

Institution: University of Southampton
Unit of Assessment: 18 Economics and Econometrics
<p>a. Context Economics at Southampton prides itself on its vibrant internationally recognised research. Our research is renowned for its high quality impact both nationally and internationally and its direct link to economic policy. Our four main research areas: Microeconomics, Macroeconomics, Econometrics and Applied Economics provide evidence (both theoretical and empirical) that informs policymakers and contributes to public economic debates. Our diverse economic research benefits various groups: (i) local, national, and international government departments; (ii) international organisations; (iii) private and public firms; (iv) regulators; and (v) the public. We summarise below the impact of our research.</p> <p>(1) Informing Policymakers: (i) Our research informs policymakers on the workings of the economy and the functioning of various markets. E.g. Gervais's work on the optimal fiscal policy over the business cycle was presented at the Federal Reserve Banks of Dallas and St Louis, in 2010, and his work on an efficient age-based tax system was quoted in the Mirrlees Review (2010) which seeks to identify characteristics of a good tax system. Another example is Kolm and Tonin's work (2006, 2011) on the impact of in-work benefits on employment which has been used by, and pro-actively informed, the Swedish Fiscal Policy Council in 2010. (ii) Our research also helps in evaluating the effectiveness of government and policy interventions. E.g. Tonin's work on minimum wages and tax evasion has been used by the Hungarian Government, in 2008, in its project on "whitening" the hidden economy and was also discussed in the 2008 OECD Employment Outlook. (iii) Our research provides evidence for shaping policy; e.g. Wahba's research on the impact of return migration on entrepreneurship has underpinned the policy recommendations of several international organisations, e.g. the ILO (2009, 2010) and the World Bank (2010), on supporting migrant entrepreneurship by facilitating business creation in their home countries. (iv) Our research has led to the development of techniques that were used in policy assessment; e.g. in the World Economic Outlook 2011, in the context of its macroeconomic model for assessing US monetary policy, the IMF has used a particular identification strategy that drew heavily on Bluedorn's work whilst at Southampton. (v) We are consistently called upon to provide policy advice to international organisations, the UK Government and other national bodies. E.g. Mason was an external academic advisor to Ofcom, Ofgem, and the consortium of UK utility regulators in 2008-09. Hamlin was on the Competition Commission Appeal Tribunal in 2009. Wahba helped the World Bank in shaping their advice to the Egyptian government on temporary labour migration in 2009. More importantly, the quality of our research and the strength of its policy impact can also be seen in the recent Home Office appointment of Wahba, only one of the five Economists appointed, to the UK Migration Advisory Committee which advises the government on migration issues. We are also regularly commissioned to undertake <i>academic advice and consultancies</i>. E.g. Calvo-Pardo was commissioned by the Asian Development Bank (2008-10) to study the impact of regional trade agreements and by the French Caisse des Depots et des Consignations (2012) to assess pension income risk to inform the public debate on pension reforms. Finally, we have also had members who moved to <i>policy positions</i>; e.g. Valentynyi moved to become the Director of Research at the National Bank of Hungary in 2008 and Bluedorn joined the Research Department at the IMF in 2011.</p> <p>(2) Contributing to Public Debate: Our research on the economic behaviour of individuals has also been instrumental in contributing to public debates and understanding individual responses to incentives and interventions. Research on workers' motivation by Tonin and Vlassopoulos has been used by the Behavioural Insights Team within the Cabinet Office (2012) to brief policymakers and in the preparation of the "Giving White Paper: one year on", which focuses on stimulating change in giving behaviour in the UK.</p> <p>(3) Benefitting Businesses: Our research on firm behaviour is of significant benefit to public and private firms. E.g. the recently initiated study by Ornaghi and Tonin on Water Meters evaluates the behavioural response of consumers to the different characteristics of the Universal Water Metering programme benefiting Southern Water and consumers.</p> <p>(4) Benefitting Consumers: The impact of our research on regulations and its benefits to regulators and consumers is clearly evident. E.g. Verge's research on the anti-competitive</p>

effects of vertical agreements between suppliers and retailers has been used extensively by regulators to protect consumers. This is seen in the 2012 EU regulations (EC 2010 Guidelines on vertical restraints Para 100ii and iii), in the considerations of the Office for Fair-trading in the UK, and in the judgements given in courts of law in the UK, EU and USA (e.g. in the PSKS Inc, et al v. Leegin Creative Court Case). Similarly, Ornaghi's work showing the dynamic effects of mergers on innovation has had an important impact on the way anti-trust authorities particularly in the US evaluated the effects of mergers in 2009.

b. Approach to impact

We use *direct* and *indirect* engagement channels to promote the impact of our research.

Indirect Route

(1) Policy Briefs and Publications targeting non-academic audiences: we use a range of non-technical publications such as Policy Briefs and web-based policy commentaries such as blogs. Several of our staff (Knowles, Schluter, Wahba) are members of the inter-disciplinary ESRC Research Centre for Population Change which enables us to disseminate our findings to policymakers through the Centre's policy briefs; e.g. Wahba and Schluter's policy brief on return migration has had the highest number of the Centre's downloads (5,274 downloads since 2011). We also disseminate our research findings through funding agencies such as the ESRC web sites, and through the Royal Economic Society media briefings. We contribute regularly to Vox.eu (a policy portal aiming to promote research-based policy analysis) where we have 11 briefings. In addition, we use blogs to disseminate our findings and views; e.g. Makris has blogged on the Greek economy in 2012, and regularly contributes to Greek Economists for Reform.com. Sustek and Mennuni blogged on the 2013 Spending Review. We also use the *Economic Review* (A-level magazine) edited at Southampton, and published by Phillip Allan, to present our research and steer the economic debate among over fifty thousand A-level students and teachers.

(2) Contribution to public discussions and debates: we contribute to public discussions through media appearances and interviews, talks and panel discussions. E.g. Wahba contributed to panel discussions at OECD meetings (2008, 2013), and her recommendations for labour sending countries were aired in three newspapers (2011). Makris and Tonin commented in the media about the financial crisis in Europe (2011). Tonin also commented on current affairs in Canadian newspapers (2011) and Time magazine (2012).

Direct Route

(3) Direct Engagement with policymakers: we develop relationships with key users through visits, talks and public dissemination events. We give talks and engage with policymakers at international organisations: Tonin disseminated his findings at the ILO (2008); whilst Wahba discussed her research plans at the World Bank and the OECD (2009) to get feedback from users prior to starting her research. Tonin and Vlassopoulos organised a workshop on "The Social Dimension of Organisations" where Human Resource managers from the banking sector took part (2011). We also invite users to inform our research, e.g. George Siotis, European Commission's Task force for Greece, visited us and gave a talk in 2012.

(4) Direct Engagement with Business: we engage with businesses; e.g. Tonin and Vlassopoulos presented their research on charitable donations schemes to Waitrose HQ (2012), and their findings on workers' motivation to UniCredit HQ (2011). They are currently studying the impact of various compensation structures on productivity for a Canadian reforestation company.

(5) Direct Engagement with the wider community: we also engage with the wider community; e.g. Galanis (in 2012), Tonin (in 2011) and Wahba (in 2013) talked with over 200 secondary school students about their research and professional experience.

(6) Policy Advice: we provide advisory service to various international organisations and governments. Those advisory roles are always the result of our strong reputation in consequence to our high quality academic research.

To be able to *achieve impact*, we have several support mechanisms (departmental and institutional). These include *financial resources, training and dedicated time* to undertake impact generating activities. Financial support, of about £1,000 annually, is provided for travel to meetings to enable staff to engage with policymakers and research users (e.g. Wahba to the World Bank and Ornaghi and Tonin to Southern Water HQ). Funds are also provided to organise policy

Impact template (REF3a)

workshops e.g. the Migrants' CHOICES Workshop, in 2012, which was attended by about 25 academics and policymakers. Staff are also provided with guidance and support for public engagement activities, and with training in publicising their findings to non-academics; e.g. professional courses on "Communication and Impact" and "Media Skills". Furthermore, a senior colleague serves as Impact Champion, leads impact-related activities and provides guidance on achieving impact within the unit. The institution provides support for the dissemination of research findings and for producing policy highlights through the University Media Office. The Media Office has assisted us in the production of press releases, highlighting policy relevance and impact (e.g. the press release on Tonin and Vlassopoulos's research on charitable donations in April 2011). We also benefit from attending impact related training events organised by the institution's Research & Innovation Services. Staff are allowed time to attend and organise events as well as to promote the impact of their research findings.

c. Strategy and plans

Strategy: Our impact strategy is about highlighting the importance of our research beyond the conventional academic one. The research questions we seek to answer are motivated by economic problems that impact on: people's lives, firms' behaviour and government's policies. We embed impact in our research design and publicise our findings through various means to users and the wider public. We also engage directly with national and international policymakers. We strive to achieve excellence in research that has economic impact. We aim to identify and communicate with users of our research throughout the research process. We see our relationship with users as a two way relationship where users influence our research questions and also benefit from our findings. Whether our research is (i) contributing to the understanding of the economy and the impact of government policies or (ii) influencing the development of economic policies or (iii) developing new techniques that help us better measure the economic impact, we aim to produce high quality research and promote its impact.

Plans: Our plan is to continue to promote our research findings and embed in our research strategy pathways to develop and achieve our impact. We plan to extend our focus on impact to our PhD students and newly appointed junior staff through providing targeted impact training. We will ring fence a pot of money for impact enhancement activities. We will also maximise future research impact and strategic engagement through the University's initiative "Public Policy@Southampton" (PP@S) launched in 2012. PP@S is an external-facing, research impact enhancing unit funded under the University's Strategic Investment Fund. PP@S funds and supports strategic engagement events between key policymakers and academics, and co-ordinates annual competitions for policy commissions and workshops. The 'reach' of these events is extended through the posting of podcasts, blogs and policy briefings on the PP@S website and promoted through its multi-platform social media campaigns.

d. Relationship to case studies

Our case studies exemplify our approach to impact. An example of how our research contributes to shaping policy is the case study on "**The Impact of Temporary Emigration**" which shows how the findings of this research have been extensively used by international organisations and policymakers such as the World Bank (2010, 2011), the OECD (2008, 2009), the ILO (2010), the IOM (2008, 2009) and UNITAR (2010) and led to policy recommendations encouraging labour sending countries to harness the benefits of return migration. Our contribution to the evaluation of economic policies is exemplified by the case study on "**Earnings: Taxes, Regulation and Giving**". A prominent user of the research underpinning this impact case study has been the Swedish Fiscal Policy Council which used it in 2010 to discuss and evaluate the Swedish Earned Income Tax Credit, defined by the Swedish Government as "the single most important reform" to "get more people working and reduce exclusion". It was also used in a review of the Swedish tax system by the "Expert Group on Public Economics" conducted on behalf of the Swedish Ministry of Finance. The case study on "**Pharmaceutical Industry: Innovation and Competition**" highlights how our research informs policymakers and contributes to policy debates about the role of mergers, acquisitions and competition as barriers to innovation, and calls for better policies to sustain this thriving industry and deliver high-quality, affordable medicines. The work has been presented to the EU Competition Commission in 2012, informed a publication by the OECD in 2011 and cited by economists at the Antitrust Division of the US Department of Justice in 2009.