

Institution: University College London

Unit of Assessment: 18 - Economics and Econometrics

a. Context

UCL's Department of Economics has a long tradition of engagement with and the production of research used by a wide range of non-academic audiences. The impacts of that work are felt both directly – through its use by end users themselves - and more indirectly - through their use of our work to inform activities and initiatives affecting many others.

Impacts arise from work conducted within research groups with common interests across the Unit, and through its associated research centres. They relate especially to our research strengths across myriad areas of economics, which brings together theoretical and empirical research with expertise in fields including macroeconomics, applied microeconomics (for example, public, labour, education, development), economic theory, econometrics, and the use of economic research in public policymaking.

Key audiences for research include government bodies and agencies in the UK and elsewhere, among them Her Majesty's Treasury, the Department of Education, the Bank of England and central banks and government bodies in other countries. Our capacity to deliver profound and wide-ranging impact for these and other user groups is considerable, given their extensive use of economic research. We have capitalised on this to contribute to national wellbeing in the UK and elsewhere, most particularly by informing the design and implementation of public policy, and by shaping and supporting policy evaluation by governmental bodies, policymakers and economists; think tanks; charities and other third sector organizations; schools and hospitals. Other important users include practitioners, private organisations, the media and the public, among whom our work has supported increased awareness of and engagement with relevant economic and social issues.

b. Approach to impact

The Department has taken a variety of approaches to achieving its aims for extra-academic impact. These include: **(i)** communication of key research findings to users through the production of policy relevant reports; **(ii)** engagement with users through participation in joint research collaborations or by serving as consultants on user-relevant projects; **(iii)** serving on the boards of government and professional bodies; **(iv)** contributions to public debate on either very specific or broader societal issues relating to our research; **(v)** training activities used to provide professionals and policy-makers with tools deriving from our research.

(i) Production of policy reports: Research conducted within the Unit frequently underpins or feeds into the production of reports informing policy makers and other interested audiences (media, practitioners, and so on) about the latest research findings. These can generate significant non-academic impact, particularly by supporting better choices among decision-makers. Machin's work on wage inequality, for example, informed the development of the 2009 National Equality Panel report via his membership as an academic expert on the panel that produced it. Published by the Government Equalities Office (GEO), the report investigated the relationships between inequality of economic outcomes and people's characteristics and circumstances. The report itself, and the work of the panel that produced it, provided a lynchpin in the development of the 2010 Equality Act and other GEO initiatives creating new and improved frameworks for equal opportunities. Further examples of prominent policy reports informed by our work include the 2011 Mirrlees Review, edited by Blundell. Its production brought together a group of international experts including members of the unit (Blundell, Preston and Smith) to provide a comprehensive overview of how research findings can be distilled to identify the characteristics of a good tax system. The report has had significant impacts on tax policy reform in the UK and elsewhere.

(ii) Commissioned and co-research and consultancy activities: Unit staff also engage with key user groups through joint research ventures and their provision of research-based advice. The Department particularly supports involvement in such direct lines of interaction, which allow us to address and influence decisions pertaining to specific problems faced by research users. We have facilitated this by supporting the submission of joint funding bids, including to the ESRC, ERC, charities, and government departments in various countries. This has allowed researchers to contribute directly to the policy and research design process, enabling their involvement in and

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contribution to high-quality evaluations.

Huck's work for the European Commission on the DG SANCO report on Consumer Decision Making in Retail Investment Services provides a prominent example of the use of commissioned work based on our research. That report drew on our strength in experimental economics to examine the behaviour of European consumers in the retail investment market. It recommended simplification and standardization of product information and highlighted difficulties with designing disclosure policies; these findings are being considered by the European Commission. Another important example is Mogstad's 2009-2013 Norwegian Research Council-funded evaluation of the Norwegian welfare state, set up to help politicians identify opportunities for its future reform.

In other cases, projects have arisen from the collaborative investigation by Unit staff of issues of direct policy relevance, including Rasul's work since 2009 with the International Growth Centre's Human Capital Research Programme. This has led to the provision of advice about education policy reforms to policy makers in countries with developing economies, such as Pakistan and Sierra Leone. Another prominent example is Attanasio's work with the Mexican and Columbian governments on the effects of conditional cash transfer programmes (UCL18-ATT). Work within the Centre for Macroeconomics also includes joint projects with partners including the Bank of England and the NIESR. Work within the centre, which facilitates further engagement through joint workshops and conferences with users, has had a direct impact on thinking in policy circles.

(iii) Contributions to key policy and professional bodies: Our representation within key user bodies constitutes an important strand of our approach to influencing policy. This is achieved particularly via the communication to and through these bodies of major research findings informing decisions relating to specific problems or issues. Significant examples of our representation on government bodies include Rasul's membership of the Ministry of Justice Evaluation Consultancy Group. Set up in 2012 to help realise the government's aim for "better justice at lower cost", decisions within that group have been informed by Rasul's research on the impacts of policing on crime. Similarly, Machin's membership of the Low Pay Commission, which sets the national minimum wage, has allowed his profitable communication to that group of the results of his research on the effects of minimum wages (UCL18-MAC). Blundell's membership of the high-level Universal Credit Evaluation Committee at the Department of Work and Pensions has allowed him to contribute expertise on tax policy to discussion within this group, which oversees the implementation of the universal credit policy. Further contributions have been made to monitoring economic policy-making through Carlin's membership of the Board of the Office for Fiscal Responsibility, which provides independent oversight of the government's fiscal policy, and via Machin's role in the Tuition Fees Commission, an independent body that analyses the impact of the new higher undergraduate fees.

Staff have also led and served on the boards of numerous important professional organisations. Attanasio is the Vice President of the European Economic Association and will serve as President in 2014. Blundell has served as President of the Society of Labor Economics and of the Royal Economic Society; Cabrales was President of the Spanish Economic Association; Cheshier was the Chair of Section S2 of the British Academy; Laroque is the Chair of the Centre for Economic Policy Research Scientific Advisory Committee; and Machin was President of the European Association of Labour Economists. Blundell and Machin were respectively the 2011 and 2012 Presidents of the Economics section of the British Science Association. These activities have supported the impacts of our research on practitioners and policy-makers involved with government bodies such as the Bank of England and the Treasury, and on decision-making at the Royal Economic Society and the British Academy. Our research has also achieved impacts on decision-making within the European Central Bank and other European Central Banks as a result of staff engagement with the European Economic Association.

The Unit's relationships with policy-making organisations is supported further by its tradition of alumni employment in governmental and other policy-making positions; a significant proportion of students on our MSc Programmes in Economics and Economic Policy either already holding jobs in the policy sector or finding employment in that sector after graduation. We retain strong links with our alumni, which we use as another means of channelling our research into policy contexts.

(iv) Contributions to and influence on public debate: A key aspect of our approach to impact is

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the communication of our research findings to non-academic audiences as a means of contributing to debate and decision-making among these groups. Our efforts in this respect incorporate a range of activities, from research dissemination through discussion papers, policy reports and online media, to engagement events for the public and other users.

We further our capacity to contribute to broader public, policy and practitioner debate by exploiting our close links with UK research centres in economics (see REF5 for a list). Our staff includes Research Directors of both the Institute for Fiscal Studies and the Centre for Economic Performance, and since 2008 members of the Unit have run four ESRC research centres, as well as centres financed by the Department of Education and NORFACE. Our engagement with research centres has particularly enhanced the efficiency with which we are able to share key research findings, ensuring communication of the most relevant research to the broadest possible non-academic audiences. This is achieved, for example, through our contributions to accessible, non-technical outputs and high-profile policy documents produced by the research centres. These include documents such as the IFS Green Budget, published every year to review issues relating to the Chancellor's forthcoming Budget; Preston contributed a chapter on the distributional impact of public service cuts to the 2011 version of the Green Budget. Elsewhere, we have fed into policy discussions and debate on immigration (members of the UCL Centre for Research and Analysis of Migration [CReAM]); education policy (UCL Centre for the Economics of Education); and various aspects of policy in a developing countries (UCL Centre for Evaluation of Development Policies).

The research centres have also provided a focus for public engagement activities, including high profile conferences and workshops, which we have used both to share research findings and to establish and engage in two-way dialogue with key user groups. Major international conferences to which we have contributed include the 2010 joint EALE/ SOLE conference and the 2011 Norface Migration Network Conference (organized by CReAM), the attendants of both of which included numerous policymakers and featured policy oriented special sessions. One of those sessions, "The Financial Crisis and the Labour Market" by Edward Lazear (Stanford University), was organised in conjunction with UCL as a UCL Grand Challenge event. UCL also ran a Migration Week as one of its Grand Challenges in April 2011, which concluded with a major interdisciplinary conference, "Migration: Economic Change, Social Challenge", again convened by CReAM. Conference participant included Markus Beilfuss (Spanish Director General for Immigration) and Sir David Metcalf (Chair of the UK Migration Advisory Committee).

Where possible, we extend the reach of our non-academic engagement by sharing key research insights through the production of or contributions to popular and influential online and print media. This strand of our approach has included contributions by Cabrales (on the natural research curse), Carlin (on the Eurozone crisis) and Ravn (on fiscal policy) to VoX, a policy portal set up by the Centre for Economic Policy Research to promote research-based policy analysis and commentary. All three articles have attracted more than 10,000 views. Ravn also contributed to the 2012 version of SNS's evaluation of Swedish Economic Policy, which was discussed with the Swedish Finance minister on live-TV. Recently, we have increased our use of social media tools including Twitter to extend our contact with user communities. These communication activities allow the Unit to contribute to and enhance the accuracy of media discourse, and thereby to increase public awareness and understanding of major economic, political and social issues.

(v) Provision of research-based training and tools. The final key strand of our approach to achieving non-academic impact is our development and provision of specialist training and tools based on cutting-edge research. Since 2008, our Centre for Microdata Methods and Practice (CeMMAP, directed by Chesher) has run public lectures for a wide range of participants including policymakers, think tank staff, professional and academic researchers and doctoral students. These events, which mostly comprise 2-day masterclasses, involve the accessible presentation of insights from world-leading economics and econometrics research, and constitute another important channel for our transfer of significant research insights to policymakers and practitioners. Since 2008, CeMMAP has run 23 such masterclasses attended by 1420 people, of whom 220 were from non-HE organisations.

The department supports activities in all of these pathways to impact, including through assistance with the development and deployment of research grants, which now almost always include non-academic engagement objectives. We have also made use of institutional support, for example by

organizing activities within the UCL Grand Challenges framework.

c. Strategy and plans

We aim to realise the full impact potential of all user-relevant aspects of our research. To that end, we plan to expand our existing relationships with non-academic users and deepen the impact of our research by further exploiting the Unit's research strengths, and by extending current activities.

Enhancing impact in the area of macroeconomics: The new ESRC Centre for Macroeconomics (opened in 2013, co-directed by Ravn) will generate impacts in areas such as macroeconomic policy and regulation, where economic approaches have been criticized in the recent downturn and worldwide recession. We have recruited aggressively in the area of macroeconomics, including senior staff from Federal Reserve research departments in the US, and expect a macroeconomic policy focus to their activities. By making and sustaining investment in this area we plan to increase both the breadth and depth of our engagement with and impacts on groups such as central banks, treasuries and international agencies, who make extensive use of macroeconomics research.

Expanding engagement with policy-makers in developing economies: The Department already engages with users in developing economies through the activities of Attanasio and Rasul and others. Many of the lessons learned through these activities have direct implications for users in other developing economies, especially those in Latin American, Africa and Asia. In the coming years we plan to share the lessons we have learnt from our previous research - especially in the fields of education and development policy - with policy makers in these countries.

Increasing provision of training: The geographical scope of our training activities, which has so far been limited to London, will be extended to other parts of the country and the world. To that end, CeMMAP is currently in discussion with research organisations in Australia, Brazil and China and we plan to extend our training programmes to at least some of these countries.

Maximising impact through cross-field fertilization: We plan to place more emphasis on cross-disciplinary and mixed-methods research, including combining work of a theoretical and empirical nature. This will allow us to produce innovative research stimulating new insights on questions of "real world" relevance, most particularly to policy-makers and the broader public.

In support of this, we have initiated increased collaboration and cooperation with other parts of UCL, including joint workshops and research projects with its Epidemiology Department, to allow us to extend our impacts to user audiences in the health sector. We plan to further develop links with the Institute of Child Health, and to start a new Centre for Early Child Development with participation from many other parts of UCL. This new centre will generate impact across many areas such as the design of welfare programmes, nutrition, education, and child health.

Staff: The Department is committed to expanding its staff's capacity for non-academic impact and to explicitly communicating the need for their demonstration of research impact. This will be facilitated by our allocation of time specifically for the pursuit of activities intended to deliver non-academic impacts, and by recognising and rewarding those activities. The Unit's investment in low teaching loads is explicitly intended to make time for impact and public engagement activities.

d. Relationship to case studies

The submitted case studies describe benefits resulting from different aspects of the pathways to impact outlined above. **UCL18-BLU** describes impacts on tax reform arising, in part, from our **production of a high-profile policy relevant report**. Like **UCL18-MAC**, it also highlights the importance of our **representation on strategic decision-making bodies** to our capacity to achieve direct impacts on policy. **UCL18-DUS** and **UCL18-HUC** describe impacts achieved through our **invited provision of expert consultancy** to address specific problems, here relating to migration and drip pricing. Finally, **UCL18-ATT** shows the importance of **research collaborations** and our **development of research-based evaluation tools** as a pathway to impact.

As a whole, the Unit's portfolio of case studies illustrates the vital importance of our **transfer of expert knowledge from academic to policy** as a key feature of our approach to achieving impacts on a wide range of users of economic research, both nationally and internationally.