

**Institution: University of Glasgow**

**Unit of assessment: 18 Economics and Econometrics**

**a. Context**

Engagement with non-academic communities has long been central to Economics at Glasgow, often drawing on traditional strengths in macroeconomics as well as recognised expertise in development and regional economics. Moreover, *impact* is hard-wired into the culture of the College of Social Sciences and the University as a whole and Economics at Glasgow continually seeks to sustain its dialogue with non-academic audiences.

The principal beneficiaries of our research are: national governments; central banks; policymakers (such as the National Audit Office); international organisations, such as IMF and the UN; international charities; and private sector financial institutions. Newly established strengths in microeconomics and finance are adding substantially to our ability to extend our non-academic reach. (See Strategy & Plans, below).

Our research is influencing policy at the highest levels at home and abroad: It has shaped the fiscal architecture of the UK and Scotland; it has provided tailored technical assistance to central banks around the world and to the private sector; and it is shaping policies towards some of the most disadvantaged citizens of the developing world. Notable examples of impact during the review include:

1. Muscatelli chaired the independent expert group for the Calman Commission set up by the Scottish Parliament to investigate fiscal aspects of devolution. Their recommendations were enacted in their entirety in the Scotland Act (2012).
2. Leith's research was influential in the establishment of the Office for Budget Responsibility in 2010. That institution is the fiscal counterpart to the Bank of England and a key participant in macroeconomic policy in the UK.
3. MacDonald has applied his research expertise in the area of exchange rate regimes to the design and provision of practitioner training at the IMF Institute in Washington, the General Secretariat for Development Planning Qatar, as a Monetary Advisor for the IMF and in advice and work for the UK National Audit Office.
4. UK Trade and Investment, an arm of the UK government aiming to boost UK export industries, used Glasgow University research to obtain increased funding to support exporters and to shape its five-year strategy *Britain Open for Business* (2011).

**b. Approach to impact**

We engage with non-academic communities via three broad channels (which often overlap):

1. Some staff seek policy engagement as a major component of their funded and non-funded research. For example, Angelopoulos and Malley's ESRC-funded work on optimal fiscal policy explicitly involved numerous policymakers in its pathways to impact. Similarly, Ghosal's large-scale collaborative fieldwork in Kolkata and Argentina also involves collaborations with end users in government and the third sector.
2. Other staff have been approached to produce specific pieces of work often as a result of ongoing dialogue. For example, Leith was commissioned by the EC to produce work quantifying the optimal speed of debt stabilisation following a financial crisis. Ewald has been advising on product development at a number of private sector organisations (see below for an example). Angeles, Azemar and Noorbakhsh were consultants to the United Nations and commissioned to write a paper on foreign aid allocation by the Department of Economic and Social Affairs of the United Nations.

3. Colleagues are frequently sought out on account of their research expertise. Such approaches are often on the basis of research written for academic audiences but known and respected more widely. For example, Nolan, throughout 2012/13 has been involved in a work programme with HMT “Currency and Monetary Policy Options for an Independent Scotland”. Similarly Leith has been consulting for the Scottish Government’s Chief Economist on fiscal policy.

Researchers interact with non-academics principally via research papers and (usually written) advice on specific policies and topics. Sometimes these interactions are longstanding whilst others are more *ad hoc*. Examples of longstanding links include Macdonald, who has acted as a consultant to the IMF on 16 separate occasions over the past decade including a recent appointment as monetary advisor in 2012. An example of breadth of engagement is Azemar, who was invited by Michael Devereux, the Research Director of the European Tax Policy Forum, to prepare a paper on the incidence of labour taxes paid by employers. The Forum’s purpose is to make academic research accessible and inform public understanding and to provide advice to European governments. The paper was presented at the European Tax Policy Forum in Brussels, the European Tax Policy Forum/Institute for Fiscal Studies Public Conference in London and published by HMRC. She has also consulted for Christian Aid on multinational firms’ tax evasion and for the International Centre for Tax and Development (funded by DFID and the Government of Norway) to establish a research and policy agenda for developing countries. In addition, there is Moldovan’s research with IMF staff economists on the design of optimal policies in managing volatile external resources in low-income countries. This work is funded by the IMF and DFID.

More generally, we strive to build links with policymakers and other non-academic potential users of our work through diverse mechanisms. For instance, Ewald set up a research collaboration and student placement scheme with AoN Hewitt London. This involves a number of student projects, with MSc theses allocated to AoN-specific topics, and internships. Additional research collaboration with AoN is developing term structure models of interest rates. This latter project is being pursued by Ewald’s PhD student and is fully supported by AoN. In this way Economics at Glasgow is promoting impact awareness amongst postgraduate students. Economics at Glasgow supports these activities in practical ways; colleagues are provided with travel and other expenses, modified teaching loads and administrative duties.

Colleagues across our main research groupings have strong, vibrant links outside academia as indicated above (and in Environment). In macroeconomics, examples include Nolan (ex-Bank of England), Dennis (ex-US Fed), Kirsanova (Houblon-Norman Fellow, BoE), Leith (ECB co-authors), Malley (Consultant to the Bank of Greece) and Tsoukalas (ex-Bank of England). In finance, examples include Ewald (consultant to AoN Hewitt, co-authors at Barclays and Morgan Stanley), Tsoukas, (Visiting Advisor, Bank for International Settlements and Visiting Research Fellow at Hong Kong Monetary Authority) and Kontonikas (European Commission). In microeconomics, examples include Ghosal (linked to the Durbar Foundation) who also works with Vijeyandra Rao (Lead Economist, World Bank) and Tomohiro Ota (ex-PhD student at the Bank of England), Azemar (European Tax Policy Forum) and Angeles (United Nations).

The University of Glasgow also promotes engagement with non-academic communities. It endorses the *Manifesto for Public Engagement* and supports researchers to engage with the public, media and policymakers. At the College level The Adam Smith Research Foundation is a vehicle for knowledge exchange. At the University level, Policy Scotland is a policy research and knowledge exchange hub bringing together academics, practitioners and policymakers to stimulate new and critical thinking into policy debates in Scotland, the UK and internationally.

The University Staff Development Service runs courses to help staff develop funding proposals with impact. The University also embeds knowledge exchange and impact in academic job profiles and through the annual performance and development review (P&DR) (see Environment) and impact is assessed on application for promotion. Colleagues in Economics

also consult with a dedicated Public Policy Knowledge Exchange Officer (Des McNulty, former MSP), located in the College of Social Sciences, when formulating impact policies in grant applications.

### c. Strategy and plans

Research impact is a key feature of mentoring and P&DR. Junior colleagues are encouraged, where appropriate, to work with senior colleagues in part to help them locate their research in wider spheres of influence. Senior colleagues are assessed rigorously through P&DR and Professorial Zoning on their record of impact and knowledge exchange, which is also a factor in recruiting research staff.

Following the establishment of the Adam Smith Business School (see REF5) we reviewed our approach to impact. In brief, the core of strategy is delivered via:

1. The staff we hire and promote;
2. By supporting staff to take advantage of University-wide schemes;
3. P&DR and mentoring.

More specifically, we seek to leverage resources of the ASBS in the following ways:

4. To strengthen the Unit's direct connections with stakeholders and non-academic users. Primarily, this will be done through the ASBS Strategic Advisory Board (chaired by Frances Cairncross and including Brian Quinn, ex-Acting Deputy Governor of the Bank of England) by requesting their feedback on research as well as their advice on impact strategy. Staff will be supported to build informal contacts with non-academic users and resources to do so will be provided by exploiting the ASBS network of ex-PGT and PGR students
5. To arrange for high-profile researchers from inside and outside Glasgow University and from the research councils to come to the ASBS and give presentations on impact.

### d. Relationship to case studies

Our impact case studies reflect the depth, scope and ongoing nature of our engagements with governments and others. The foundations of these case studies are anchored in a strong research culture, a long and substantive track record in certain areas of research and a long and fruitful dialogue with non-academic audiences.

Thus, Muscatelli's and Leith's work reflects a longstanding expertise at Glasgow in the area of fiscal policy and a depth of dialogue with policy-makers as strong as any in the UK. Muscatelli's work on fiscal federalism led directly to him being appointed Chair of the expert group on fiscal devolution. In the case of Leith, the Case Study is part of a long-running, wider agenda. His paper with Wren-Lewis (Oxford) "Fiscal Stabilisation in EMU: A Survey of Policy Issues and Design Issues" is a commissioned Report for HM Treasury. Similarly, their monograph "A Baseline Model for the Analysis of Fiscal Stabilisation in EMU" is a Report for HM Treasury. This work in 2008 built on earlier work from 2004 and was part of a three-year consultancy project and is still in use at HM Treasury. In the case of MacDonald's impact case study, there has similarly been a long-established sequence of policy engagements and high-level professional training that have been built up over time.

Taken together, our case studies reflect the key elements of our approach: they are the product of researchers seeking to produce high-quality research for its own sake but who are receptive to, or seek to sustain, a fruitful and substantive dialogue with non-academic communities. We are determined to build further on this approach.