

**Impact template (REF3a)**

<p><b>Institution:</b> University of Leicester</p>
<p><b>Unit of Assessment:</b> UoA18 Economics and Econometrics</p>
<p><b>a. Context</b></p> <p>The research conducted at the Department of Economics ranges from the theoretical and highly abstract to the more applied and policy-oriented. Naturally, it is the latter that has the greatest potential for non-academic impact.</p> <p>There are three main policy-oriented research clusters within the department. The first includes macro-economists and macro-econometricians who work on monetary policy and banking. Staff members in this group have a long history of engagement with central banks and other international organisations. The main non-academic users and beneficiaries of this group’s research are central banks, government macro-economic departments, financial regulatory agencies, and policymakers involved in the making of monetary policy and the regulation of banks.</p> <p>A second research cluster unites applied micro-theorists. Exactly who they engage with, and how, depends on the nature of the research being carried out. Innovative research on the behavioural theory of tax evasion has attracted the attention of government departments such as HMRC. Similarly, research in the field of competition policy and intellectual property rights is relevant for antitrust authorities, private consulting firms, lawyers and the courts.</p> <p>A third research cluster is centred on applied micro-econometrics. Researchers in this group conduct empirical studies on diverse topics such as education, smoking, and the formation of political preferences. Impact from this work is early-stage, as most individuals in this group are early-career researchers. The main non-academic beneficiaries of this research are public agencies, political parties and policymakers.</p> <p>Our research is also of interest to the general public, both collectively and individually, contributing to general policy debate and a better understanding of economic policy.</p>
<p><b>b. Approach to impact</b></p> <p>The Department of Economics is committed to maximising the economic and societal impact of its research. A key aspect of our strategy is the development and sustainability of an internal culture that encourages, supports and builds further the capacity for impact.</p> <p>The University has a framework of professional services which support the enabling of impact, built on significant investment in PR and communications, IT-based services, an Academic Practice Unit to build researchers’ skills and knowledge, an Enterprise and Business Development Office and Research Support services.</p> <p>The College of Social Science, which the Department belongs to, encourages and enables impact from research through the dissemination of best practice across disciplines. The College has a dedicated Business Development Manager, who works closely with academics to support the development of contract research, consultancy, knowledge transfer partnerships and Continuing Professional Development (CPD)/short courses. The manager coordinates a College Enterprise Committee, committed to identifying opportunities for impact and exploiting commercial opportunities.</p> <p>The College administers a Research Development Fund which supports the enabling of research dissemination to, or collaboration with, audiences outside academia with a view to generating measurable impact. The College also has a dedicated Web and Communications Officer whose role includes the dissemination of research findings across departments and to the public.</p> <p>The Department of Economics has taken advantage of these structures in many ways. For</p>

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example, the College Web and Communications Officer helped to generate media coverage of **Rockey's** research on voters' ideology. As another example, grants from the Research Development Fund have recently been obtained by **Ladley, Rockey, and Foureaux Koppensteiner**.

Within the Department, the main route to impact has been the creation of stable partnerships with non-academic beneficiaries of research. We have a rich network of relationships based on the value of our expertise. Many staff members are members of prominent think-tanks, policy groups and other external bodies.

For example, **Demetriades** and **Hall** have long been involved in the Money Macro and Finance Research Group, a think tank that brings together academics, policymakers (especially from the Bank of England and the Treasury) and practitioners in the City. In May 2012, **Demetriades** was appointed Governor of the Central Bank of Cyprus and member of the European Central Bank (ECB) Governing Council. In this capacity, he has played a major role in the policy response to the financial crisis that hit Cyprus in 2012.

**Hall** has consulted for the ECB and the central banks of various countries, including Greece and the Russian Federation. He has been a leading figure in a programme, sponsored by the United Nations, of training for staff of the central banks of sub-Saharan Africa. In addition, Hall is on the organising committee of the UN project LINK. Originally started by Nobel prize winner Laurence Klein, LINK was adopted by the UN in the mid-1980s as its main policy and forecasting arm. Hall joined the project in 1991 and has since given numerous presentations of research work to representatives from the International Monetary Fund, the World Bank, the ECB and the EC.

**Charemza** worked for several years with the central bank of Poland and maintains strong relationships with that institution. His work there has led to the development of a Monetary Policy Index which is still used as the Bank of Poland's main forecasting tool. The index has also been made available for the central banks of Romania, Kazakhstan, Bosnia and Ukraine.

**Al-Nowaihi** and **Dhami's** work on the behavioural theory of tax evasion has been evaluated by the HMRC and they have presented their research to its staff. Other government departments, such as the Italian *Agenzia delle Entrate*, have recently explored with them the implications of their work.

**Lemos** has worked on the economics of immigration and has consulted for the Department for Work and Pensions and the Economic Research Advisory Panel of the Welsh Assembly on immigration and immigration policy. **Denicolò** is a competition policy expert and has built relationships with both antitrust authorities (including the Italian *Autorità Garante per la Concorrenza ed il Mercato*, the Namibian Competition Commission, and DG Competition at the European Commission) and private consulting firms. **Foreaux Koppensteiner** has cooperated with several governments in Latin America, and especially Brazil, to conduct empirical research on education and the cost of crime. In addition, **Foreaux Koppensteiner** and **Matheson** have recently started to work with the Leicestershire County Council and the Leicester City Council on various applied projects that have the potential to impact on policy in the future.

The Department has always encouraged and supported this networking activity. A major form of support has been the granting of secondment, sabbatical or leave to enable impact. For example, **Charemza** was on secondment from the University of Leicester when he developed the monetary policy index at the central bank of Poland from 2004 to 2008. **Demetriades** has been on secondment since he was appointed Governor of the Central Bank of Cyprus in May 2012.

The adjustment of teaching arrangements within the Department enables staff members to engage in impact-generating activities. For example, teaching responsibilities for **Hall** have been structured to enable him to visit the Bank of Greece monthly since 2010.

**c. Strategy and plans**

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We plan to build on this valuable network of non-academic partners by encouraging and stimulating the production of high-quality, policy-oriented research and by then disseminating the results of such research to non-academic audiences.

Following an impact-focussed review of departmental processes, the Department now gives more weight to the potential for impact in recruitment, promotion, and the allocation of tasks. For example, non-research workload allocation within the Department now explicitly rewards impact as part of an individual's duties.

We have also identified under-exploited synergies between the strong groups of theorists on the one hand, and more applied researchers on the other hand. We plan to encourage more collaborative research between members of these two groups, for example, by running a series of internal "policy seminars" in which open policy issues are collectively and informally discussed.

We also plan to invest in the dissemination of our policy-oriented research by providing additional funds and infrastructure for the organisation of conferences aimed at non-academic users of research. We will continue to encourage and support participation in policy groups and think tanks and are considering the creation of research centres that may help disseminate research output among non-academic users. For example, we have recently contributed to the creation of the Health and Public Policy Evaluation Network (HaPPEN) – an interdisciplinary research network on health economics at the University of Leicester that has just been launched.

**d. Relationship to case studies**

The submitted case studies are based on impact which has been achieved through secondment or on-going collaboration with external organisations enabled by flexible working. This demonstrates the effectiveness of these approaches to enabling impact.

**Charemza** was on secondment from the University of Leicester when he developed the Monetary Policy Index (MPI) at the central bank of Poland, from 2004 to 2008. Since 2006, the MPI has been a key piece of information provided to the board members of the central bank of Poland one week before any meeting. This information has helped the Bank of Poland to manage the recent financial crisis much better than many other central banks.

**Demetriades** has been on secondment since he was appointed Governor of the Central Bank of Cyprus and member of the European Central Bank Governing Council in May 2012. In this capacity, **Demetriades** has implemented policies rooted in the research which he and his co-authors developed at Leicester.

The Department has flexibly organised the teaching and administrative duties of **Hall** to maintain and strengthen his close relationships with central banks and the UN. Through these collaborations, his scientific contributions were incorporated into the forecasting models of those institutions, thus having a concrete impact on policy.