1. Executive Summary

This report provides an update on the Economic & Social Research Council’s (ESRC’s) vital contribution to the UK’s economic performance. Five major contributions are highlighted:

- **Economic Downturn**: the Council is making an enormously important contribution to the UK’s economy during a time of considerable challenge. By drawing on its World-class research portfolio and investments in the UK’s research base over many years, the Council has delivered evidence-based advice to Government on combating the economic recession. This work will continue as the Government continues to tackle the downturn and prepares the UK for the eventual upturn.

- **Economic Policy**: ESRC’s research programme continues to have important impacts on all aspects of UK economic policy. This is demonstrated by independent evaluations showing that our Centre for Economic Performance was crucial to the implementation of the National Minimum Wage, and that our Centre for Social and Economic Research on the Global Environment has had a powerful influence on the UK’s use of economic appraisal techniques in environment policy.

- **UK Business**: the Council has strengthened further its engagement with UK business. A key aspect of this relationship is our support for people-transfer schemes in which academics work on practical problems with individual firms. Our Knowledge Transfer Partnerships are transforming the economic performance of businesses and the introduction of the INDEX Voucher Scheme has provided an even greater number with access to high-quality academic advice.

- **People and Skills**: the ESRC’s training programme delivers highly-trained people with transferable skills that are needed in the public and private sectors as well as academia. This year has seen a continued emphasis on equipping students with the quantitative skills that are valued by many employers. The Council’s commitment to building a relevant skills base is reflected in its decision to fund a new cadre of macroeconomics students to support future economic policy.

- **The Wider Picture**: the Council’s impact is not restricted to its direct influence on economic policy and business. Economic efficiency can also be promoted through more effective public policy, improved professional practice and increased quality of life. ESRC research has continued to make important contributions in all of these areas as illustrated by examples of impacts from across our research portfolio.
## 2. Key Impact Measures

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>ESRC Expenditure</th>
<th>2007: £149M</th>
<th>2008: £166M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Net of staff and operating costs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>Research</td>
<td>2007: £100M</td>
<td>2008: £106M</td>
</tr>
<tr>
<td></td>
<td>People Skills</td>
<td>2007: £47M</td>
<td>2008: £56M</td>
</tr>
<tr>
<td></td>
<td>Knowledge Transfer</td>
<td>2007: £2M</td>
<td>2008: £4M</td>
</tr>
<tr>
<td><strong>User collaboration</strong></td>
<td>ESRC’s External co-funding</td>
<td>2007: £16M</td>
<td>2008: £21M</td>
</tr>
<tr>
<td></td>
<td>Impact Grants</td>
<td>2007: 21</td>
<td>2008: 10</td>
</tr>
<tr>
<td></td>
<td>The Impact Grants Scheme was wound-down last year when the new</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Follow-On Grants Scheme introduced. The first awards under the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>new scheme will be made shortly.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Human Capital</strong></td>
<td>ESRC trained people joining the UK labour market</td>
<td>2007: 500</td>
<td>2008: 530</td>
</tr>
<tr>
<td></td>
<td>(Figures based on an 80% thesis submission rate and 94%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>employment rate)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ESRC sponsored people transfers from academia to non-academic</td>
<td>2007: 37</td>
<td>2008: 40</td>
</tr>
<tr>
<td></td>
<td>organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ESRC workshops on entrepreneurship and commercialisation</td>
<td>2007: 6</td>
<td>2008: 6</td>
</tr>
<tr>
<td></td>
<td>New Knowledge Transfer Partnerships</td>
<td>2007: 9</td>
<td>2008: 11</td>
</tr>
<tr>
<td></td>
<td>New Collaborative innovation vouchers</td>
<td>2007: 0</td>
<td>2008: 50</td>
</tr>
<tr>
<td></td>
<td>New CASE awards</td>
<td>2007: 18</td>
<td>2008: 19</td>
</tr>
<tr>
<td><strong>Policy &amp; Practice</strong></td>
<td>New Knowledge Transfer Partnerships</td>
<td>2007: 17</td>
<td>2008: 19</td>
</tr>
<tr>
<td></td>
<td>New CASE awards</td>
<td>2007: 65</td>
<td>2008: 69</td>
</tr>
<tr>
<td></td>
<td>Concordat agreements with strategic partners</td>
<td>2007: 16</td>
<td>2008: 23</td>
</tr>
<tr>
<td></td>
<td>Getting Research into Practice Workshops</td>
<td>2007: 5</td>
<td>2008: 5</td>
</tr>
</tbody>
</table>
3. ESRC’s Economic Impact Strategy

The ESRC and the social science it funds make a critical contribution to the UK’s economic performance. The Council is committed to providing a strong knowledge and evidence base for economic policy and decision-making, and the values that underpin ESRC research: quality, impact and independence, are fundamental to achieving this. As demonstrated in this report, the Council’s research provides an essential understanding of the ever changing economic and social context, and is informing effective interventions to respond to current challenges.

It is critical that economic policy should be based on the best possible research evidence. Independent evaluation of ESRC research shows that over 90% of projects are of outstanding or good quality, while international benchmarking assessments demonstrate that the UK social science is second only to the United States in terms of research quality and impact and leads the World in some areas.

The concept of economic impact in the social sciences embraces both direct economic benefits and the indirect benefits that increase economic performance such as more effective government policy and third-sector initiatives, improved professional practice and increased quality of life more generally. The ESRC’s strategy is to create and support economic impact from all of its main activities: (i) research, (ii) people training and transfer, and (iii) infrastructure: data, information and methodologies.

Implementing the ESRC’s Impact Strategy

Examples of activities and schemes to realise the impact strategy include:

- Embedding the model of the co-production of knowledge by integrating knowledge transfer and economic impact throughout the research process. All ESRC researchers are now required to have clear plans to engage with users and to generate and demonstrate impact from the outset, throughout and following the research process. The Council has already agreed a number of changes to improve the management, reporting and evaluation arrangements for its major research investments so as to maximise the wider impact of its work.

- A new follow-on grants scheme with earmarked funding has been introduced in 2008. This scheme is open to all social scientists, and provides up to a year of additional funding at full cost where the research team can demonstrate the potential for significant economic, social or policy impact. The funding for this scheme will grow significantly over this CSR period from £0.5 million (08/09) to £3 million (10/11) a year.

- The development of a positive relationship and substantial joint investment with the Technology Strategy Board (TSB) as part of a significant increase in support for business engagement. The Council aims to spend £8 million in partnership with the TSB over the next three years.

- Implementing the Council’s new business engagement strategy, also in close partnership with the TSB. The Council is prioritising business sectors (see section 5, below) where there is potential for social science to have a strong impact, where the sector is of relative, and often growing, importance within the UK economy as a whole, and where there are existing investments and relationships. As part of this approach we are ensuring that we work with and address the needs of SMEs as well as larger enterprises.

- Extending substantially our investment in the highly successful ESRC Ventures scheme which is based primarily on the co-production model, involving partnerships with other...
organisations in the private and public sector, and generates a significant amount of co-funding for the social sciences.

- Emphasising 'people transfer' as one of the most effective forms of knowledge transfer. We have created opportunities both for established academics and doctoral students to be supported on placements in non-academic organisations and for research users to have the opportunity to work in a HEI. Our public sector placements scheme is a resounding success, and the scheme had been adjusted to work in other sectors including the business sector.

4. Impact on National Economic Policy

**ESRC’s recent work on the economic downturn**

The ESRC is working closely with the UK government to help tackle the economic recession, bringing to bear the results of its research and the expertise of researchers funded by the Council.

Shortly after the establishment of the Government’s National Economic Council (NEC), Lord Drayson met with Professor Ian Diamond, in his capacity as Chair of RCUK, and Mr. Adrian Alsop, the ESRC’s Director of Research, to discuss ways in which the Councils and other members of the ‘DIUS family’ could contribute to the NEC’s work. Following this meeting the ESRC, on behalf of the Research Councils, developed three areas of advice:

(i) on evidence informed initiatives that might be considered by the NEC;
(ii) on "people flow" measures where attracting newly available talent would boost the research base and help prepare for the economic upturn; and
(iii) on the exploration of areas of capital spend that might be brought forward to the immediate economic benefit of business and specific locations.

**ESRC’s Advice to Government**

The ESRC, on behalf of Research Councils UK, has been able to provide a great deal of evidence-based advice to the UK Government to help combat the economic recession and prepare for the upturn. This contribution has been made possible through the Council’s long-term support for World-class research and its investment in the development of the UK research base. The main features have been:

- **Evidence base**: written briefings for Lord Drayson on skills, health, the green economy and securing value from global innovation. We have also arranged a seminar for BERR on small businesses and recession which has now been updated to brief DIUS on high growth SMEs.

- **Stimulation**: briefings for the Minister from two groups of experts. The first group advised on the possibilities of an economic stimulation package in general and measures to help small businesses in particular. The second group covered the international context of the recession and the potential threat to the research intensive universities that will help drive the economic upturn.

- **Economics Task Force**: the Council has established a task force of 13 leading economists who have submitted advice to DIUS and HMT on the following topics:
  - How recession enhances opportunities for innovation by taking advantage of
the lower opportunity cost of re-organisation

- How to avoid repeats of the credit crunch (supplemented by results from the ESRC World Economy and Finance Programme)
- The likely pace of recovery from 2010 onwards
- The potential benefits and design of labour market interventions

DIUS and BERR have now requested further advice on:

- Activism in public policy
  - New research capacity: the ESRC has brought forward funding for around 30 studentships to retain economics trained graduates in the priority areas of macro-economics and quantitative methods.

**Evaluating the economic value of ESRC research**

The Council’s Research Evaluation Committee (REC) has made strong progress in developing new methods for assessing the economic impact of the research it funds. This work is part of an initiative to assess the wider policy and practice contributions of ESRC research, on which a progress report has been published recently. Work completed to date has demonstrated the economic impacts of ESRC research, identified the drivers of social science impact and provided lessons for increasing further the impact of ESRC investments.

**Economic Impact on UK Environment Policy**

The economic impact of ESRC research is demonstrated by the results of its evaluation programme. This contribution is exemplified by an independent impact study in 2008 of the Council’s Centre for Social and Economic Research on the Global Environment (CSERGE).

CSERGE’s economic impact has been felt across UK government. The Centre pioneered the development of environmental economic evaluation in which it is an international leader and was commissioned in 2002 to write the (then) Department for Transport’s official manual ‘Economic Valuation with Stated Preference Techniques’. The manual is now the recognised guide for undertaking valuation research in Whitehall.

The Centre’s research has had a considerable economic impact on the UK Government’s environmental policy. For example, CSERGE’s valuation of the externalities from landfilling and incineration provided the basis for UK Landfill-Tax legislation in the 1990’s, and it devised a cost-benefit approach to quantifying noise values that was used by the Department for Transport to help assess road-building schemes. More recently, CSERGE economic assessments have been used by the UK Government in its negotiations with the European Commission over the EU Bathing Water Directive, and by the UK’s Environment Agency to provide cost-benefit analyses of Water Company investment plans.

The REC is now trialling methods of quantifying the economic value of the impacts highlighted through its evaluation programme. This a challenging task because of the absence in most cases of recognisable markets for social science outputs, and the widely acknowledged difficulties associated with attribution and time-lags. But a scoping report prepared for the Council in 2008 by Frontier Economics Ltd has pointed the way...
forward, and the Committee is now applying its recommendations. A central feature of
the Council’s approach is that the economic impact of social science research includes
both direct contributions to economic performance and indirect economic benefits that
flow from more effective public policy and improved health and quality of life.

**Impact on National Wage Policy**

The first of the Council’s economic valuation trials analysed the impact of work at the
ESRC Centre for Economic Performance (CEP). A particular focus of the
independent study was the CEP’s contribution to the UK Government’s National
Minimum Wage (NMW) policy.

In the early 1990s, work by CEP researchers was critical in countering the view
popular amongst many academics and parts of the media that the NMW would have
substantial employment effects. They presented research that suggested the
employment effects of the NMW would be minimal, while the impact on those
benefiting from the policy would be substantial. This, together with contributions
from other groups, provided the evidence base for the Government’s introduction of
the NMW in 1999.

After 1999, CEP research became critical to informing the Low Pay Commission
(LPC) on the appropriate level of the NMW. The Centre’s research was fundamental
to the LPC’s recommendation that the Wage should be increased above the level of
inflation over the four-year period 2003-06.

CEP staff and their research on the minimum wage also influenced Treasury officials
in a number of areas including employment and price effects and how the youth rate
should be developed.

The government has not undertaken a policy evaluation of the NMW. Consequently,
there is no reliable independent estimate of the net economic benefits generated by the
policy. However, Frontier Economics Ltd has calculated that over 12 million workers
have benefited from the introduction of the minimum wage at a total wage-bill impact
of about £1.2 billion. Frontier’s analysis used a conservative estimate of a 2% CEP
contribution to the gross benefit of the NMW to derive an economic impact from the
Centre of about £24M. This level of contribution, on just one of the many policies to
which the CEP has contributed, is well above the public investment in the Centre as a
whole.

The Council will undertake more economic impact valuations in 2009, and we are also
introducing a new project reporting system that will capture more evidence of impact
from ESRC funding.

5. Impact on the UK Labour Market

**ESRC-sponsored people transfer**

People transfer is widely recognised as one of the most effective means of knowledge
exchange and as an important driver of economic and social impact. The ESRC
promotes and supports the bi-directional movement of people between the business and
public sectors and academia.

The Council’s Placement Fellowship Scheme is a prime example of this activity. Awards
under the Scheme are funded jointly by the ESRC and a host partner with the aims of
providing: (i) knowledge exchange opportunities between partner organisation and the fellow; (ii) research-informed evidence to the partner organisation; (iii) networks into academia for the partner organisation; and (iv) career development and new skills for the placement fellow. In the three years since the public sector scheme was introduced nearly 50 fellows have participated in it. And nearly 20 fellows have now taken part in the recently introduced business scheme.

<table>
<thead>
<tr>
<th>Impact from People Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ESRC’s people placement schemes have generated economic impact in a range of host institutions. Examples include:</td>
</tr>
<tr>
<td>o Mark Chadwick from Liverpool John Moores University worked with Alternative Futures Group, a large charity that provides support, care and accommodation for people with complex learning disabilities and enduring mental health challenges. The project developed an improved ITC infrastructure, capable of providing more effective organisation-wide communication and a better customer relationship system. The project has saved AFG £40,000 per year on ICT contracts usually issued to a third-party supplier and, by improving its branding and providing new multimedia channels, has positioned it for future growth.</td>
</tr>
<tr>
<td>o A collaboration between Professors Paul Longley of University College London (UCL), Peter Halfpenny of the University of Manchester and ESRI – the world’s leading geographic and mapping systems provider. Through placements at ESRI and UCL, the aim was to facilitate an exchange of information about software developed by GeoVUE, a research node of the ESRC’s National Centre for e-Social Science (NCeSS) at UCL, for use in publicly available websites that offer geographical information. The project resulted in the development of <a href="http://www.londonprofiler.org">www.londonprofiler.org</a> – a unique, collaborative site using web and grid based tools to provide a range of social science data in high-quality visual detail relating to Greater London. The Metropolitan Police is interested in using the technology to display crime statistics in something approaching real time, and it has agreed to co-sponsor an ESRC CASE studentship for further development of the site.</td>
</tr>
<tr>
<td>o Work by Professor Feng Li and colleagues from Newcastle University in partnership with the Northern Cultural Skills Partnership to identify and evaluate sustainable business models in the creative industries: for example, work with Jas Print - a digital printing company based in the north east – on the potential to develop new revenue streams linking its existing digital printing facilities with creative media. One Company Director involved in the project said “Not only did I find the workshop informative but ….as a direct result of my attendance I am happy to report that I have been able to further my company in several areas”. The wider value of this work is demonstrated by the high demand from other businesses to participate; so far there have been further placements with 66 creative businesses and a number of long-term working relationships.</td>
</tr>
</tbody>
</table>

These placements also enrich research and teaching programmes by providing academics with practical experience of economic problems and decision-making in the private and public sectors.

**ESRC Trained Researchers**

Trained social science researchers make important contributions to the economy both through employment in organisations outside of academia and through collaborative
work with private and public sector employers during the course of their training. In addition to standard studentship training, the ESRC operates a number of schemes to promote people transfer and user engagement in the social sciences including CASE studentships, user placements and opportunities for people exchange in specific fields such as our co-funded research fellowships with the Foundation for Management Education.

About 500 ESRC trained researchers join the UK labour market each year, with nearly 30% recorded as employed in the business and public service sectors of the economy... The ESRC’s postgraduate training programme plays a major role in making sure that students have the analytical skills that are proved highly by employers. In particular, the Council has continued to emphasise quantitative capacity as part of the transferable skills base that ESRC trained researchers offer to employers.

### Skills For The Workplace

An independent review of the employment of ESRC trained researchers⁷ has shown clear evidence of demand across a range of employers for the skills and attributes acquired during a social science PhD. The relevance of these skills for employment is illustrated by the following comment from a review participant:

“I use the skills developed on my PhD through researching, writing and articulating arguments on what we should do. This is where the higher order skills I learnt on my PhD come to the fore. I forward plan and translate theoretical ideas about what can be done into practicalities of how the organisation can move forward. One of my roles is to collate information about strategic requirements…and to write strategy. This involves researching and interviewing skills…writing it all up and analysing and synthesising it into a strategic statement. I also have to present to groups, so the skills in group work and presentation are used on a very regular basis.

(IT Strategy Manager)

### 6. Impact on UK Business and Commerce

The ESRC is committed to developing the impact of social science research on the performance of UK business. Currently the Council is focussed primarily on seven components of the sector: (i) financial services; (ii) energy; (iii) retail; (iv) health technologies; (v) creative industries; (vi) sport, leisure and tourism; and (vii) consultancies. Particular attention is being given to the generic themes of innovation, business models and skills.

Significant progress has been made over the past year, starting with scoping studies and seminars with key stakeholders in each priority sector to identify cross-cutting themes, relevant and desired research and the most effective knowledge exchange mechanisms. The ESRC’s very positive relationship with the Technology Strategy Board (TSB) is a key factor in delivering the Council’s business engagement strategy. The Council has been particularly active in supporting the TSB managed Knowledge Transfer Partnerships Scheme including an active role in forming three Knowledge Transfer Networks: creative industries; financial services; and health technologies.

The ESRC’s own knowledge transfer schemes have supported a range of business engagement this year. This has included 19 new Knowledge Transfer Partnerships, 19 new CASE awards in partnership with business organisations, 28 bespoke seminars for
INDEX was launched in collaboration with Advantage West Midlands and the Engineering and Physical Sciences Research Council (EPSRC) and enables SMEs to apply for an innovation voucher worth £3,000 that can be used to purchase academic advice to generate innovation from any of the 13 universities in the West Midlands region. An independent evaluation of the first 40 vouchers awarded showed 40% would bring novel products process or service innovations to the market; 66% would target new customers; and that the scheme had largely or wholly met the objectives of the majority of winners. The scheme has now attracted extra co-funding from West Midland CBI, the Institute of Asian Businesses and the Birmingham Chamber of Commerce.

**Economic Impact on Business and Commerce**

The ESRC’s engagement with UK businesses is producing important results. Examples include:

- A project between Arriva Passenger Services Limited and Cranfield University, sponsored by the ESRC and TSB and covering three inter-related activities: a psychometric assessment of bus drivers, designing a simulator to train new bus drivers; and embedding a culture of safety at bus depots. The project made a significant economic impact. For example, over a £1 million reduction in insurance claims, a reduction in staff turnover from 24% to 20% and a decline in absenteeism from 6.1% to 4.5%. The work had a further impact beyond the project. Cranfield University has set up a new company, DriverMetrics, to exploit the commercial benefits of the project’s Bus Driver Risk Index, a psychometric assessment of how bus drivers react in challenging situations.

- A partnership sponsored by the ESRC and Heales Medical Ltd in collaboration with associate, Dr Leanne Andrews. The aim of the project was to develop a new business management system for Heales Ltd. which provides occupational health services to a range of organisations throughout the UK. The Medical Managing Director at Heales reported that: “The IT system developed is a critical management system for our business which... provides a competitive edge, reduces cost, supports the environment by reducing printing and postage and has enabled the development of new services...Our turnover was approximately £750,000 when we started with the KTP; it is now approximately £2.6 million with a strong contribution from this project.”

Early feedback from participants in the INDEX Scheme suggests that there will also be a considerable economic impact from those investments. Examples include:

- Company A used its voucher to develop a new product for tagging and monitoring the storage of foodstuffs, medicines and other items with limited storage life. It sought assistance with electronics, software and product design. “The professionalism and commitment of (the HEI) made the interaction very rewarding, both in innovation terms and in developing a sound business model for our technology” (Company Director).

- Company B sought university expertise to produce technical drawings to design a lift and carrier to transport mobility scooters by car, thereby making the independence of mobility scooters accessible to hundreds of people. “The assistance of (HEI) has been invaluable in enabling us to progress to the next stages of product development.” (Company Manager).

- The initial success of the pilot scheme in the West Midlands prompted the
Innovation Nation White Paper to commend the adoption of the scheme by other organisations; particularly regional development agencies.

7. Impact on Policy & Practice

The concept of economic impact in the social sciences embraces not only direct economic benefits but also wider social impacts that improve economic performance indirectly through improved public policy and professional practice, or better environment, public health and quality of life.

These wider aspects of economic impact are crucial. There is nothing as costly to the public purse as a failed policy or as beneficial as a successful one. The policies of the last decade in relation to benefits and family tax credits, for example, are largely based on rigorous social science research, most of it funded by the ESRC. Similarly, public sector productivity and a healthy workforce are as important to the UK's economic wellbeing as increased profits in the private sector. For example, it is estimated that absenteeism costs the economy £13.4bn a year. An improvement to that figure of only 0.1% based on improved knowledge of health, diet and wellbeing would more than repay the costs of our investment in research in this area.

Wider Economic Impact

The following examples illustrate the wide range of ESRC’s contribution to more effective public policy and improvements in professional practice:

- **Benefiting from the long view** - ESRC’s longitudinal studies have transformed the way in which the UK government approaches problems such as poverty, family breakdown, education and health. For example, work using the British Household Panel Study on how individuals’ and families’ income changes from year to year has led to a better understanding of the persistence of poverty and low pay as well as the factors which facilitate or impede social mobility. This has influenced policies for the elimination of child poverty, reform of the UK tax system and the Department for Work and Pensions *Opportunity for All* programme.

- **Teaching and learning** - the ESRC’s Teaching and Learning Research Programme has demonstrated the importance of collaborative learning and development in challenging learning environments, such as those associated with inter-agency and multi professional working. The work in this area has informed national policy reviews, parliamentary committees, sector skill councils, professional bodies, and the professional development underpinning the reorganisation of children’s services in over 80 local authorities.

- **Waste management** – ESRC research has been instrumental in shaping UK policy on waste management by investigating how political pressures are influencing current processes across England. The findings were documented in individual reports for each of the nine English regions and in a national overview report. Officials from the Department of Communities and Local Government and the Department for Environment, Food and Rural Affairs have responded by strengthening regional input into policy development.

- **Improved ICT design** - the People at the Centre of Information & Communication Technologies Programme (PACCIT) is an example of the co-production model of research that is an increasingly important part of the ESRC’s portfolio. Teams
from academia and industry combined under the Programme to investigate ways of designing more efficient ICT systems by matching the ways in which people use the technology. Impacts to date include a spin-out company, a commercialised software product used in 200 schools and a working prototype for an innovative educational tool.

○ Other impacts - in this report it is only possible to include a small number of examples of the ESRC’s enormous impact on UK society. Further illustrations of this wider impact are described in evaluation reports on the ESRC’s web site at:
  - and in other Council publications such as Society Now:
  - [http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/societynow3_lowres_tcm6-31045.pdf](http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/societynow3_lowres_tcm6-31045.pdf) (creating impact section).

8. Inward Investment

The ESRC is continuing to support conditions for increased inward investment into the UK. This contribution is achieved by informing the government’s economic policy (section 3, above), by developing the UK skills base in critical areas (section 4) by engaging with UK business to develop innovation and productivity (section 5) and through its wider contribution to improved public policy and quality of life in the UK (section 6).

The Council is also making a direct contribution to retaining research talent in the UK. This is achieved through a strategy of supporting the best UK academics at all stage of their careers. Young researchers are developed through the ESRC’s Postgraduate Training, Post-doctoral Fellowship and First Grant Schemes. Careers are then developed through a range of grant and fellowship funding and researchers can take advantage of further training opportunities. Senior researchers lead major ESRC investments such as centres, networks and programmes, and receive extensive support thorough the Council’s prestigious Professorial Fellowship Scheme.

9. Forward Look

Over the next year the ESRC is committed to building on its already substantial economic impact. ‘Succeeding in the Global Economy’ is one of the Council’s key research challenges, and we will continue to extend our research portfolio on the economic wellbeing of the UK. In 2009 this work will include new investments in three major research centres:

(i) the Centre for Economic Performance (CEP) at the LSE will continue to conduct World class and policy relevant research on economic performance and macro-economic growth. The Centre will also research how our national capabilities change as a result of globalisation;

(ii) the Centre for the Microeconomic Analysis of Public Policy at the Institute for Fiscal Studies provides the Institute’s capacity to respond promptly and authoritatively to policy developments as they happen. The ESRC’s new investment will generate significant advances in our understanding of work and retirement decisions, spending and saving behaviour, investment in education and skills, the behaviour of firms and entrepreneurs, and trends in government finances;
(iii) the new Centre for Competitive Advantage in the Global Economy (CAGE) at the University of Warwick will focus on how markets, institutions and public policies interact to create and sustain competitive advantage in a changing global economy. The research will consider how such economic advantage evolves over time, and how it influences growth, deprivation and well-being both in the short and the long term.

The Council expects these Centres to produce research of the highest international standards. The outcomes will provide the foundation stones for the UK’s future economic growth and ensure that policies are best designed to help avoid a repetition of the current crisis. The research will also provide business and the voluntary sector with data to support their strategies for growth and development.

The economic impact from our research programme will be supported by a continued emphasis on engagement with UK business through the ESRC’s knowledge transfer and training programmes, including further rounds of CASE studentships, people placements and innovation vouchers. The Council will also make the first awards under its new Follow-On Grants Scheme which allows applicants to undertake additional impact generating activities where there is potential for significant economic or social benefits from completed research.

The ESRC will also continue to fund co-production research in partnership with organisations in the private and public sector, supported by our excellent and expanding relationship with the Technology Strategy Board.

10. References

http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Support/Evaluation/publications/IBR.aspx?ComponentId=26430&SourcePageId=16592

ii Taking stock: a summary of ESRC’s work to evaluate the impact of research on policy and practice, ESRC, 2009.
http://www.esrcsocietytoday.ac.uk/takingstock/


iv Evaluating the impact of ESRC funding, Frontier Economics Ltd, 2008.
http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/Evaluating%20the%20Economic%20Impact%20of%20ESRC%20Research_tcm6-25908.pdf

v Measuring the impact of ESRC funding, Frontier Economics Ltd, 2008.

vi The employment of social science PhDs in academic and non-academic jobs: research skills and postgraduate training, Kate Purcell and Peter Elias, 2005.

In this report it is only possible to include a small number of examples of the ESRC’s enormous impact on UK society. Further illustrations of this wider impact are described in evaluation reports on the ESRC’s web site at: