers included Spencer Dale and Paul Fisher (Bank of England), Sharon Kozicki (Bank of Canada), Glenn D. Rudebusch (Federal Reserve Bank of San Francisco), Frank Smets (European Central Bank), and Philip Turner (Bank for International Settlements).</li> <li>2. Empirical Microeconomics Research Group: Throughout the REF period, Low has been an organiser of Public Economics UK, which holds an annual conference of academics and policy-makers, funded by HMT and HMRC, to discuss policy-focused research and to generate interactions with policy-makers.</li> <li>3. Economic History Research Group: Ogilvie's research on historical changes in household production was popularised by a three-day conference in 2012, aimed at and attended by non-academics.</li> <li>4. Energy Policy Research Group (EPRG): Part of the funding for the EPRG (established in 2005) is to ensure that the research has impact. The EPRG organises workshops and conferences with non-academic users through the Energy Policy Forum, involving a bi-annual policy seminar and energy policy dinners. The non-academic membership of the Forum includes BP, E.ON, Shell, the Department of Energy and Climate Change, EDF Energy, National Grid, and Ofgem.</li> </ol> <p><b>Direct Engagement with Policy Makers</b></p> <p>Direct engagement is typically organised via individuals communicating their own research. This is particularly so for senior academics with established reputations. The Faculty's impact strategy aims to ensure direct engagement not only for senior academics, also for mid-career and junior researchers; as the examples below demonstrate, Faculty members at all levels have already exercised non-academic impact. The Cambridge Centre for Science and Public Policy (CSaP) is particularly well suited at assisting more junior faculty to engage with policy makers and develop links. CSaP has arranged 47 meetings for its CSaP Fellows with members of the Faculty (in 2011/12 and 2012/13); CSaP Fellows are senior civil servants from Whitehall and the EU, as well as industrialists involved in public policy.</p> <ol style="list-style-type: none"> <li>1. Macroeconomics Research Group: Direct engagement with policy-makers has taken place predominantly through Central Banks. Corsetti's engagement is detailed in his case study.</li> </ol>

## Impact template (REF3a)

Faraglia was invited to give presentations at the ECB (2012), the Central Bank of Switzerland (2012), Bank of England (2012) and the Bank of International Settlements (2011). Low was invited to give presentations at the ECB (2013), the Federal Reserve Board (2011), Federal Reserve Bank of Chicago (2011) and the Bank of England (2012). This was followed up in direct engagement via informal meetings, presentations at the monetary policy roundtable, and ongoing discussions through 2012 and 2013. This ongoing research is supported by the Keynes Fund, which highlights the importance of research with impact. Geraats was employed as an external expert on central bank governance by The Bank of International Settlements in 2009.

2. Econometrics Research Group: Linton has been instrumental as one of the Lead Experts in the Government Office for Science Foresight Project on “The Future of Computer-based Trading in Financial Markets“, giving evidence before the House of Commons Select Committee on Banking in 2012. The advice and report was based on Linton’s ongoing research on the econometrics of financial markets. Linton also acted as an expert witness for the Financial Services Authority in 2012, providing econometric modelling of market abuses. Among the rest of the group, Harvey and Smith were invited to present their work at the Reserve Bank of New Zealand, Reserve Bank of India and the Bank of England. Smith advises the Office for National Statistics through the GSS Methodology Advisory Group.
3. Empirical Microeconomics Research Group: Aidt was the main external advisor on the appropriate discount rate to be used by the Department for International Development (in 2012 and 2013). Through the International Growth Centre, Krishnan has worked with the chief economic advisor to the Ethiopian prime-minister (2012). Low, via the CSaP, has discussed his work on the reform of disability insurance with senior members of the Department of Work and Pensions. Brown’s substantial engagements with policy-makers on the minimum wage and arbitration are detailed in his impact case study, as is Newbery’s engagement on electricity policy as part of the EPRG.
4. Energy Policy Research Group: EPRG implements direct one-to-one engagement with members of the Energy Policy Forum (detailed above).

### Non-academic Outputs and Policy Commentaries

Support for non-academic research publications is provided through the Faculty Research Office, the IT support team and dedicated project websites (e.g. [http://www.econ.cam.ac.uk/Ogilvie\\_ESRC/index.html](http://www.econ.cam.ac.uk/Ogilvie_ESRC/index.html)). C-INET produces videos to communicate the research of high-profile Faculty researchers and visitors. These “Conversations in Economics” videos are available at <http://www.inet.econ.cam.ac.uk/video-series/video-info>. Likewise, the Faculty posts videos online of public events such as the Marshall and Stone Lectures as part of the Faculty’s broader strategy for achieving wider non-academic outreach. The Faculty participates in the annual University Festival of Ideas, such as by putting on the workshop on Running the British Economy for school children. Further support comes from the two Research Facilitators based in the School of the Humanities and Social Sciences.

1. Macroeconomics Research Group: The most influential commentaries in the policy debate have taken place via policy articles in VoxEU. This is the online policy portal for the Centre for Economic Policy Research. This has been done by Corsetti, Geraats, Rendahl. The 21 policy articles by Corsetti, for example, have been read by over 165,000 people during this period.
2. Econometrics Research Group: Faculty members have developed commercial software based on econometrics research carried out in the Faculty. Harvey has embedded his research in the commercially available software package *STAMP* (**S**tructural **T**ime Series **A**nalyser, **M**odeller and **P**redictor). His approach to time series is also incorporated into Eviews and STATA. Harvey and Weeks have presented workshops to non-academics for Timberlake Consultants on the software. Pesaran’s widely used test for unit roots has been incorporated into STATA. Pesaran et al.’s Global Vector Autoregressive (GVAR) Model, whose wider impact is discussed in his impact case-study, is also a free downloadable Toolbox for Matlab. Microfit (version 5, 2009), a commercial package published by Oxford University Press is widely used in government departments and embeds many of Pesaran et al.’s research developments. All these packages are used for non-academic purposes, e.g. in business and government.
3. Empirical Microeconomics Research Group: Through their work at the Institute for Fiscal

## Impact template (REF3a)

Studies. Low and Crossley (a Faculty member until 2013) have written commentaries on tax policy aimed at policy-makers. The most influential example is their work on the temporary VAT cut in the UK (published in *Fiscal Studies* and in the IFS Green Budgets), where their commentary overturned the publicly-perceived negative assessment of this cut. Aidt has used VoxEU to communicate his research findings on international trade and political regimes.

4. Microeconomic Theory Research Group: Impact of theoretical research on non-academic users is often less than that of more applied research. Nonetheless, through their research on networks and by using C-INET as a dissemination mechanism, the research of the theory group has had impact. The C-INET "Conversations in Economics" videos, have focused on communicating research in economic theory, but are being expanded to cover all research groups and C-INET themes. Goyal has achieved further impact beyond academia by communicating his research on networks to non-academic users through VoxEU and the Royal Society of Arts Journals. Dasgupta has had direct impact as Chairman of the International Human Dimensions Programme, which produced the highly influential "Inclusive Wealth Report 2012".
5. Economic History Research Group: Non-academic publications like *BBC History Magazine* and the German popular history magazine *Momente*, as well as podcast interviews on BBC Radio 4 "Woman's Hour", National Public Radio (USA), and the BBC History Magazine website have provided a further vehicle for Ogilvie to disseminate her research to a wider public. Widespread media coverage of Ogilvie's research is witnessed by interviews by the *Boston Globe*, *Time Magazine*, *Handelsblatt*, other German newspapers, and the popular art magazine *Monopol*. Through the Cambridge University Research News website, the University provides a further mechanism for disseminating research to the wider public, for example as used by Ogilvie.
6. EPRG publishes and publicises frequent commentaries on electricity policy issues. In addition to the Faculty Research Office, support for this dissemination has been provided by the Judge Business School.

### c. Strategy and plans

The Faculty strategy for impact over the next 5 years is to build on the three existing strands of enhancing the impact of the Faculty's research: conferences for non-academic users; direct public engagement; and producing non-academic outputs such as policy commentaries. The mechanisms outlined in section b will remain the mainstay of our impact strategy.

This strategy will be pursued within the research groups listed above, through C-INET, and via the Keynes Fund, CSaP and the Office of External Affairs and Communications (through the Research News website and the Festival of Ideas) Dissemination is a key part of C-INET's activities, primarily via its programme of conferences and visitors. The £5 million Keynes Fund which provides research grants for faculty members assesses proposals on the basis of the quality and likely impact of the research. Ten projects have been funded since 2012.

This ongoing strategy is further supported by additional institutional structures. In 2013 the University set up the ESRC funded Cambridge Impact Acceleration Account, focused exclusively on generating impact from social science research. Cambridge was selected by the ESRC as one of three pilot centres for the acceleration of research impact. Additional support for impact activities will come from the School's appointment of an academic champion whose remit is to provide advice on best-practice for impact-related activities in the humanities and social sciences.

### d. Relationship to case studies

The four impact case-studies show the three aspects of the strategy the Faculty follows for impact. Newbery's impact is exercised via all three channels: policy conferences, direct engagement, and policy commentaries. Brown's impact is primarily through direct engagement with UK policy-makers, particularly the Low Pay Commission. Pesaran's impact is through providing non-academic outputs, especially tools for non-academic analysis, and helping ensure their wider use, e.g. in analyses carried out in central banks. Finally, Corsetti's impact has focused on direct engagement with central bank policy-makers and on producing policy commentaries. These case studies highlight the breadth of the impact of the Faculty and the underlying strategy which drives these activities.