

Institution: University of Oxford
Unit of Assessment: 18 - Economics and Econometrics
a. Context
<p>As one of Europe's leading Economics departments, Oxford aims to inform and improve the design and implementation of economic and public policy in the UK and worldwide by producing innovative research that extends the frontiers of the discipline and deepens our understanding of the operation of modern economies. We achieve impact for our research through engagement and collaboration with those responsible for formulating and implementing policy, nationally and internationally, across the private and public sectors. The main audience for, and users of, our research are economists and policy-makers in (i) government, central banks and regulatory authorities in the UK and elsewhere; (ii) international organisations (iii) private sector organisations, particularly those in the financial sector and civil society. The Department's approach to securing impact focuses on three channels: (i) dissemination, (ii) engagement and (iii) providing advice.</p> <p>Oxford Economics is a large department undertaking research across the full range of the discipline, rather than focusing on specific sub-fields (see <i>REF 5, section a</i>). This is reflected in the wide spectrum of types of impact and in the diversity of the contexts and the organisations affected. Working in collaboration with UK government departments and the Bank of England, Oxford research has improved the design and implementation of UK economic policy, as evidenced by our cases studies (<i>18-01, 18-02</i>). Oxford research on issues relating to the provision of health services and housing policy has had a significant impact on the health and welfare outcomes of UK residents (<i>18-06, 18-07</i>). Intergovernmental organisations such as the International Monetary Fund and the World Bank are major users of Oxford economics research to inform the design and implementation of their policies in respect of developing economies (<i>18-04, 18-05</i>). Moreover, the impact of our research is not confined to the public sector as evidenced by our case studies. Software for modelling and forecasting key variables developed by Oxford econometricians has become the industry standard for commercial organisation, as well as central banks, government departments and international organisations (<i>18-03</i>). Collaborations with companies in the financial sector have led to improved service delivery and the development of new products (<i>18-08, 18-09</i>).</p>
b. Approach to impact
<p>The excellence and range of our research is fundamental to achieving impact. Members of the Economics department at all levels – established faculty, postdoctoral researchers and research students - are encouraged and supported to undertake research on questions of policy concern and to engage with the wider community of professional economists working across the public and private sectors to ensure that the insights gained from their research feeds into the design and implementation of policies. The Department secures impact for its research by supporting its members (i) to disseminate their research as widely as possible; (ii) to engage with the wider community of economists through conferences, workshops and collaborative research; (iii) to act as advisors and consultants to government bodies, international organisations and private sector.</p> <p><i>Dissemination</i></p> <p>A vital first step in securing impact for our research is the dissemination of our research outputs to the wider community of professional economists. The Department uses a broad range of methods to bring our research to the attention of policymakers and practitioners. The major international conferences of the professional bodies (Royal Economic Society, American Economic Association, European Economic Association) bring together academics and professional economists working across the private and public sectors, introducing academic research to those more directly involved in formulating and implementing policy. The Department provides funding for members – including research students – to present their work at these events, and our early-career researchers receive advice and support from senior colleagues on preparing their research for presentation. Members are encouraged to disseminate their research, prior to final publication, through the Department's working paper series. Our working papers are made available through the international bibliographic databases, such as RePEC (Research Papers in Economics), and the Social Science Research Network (SSRN) and circulate widely among economists in the policymaking community.</p>

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Specialist blogs play an increasingly important role in bringing our research to the attention of potential users. VoxEU is a policy portal, promoting research-based policy analysis and commentary for economists in governments, international organisations, academia and the private sector as well as the specialist press. Oxford Economics research features extensively on VoxEU – in the last year *Fenske, Javorcik, Klemperer, O'Rourke, Rauch, van der Ploeg, Vezina, Vines, Willems* have appeared, averaging 11,000 visits each. Following publication on VoxEU, articles on Rauch's work appeared in the *Washington Post* and the *Wall Street Journal*. Blogs by *O'Rourke* (and *Eichengreen*) on their research paper "A tale of two depressions" (submitted to the REF with over 800,000 visits) and *Allen* on *The British Industrial Revolution in Global Perspective* (submitted to the REF with 111,515 visits) are among the ten most read VoxEU blogs. *Wren-Lewis's* *Mainlymacro* blog has become one of the most widely read for macroeconomic policy and analysis with an average of 175,000 views per month and the blog is frequently referred to in the specialist press (eg. *Wolf*, *Financial Times* 26/09/2013; *Warner*, *Telegraph Blogs*, 11/13/2013).

The Centre for the Study of African Economies (CSAE) disseminates its research findings to the wider development community through briefing papers, newsletters and an annual research summary. A key mechanism by which impact for CSAE research has been secured is through summarizing the research in accessible books by *Collier*, supported by articles in leading newspapers and magazines (including the *Financial Times*, *Foreign Affairs*, *New York Times*, *Guardian*, *Die Zeit*, and by talks on TED). For example: *The Bottom Billion* (published in 2007), summarizing CSAE research on poor fragile states, has been translated into 20 languages and has 45 million citations on Google [18-05].

Engagement

The dissemination of research findings is built on through active engagement. Our research groups are encouraged and supported in building research networks with economists engaged in policymaking (e.g. recent speakers at the Department's macroeconomics seminar series has included central bank economists from the Bank of England, Bank of Spain and the US Federal Reserve). Our members are active in research networks such as the Centre for Economic Policy Research (CEPR) (see REF 5, section e). CEPR draws its membership from economists working in government, central banks and international organisations and their workshops and conferences attract policymakers and practitioners. For example: *Wren-Lewis's* research on fiscal councils was first came to the attention of policymakers through presentation at a CEPR workshop [18-02]. Researchers are frequently invited to present their research to groups of policymakers. Recent examples include: *Abeler* to National Audit Office, 2013; *Collier* to World Bank-IMF meetings, 2012; *Muellbauer* to European Central Banks experts meeting, 2011; *Wren-Lewis* to UK Cabinet Office, 2009.

To promote engagement, The Economics Department played a lead role in the establishment of OXONIA, the Oxford Institute for Economic Policy, a forum for the analysis, discussion, and dissemination of policy issues. Senior academics in the Department are members of OXONIA's Academic and Policy Board and the department hosts its seminars and workshops (recent speakers include Robert Chote, Director Office for Budget Responsibility, 2013; Martin Wolf, *Financial Times*, 2012; Adam Posen, Bank of England, MPC, 2011). More informal engagement with policymakers is fostered also through the Department's links with Nuffield College. Nuffield College has a long-standing commitment to fostering collaboration between academics and policymakers, and supports this through the appointment of Honorary and Visiting Fellows drawn from public administration, government, the media and business (current Fellows include Mark Carney, Governor of the Bank of England, Greg Clark MP, Financial Secretary to the Treasury; Tim Harford, economist, journalist and broadcaster; Nick Macpherson, Permanent Secretary to the Treasury; Martin Wolf, *Financial Times* Journalist). College events create opportunities for informal discussions of research findings and their policy implications, and facilitate the introduction of early-career researchers to policymakers.

In an initiative to secure greater engagement with economists working in the private sector, the Economics Department, working with the University of Oxford Development Office, is organising a series of events showcasing economics research. The first of these, in October 2012, focused on

the work of the behavioural economics research group and included a series of short presentations to an invited audience of economists from business and finance. This has been followed up with meetings and presentations to specialist groups within the individual organisations (e.g. the National Audit Office and Fidelity group).

The Department's research centres are central to the Department's approach to impact; they create focal points for policy communities in what is otherwise a large wide-ranging department. Two in particular – Centre for Study of African Economies (CSAE) and Oxford Centre for the Analysis of Research-Rich Economies (OxCARRE) - place engagement with practitioners and policymakers at the heart of their activities. They operate a model of engagement that permeates all phases of the research process with policymakers and practitioners directly engaged in shaping their research plans as members of their advisory boards. The CSAE Policy Committee includes representatives of leading NGOs (Christian Aid, Oxfam) and private companies (e.g. Standard Charter SA; Global Minerals and Metals Corps LTD). OxCARRE's Advisory Board includes representatives from the extractive industries (Chief Economist, BP; Senior Programme Director, International Council on Mining and Metals); NGOs (Director, Revenue Watch Institute); international organisations (Fiscal Affairs Dept., IMF; Chief Economist, African Development Bank). The annual conferences of the CSAE and of OxCARRE have evolved into international fora for economists, policymakers and practitioners to discuss recent research and its implications for the sector. The CSAE's annual conference, held each March, draws participants from African governmental bodies, UK DFID, and international organisations (IFPRI, IMF, World Bank and UNIDO). In 2013, nearly a quarter of participants were from non-academic organisations. The OxCARRE 6th Annual Conference on the theme of 'Understanding International Commodity Price Fluctuations' was held at the IMF headquarters in Washington DC in March 2013, and more than half of the participants were from non-academic organisations, including central banks and finance ministries, the US Energy Information Administration, BP, OPEC, and journalists from the Financial Times, New York Times and other media organisations.

The Economics Department is at the forefront of a major initiative to ensure that high quality economics research contributes to improving the design and implementation of policies for economic development. Initiated and funded by DFID, the International Growth centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research. IGC is directed by the University of Oxford and the LSE, with a Steering Group that includes senior Oxford economists (*Collier* and *Venables*). The IGC links high quality research to the policy demands of developing countries by engaging policy-makers in partner countries in commissioning, facilitating and communicating research findings.

The Oxford-Man Institute of Quantitative Finance (OMI) provides another innovative model of engagement and collaboration between academic researchers and potential users of their research. OMI is a multidisciplinary centre for research on quantitative aspects of finance and is co-located with the Man Research Laboratory (MRL) which houses Man Group researchers (see *REF 5, section b, p 3-4* for further details). The two Centres are complementary - OMI's focus is primarily on academic research for the public domain whilst MRL's work is commercial and profit driven – and researchers regularly come together for seminars, workshops and conferences, allowing OMI researchers to benefit from practitioner expertise and AHL researchers to learn about research at the frontiers with beneficial results for both groups (see [18-09]).

Advisory and consultancy roles

Oxford economists have a long tradition of service as advisors and consultants to governmental bodies and international organisations. In recent years, Oxford economists have played a central role in shaping UK policy in response to the financial crisis (*Vickers* as Chair of the 2010 Independent Commission on Banking) and in setting the policy agenda of the G8 meeting (*Collier* as advisor to the UK Government for the 2013 G8 meetings). These are not isolated examples; many members of the Department are directly involved with the work of governments and international organisations as advisors/consultants. The University's policy of allowing its members to undertake up to 30 days consultancy per year while in full-time University employment, facilitates individual academics acting in these roles. Current appointments include: *Collier* as

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Advisor to the Vice President of the Africa Region of the World Bank; and a member of the European Commission's Scientific Advisory Board for EU Development Policy (2012-); *Ellison*, Bank of Finland; *Hendry*, Government Chief Scientist's Advisory Panel on Foresight; *Nielsen* is a consultant to RSA (General Insurers); *Rice*, UK School Teachers Review Body; *Wren-Lewis*, Office of Budget Responsibility Advisory Panel; *Venables*, independent advisory panel of the Regional Growth Fund; HS2 Growth Taskforce; *Young*, US Treasury Department; *Zanetti*, European Commission.

Requests to undertake longer-term secondments to public service appointments are accommodated through periods of special leave wherever possible. On this basis, *Collier* served as Director of Research, World Bank (1998-2003); *Muellbauer* held the position of Wim Duisenberg Fellow at the European Central Bank (2012); *Vickers* was Director General of the Office of Fair Trading (2000-2005); and *Venables*, Chief Economist at the Department for International Development (2005-2009). In these longer-term roles, individuals develop strong networks with practitioners and policymakers which subsequently have provided channels through which Oxford research is brought to the attention of policymakers, and impact is more firmly secured.

c. Strategy and plans

The Economics Department's impact strategy is rooted in Oxford's long tradition of engaging and collaborating with national and international policy-makers at all levels. The Department recognises the importance of ensuring that over the next five years the processes for securing impact are embedded in our practices across all areas of our research. To achieve this, the Department will work closely with the newly-established Knowledge Exchange (KE) and Impact team of the Social Sciences Division to ensure that members receive expert advice and are well supported to develop and promote impact for their research among potential users.

Dissemination:

The Department will augment financial and other resources provided to its members to disseminate their research to economists working outside the academic sector. This includes enhancing our online presence through more focussed presentation of our research across the University's webpages as well as on the Department website, and other policy portals, like VoxEu.

Engagement

The Department's major research centres have been particularly successful in securing high-level impact for their research through a process of two-way engagement whereby policymakers and practitioners contribute to the development of research and researchers are involved in an advisory capacity in transforming research findings into policy. Over the next five years, the Department will work to spread this good practice across the research groups. Funding has been allocated for research groups to consolidate existing networks and to develop new collaborations with economists in government, central banks and regulatory authorities, and in international organisations.

The establishment of the Blavatnik School of Government offers new collaborative opportunities to ensure that Oxford research contributes to improved policy design and implementation. One channel for achieving this is the Blavatnik School's short courses for senior policy makers and government officials. The first of these was offered in September 2013 and provided an intensive course on resource revenue management, drawing on the research findings of OxCARRE.

To improve engagement with potential users of economics research in the private sector, the Department will continue its work with the University Development Office and others to develop a programme of "Showcasing Economics" events spanning the Department's research groups. This initiative will make use of the extensive network of MPhil alumni to identify and target professional economists in the private sector and introduce them to economics research in their field of interest.

Advisory roles

The Department will continue to encourage and support its members to serve as advisors and consultants to user groups, maintaining the established channels for consultancy work with government departments, central banks and international organisations and developing new links with private sector

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organisations. Research centres and research groups will support early-career researchers in gaining experiences of working in advisory roles.

d. Relationship to case studies

In general, impact for the Department's research is secured through a combination of the approaches described in section b. A common element in all the case studies is that the principal investigators are leading academic researchers in their fields with a track-record of high quality research outputs that are known and recognised by economists working outside academia

Our case studies provide examples of the different ways in which research findings are brought to the initial attention of policymakers. Research on fiscal councils was presented at a CEPR research workshop attended by economists from within government, followed by seminar presentations and meetings with policymakers [18-02]. OxCARRE's research on resource revenue management was initially disseminated to policymakers at the IMF through OxCARRE conferences, attended by members of the centre's network of policymakers and practitioners [18-04]. Research on volatility came to the attention of the researchers in the Man Group through their shared research seminars and workshops [18-09]. CSAE's research relating to the distinctive problems of low income countries and on the economic drivers of conflict was brought to the attention of politicians, policymakers and civil society through highly-accessible books by *Collier* [18-05]

The role played by the Department's research centres in fostering a two-way exchange between researchers and policymakers is well illustrated by the case studies on resource revenue management [18-04] and on shaping development policies for supporting fragile states [18-05]. In both cases, the process of interchange between researchers and policymakers made possible through the latter's engagement in the Centre's advisory boards, conferences and workshops played an important role in ensuring that research findings were translated into policy advice in a timely manner. The co-location of OMI and the Man research laboratory facilitated the continual exchange of ideas and experience that delivered impact for the OMI research [18-09].

A number of our case studies exemplify the importance of long-standing relationships between academic researchers and policymakers, developed over many years through formal and informal engagement. *Klemperer* has served as an economics advisor to a number of government bodies (including the Competition Commission and the Bank of England) and played a key role in the design of earlier auctions, used by the UK Government. This track record was a key factor in the Bank of England's decision to consult *Klemperer* on the problems posed by their existing auction procedures at the time of the emerging global financial crisis [18-01]. *Muellbauer's* research expertise around credit markets and housing was widely recognised by UK policymakers and over a period of two decades, he has served as consultant to the government department and the Bank of England [18-06]. *Collier's* secondment as Director of Economic Research at the World Bank and *Venables* role as Chief Economist at the UK Department of International Development provided them with strong networks among practitioners and policymakers in intergovernmental bodies, development agencies to whom they disseminated their research through working papers, seminars and meetings [18-04, 18-05]. The networks of collaborations among researchers and policymakers are supported and extended to more junior members of the Department through the more informal engagement made possible by Nuffield College Visiting Fellows, OXONIA and similar activities.

Researchers are often engaged as consultants/advisors, working with the user groups in developing and implementing policies based on their research. *Klemperer* worked with the Bank of England on the implementation of the product-mix auction design [18-01]. *Wren-Lewis* serves as a member of the OBR Advisory panel [18-02]. *Venables* and *van der Ploeg* collaborated with the IMF Fiscal Affairs department in preparing IMF policy advice on resource revenue management [18-04]. *Collier* is an advisor to the IMF's Low Income Unit [18-05]. *Nielsen* works as a consultant for RSA insurance on developing the implications of his research for company policies on reserving [18-08]. *Hendry* and *Doornik* provide training courses and conferences to support users of the Oxmetrics software [18-03].