

Society NOW

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ESRC RESEARCH MAKING AN IMPACT
SPRING 2018 ISSUE 31



Making cities tick

The importance of the urban to modern society



Stamp Duty:
Slowing down
the housing
market?



What works:
Improving
spending
decisions



Voices: Deep
commitment
to economics
research

Welcome

to the Spring issue of *Society Now*, the ESRC's regular magazine which showcases the impact of the social science research we fund.

This issue looks at the What Works Network, now in its fifth year, and how its work is helping to increase the productivity and effectiveness of public services.

We talk to Professor Steve Machin and Sir Richard Blundell who respectively head the Centre for Economic Performance, and the Centre for the Microeconomic Analysis of Public Policy at the IFS – leading research centres that have been recognised as the first two ESRC Institutes.

Professor Richard Dawson, Director of iBUILD, explains why an effective infrastructure is crucial to deliver economic growth and innovation in the UK.

And Professor Michael Keith talks about the ESRC Urban Transformations network, his work on how cities function and why cities are vital to how we transform society.

Finally, we look at the effects of Stamp Duty on the housing market and whether there is a more effective system to help first-time buyers, and to encourage households to move to more suitable homes.

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Stamp Duty is thought to slow the housing market by putting off some first-time buyers and preventing households from moving to more suitable homes. What is the alternative?



Employers helping nobody with silence on retirement

RETIREMENT IS A new taboo in the workplace, says a recent study into extending working lives. “Age discrimination legislation and the abolition of compulsory retirement at 65 means that employers are worried about talking to older workers about retiring, for fear of being accused of ageism,” says researcher Professor Sarah Vickerstaff. “But our study suggests this defensive approach is helping nobody.”

Age discrimination legislation made direct or indirect discrimination on the basis of age illegal in 2006. In 2011, it also became illegal to force someone to retire at a particular age. “These changes firmly place the onus on employers to extend working lives by recruiting and retaining older workers,” says Professor Vickerstaff. However, in-depth case studies exploring organisational practice with regard to older workers find little evidence that organisations have begun to work through the implications of an ageing workforce. Rather, the misguided idea that no one should mention retirement is taking hold.

“This is highly dysfunctional for everybody, as it creates uncertainty on

both sides,” she explains. Line managers cannot plan for succession because they don’t know when people will go and employees have little support in making decisions about when to retire or how to ease into retirement.

Flexible working too may not, as many assume, be the key to gradual

“We find that a person’s ability to work beyond 60 has probably been determined well over a decade before”

retirement. “Our analysis suggests that access to flexible working arrangements is exaggerated,” she says. “Many simply cannot afford to work part time, often women are already working part time and many occupations still do not support this way of working. Realism is needed about the genuine restraints to taking up flexible working opportunities.”

Nor is everyone fit – either physically or mentally – to work into their late 60s. “We find that a person’s ability to work beyond 60 has probably been determined well over a decade before,” she points out. Poor psychological health and adverse

events, even as far back as childhood, can have a profound impact on working life and the subsequent ability of older adults to extend their working years.

Researchers suggest that, to extend working lives, employers must do more to engage, train and provide

opportunities for older workers and start conversations about retirement. And government should explore options for flexible withdrawal of state pension for those who cannot afford to take phased retirement, adopt a cross-government national skills strategy for older workers and target interventions at promoting good physical and mental health throughout the lifecycle. ■

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IN BRIEF

MODERN SLAVERY

Interviews with perpetrators of modern slavery offences will provide a rare insight into this growing problem. Researchers aim to map the contours of modern slavery since the inception of the Modern Slavery Act in 2015. The study will explore how and why some people traffick others, what circumstances and social networks have contributed to their offending, as well as what has impeded it.

ESRC grant number ES/R004471/1

CHILDREN IN CARE

Children looked after (CLA) in care by local authorities seem to have poorer educational and health outcomes than the general population. Are poorer outcomes because of differences in pre-care experiences, such as physical abuse and parental alcohol misuse, or because of care itself? New research will tackle this question over time by linking an existing Wales-wide dataset with data on young people's support from social services.

ESRC grant number ES/R005478/1

HOW PARENTS USE TIME

The way UK parents spend their time has changed in the past 20 years due to a shift towards time-intensive parenting, increases in dual-earning families and more gender egalitarian views on how paid work and unpaid domestic work should be shared in the household. New research explores changes in parental use of time and the implications for mothers' and fathers' wellbeing.

ESRC grant number ES/R004854/1



Burdens of caring increase for the elderly

ADULTS WHO CARE for family members generally receive less support from health and social care services now than they did over 20 years ago, says a recent study from the Social Policy Research Unit at the University of York.

Researchers compared data from the 1985 General Household Survey (GHS) and from the 2009/10 Survey of Carers in Households (SCH) to establish how far the experience of adults who provide unpaid care to disabled or older people in England has changed since the first representative national data on carers became available in 1985.

"Despite all the policy commitment on paper to supporting carers, our analysis shows that the population of carers is now older on average than it was in 1985 and more heavily involved in caring activities," says researcher Professor Gillian Parker.

Most policy attention since the late 1990s has focused on supporting those carers who are also in paid employment. "No one denies that carers of working age have a great burden," says Professor Parker. "But the bulk of heavily involved carers actually consist of older people supporting spouses or partners and this group has been sidelined by the focus on carers in paid employment.

"Policy thinking has gone backwards," she continues. "Campaigning in the 1980s and

1990s argued that people who needed support shouldn't have to rely on family members to perform the most onerous caring tasks. Now we are back to the notion that family carers can do it all."

Despite the increased age and heavy involvement of carers, the study highlights substantial reductions in the proportion of carers reporting that the person they supported receives any health and social care services. While carers who provide the heaviest type of caring are most likely to receive support, analysis finds a continuing and apparently sharper discrimination against those supported by a relative in the same household.

"In recent years local authorities have followed policy advice and focused their support at the very severe end of caring responsibilities," she concludes. "But that leaves a great number of people who are still doing a lot of caring more or less unsupported. In the end it comes down to how much we are prepared to pay to have a properly resourced social care system accessible in pretty much the same way as the NHS. But every attempt to sort out the social care funding issue over the past 20 years has come to nothing." ■



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Linguistic analysis helps GP trainees

NEW TRAINING MATERIALS for GP trainees have been developed following a three-year study of simulated GP consultations.

Simulated consultations, particularly where a role-player is used to imitate a real patient, are a popular tool in medical education. "Trainee doctors can be observed in action, enabling examiners to assess not only clinical knowledge but crucially how that knowledge is deployed and communicated with a patient," says researcher Dr Sarah Atkins.

Disparity in pass rates for these exams, particularly a higher failure rate for those with initial medical training overseas, have led to concerns that linguistic and cultural factors may play a role in poorer performance. Close linguistic analysis of video data from simulated patient surgeries, including an analysis of non-verbal

features of communication, enabled researchers to provide some of the first evidence-based recommendations for communication skills training. These are now delivered in face-to-face workshops, a series of online e-learning modules for the Royal College of General Practitioners, and a textbook. "These educational materials help trainee GPs unpick what constitutes effective communication in this setting and, through use of video, provide practical, evidence-based insights about how to manage interactional difficulties," says Dr Atkins. ■

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New database for studies of political parties

A MULTI-COUNTRY collaborative effort to advance the study of party-based representative democracy has led to the launch of a major new database. The Political Party Database (PPDB) is a cross-national initiative to establish an online public database as a central source for key information about political party organisation, party resources, leadership selection, and partisan political participation in many representative democracies. The project's first round of data covers 122 parties in 19 countries.

"It's vital to understand how parties' structures and resources

shape democratic life," says researcher Professor Paul Webb, joint leader of the PPDB project. "Unfortunately, the comparative study of political parties as organisational actors has been held back by the lack of systematically collected cross-national data, and by the lack of standard vocabulary for conceptualising and testing the impact of party resources and structures. The PPDB project aims to fill both gaps." ■

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IN BRIEF



SUGARY DRINKS

Up to 19% of daily calorie intake consists of sugar from drinks. While consumers are aware of the health implications of sugary drinks, many still struggle to reduce their intake. What is the motivation for consuming these drinks? New research will explore the attraction of sugary drinks and develop interventions to help consumers replace them with water.

ESRC grant number ES/R005419/1

BYSTANDER REACTIONS

Immigrant children and adolescents often experience pervasive social exclusion and discrimination in school. Such social exclusion is problematic since it is known to establish a pattern of life-long challenges including poor academic achievement. New research aims to determine when and why British children and adolescents who are bystanders (ie, witnesses) either reject or perpetuate the social exclusion of immigrants.

ESRC grant number ES/R005540/1

WOMEN IN FISHING

Small-scale fishing vessels make up 80% of the UK's fishing fleet yet receive only 4% of the fishing quota. Women are vital to the survival of these small-scale fishing businesses, but their voices are rarely heard. A new project will examine women's roles, identities and wellbeing in fishing families and establish the Women in Fishing Families Association.

ESRC grant number ES/R00580X/1

IN BRIEF



SLEEP AND MEMORY

During sleep only memories worth remembering for future use get assimilated into the brain's knowledge. What happens to unwanted memories? Researchers will explore whether in addition to assimilating useful memories, sleep also cleans the slate of unwanted memories to reset the system, ready to start afresh the next day. Findings are potentially useful in fields ranging from education to extended military missions.

ESRC grant number ES/R006288/1

AGEING IN CITIES

Population ageing and increasing urbanisation are two dominant societal trends of the 21st century. A new project will explore how age-friendly cities and communities could look and how older adults experience ageing across different urban, social and cultural contexts. Building on an existing study of eight neighbourhoods in the UK and Brazil, researchers will consider three Indian cities (Delhi, Calcutta and Hyderabad).

ESRC grant number ES/R00692X/1

LEARNING APPS

Almost three-quarters of touch screen apps aimed at young children are classed as educational, but there is little evidence for these claims. New research will investigate educational touchscreen apps designed to teach children language and provide evidence-based guidelines for these apps. The study will also contribute to the development of an evidence-based word learning app.

ESRC grant number ES/R004129/1

Housing link to wellbeing in older age

INDIA AND CHINA have the world's fastest ageing populations and, by 2030, will have 39% of the world's population over 60 years of age.

Research from the University of Southampton into older persons' health and life satisfaction finds that housing is a significant determinant of wellbeing in old age in both countries.

Older persons' average living conditions are relatively worse in India (where older persons have far less space and only limited access to water and sanitation) than in China. To

improve wellbeing, changing cooking fuel (from wood or coal to gas or electricity) could have strong positive effects in both countries. For new dwellings, a hard floor in both countries and better water supply in China would significantly enhance older person wellbeing. ■

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Politicians and policymakers benefit from public views on Brexit

POLITICIANS, policymakers and diplomats are currently among those sourcing impartial, up-to-the-minute information on public attitudes towards Brexit from the ESRC-funded What UK Thinks: EU website.

Launched in 2015 as the 'go-to' place for information on public attitudes in the run-up to the EU Referendum, the site contains a comprehensive collection of data on attitudes in the UK towards the EU, including all key surveys and opinion polls conducted since 2010. In addition, the site provides data on attitudes in the rest of the EU of relevance to the Brexit debate.

"Our analysis of survey and polling evidence over time has provided unique insight into how public attitudes towards Brexit are evolving," says Professor Sir John Curtice, Chief Commentator on the What UK Thinks: EU website. "Examining how well people think not only the UK government are handling the Brexit process but also the EU has, for example, helped explain why increasing pessimism about the outcome of the Brexit process hasn't changed people's minds about leaving: Leave voters simply blame the politicians on both sides for not delivering."

Meanwhile, Professor Curtice has demonstrated that voters' attitudes towards a second EU referendum depend very much on how the issue is framed. Giving the public a 'final

say' and 'final decision' sounds more attractive to some voters than does the idea of a 'public vote', and especially so to those who voted Leave.

"The information we provide has certainly made it easier to understand the dynamics of public attitudes towards Brexit, and we have had plenty of contact with officials and diplomats involved in the Brexit process. However, it's impossible to say what influence it is having on those involved in Brexit negotiations," Professor Curtice states. "I've taken the water to the horse, but only the horse knows whether it has drunk or not." ■

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Public still doubt science on climate change

ONLY ABOUT ONE third of people in Germany, the UK, France and Norway believe that there is a strong scientific consensus on the reality of climate change, says a major survey of opinions on climate change, climate policy and future energy options among over 4,000 people across those four countries.

That's an important finding, say researchers from the European Perception of Climate Change (EPCC) project, because it's thought that the question may well be a 'gateway belief'. The project is jointly funded by ESRC and its French, German and Norwegian partner Research Councils under the JPI-Climate initiative. Project coordinator Professor Nick Pidgeon explains: "This means that if you wish to engage people with climate change, and can discuss with them the fact that scientists really do overwhelmingly agree that it is happening, that it poses significant future risk to us all, and is caused primarily by humans, then people will be more concerned about the issue and be more prepared to take action to do something about it."

The finding is consistent with research from the US and Australia and has considerable significance for UK and European climate scientists and policymakers. To address this, EPCC researchers led by Cardiff University in collaboration with partners from institutions in Paris, Bergen and

Stuttgart, offer six recommendations for more effective public engagement on climate change issues.

These include helping people 'join the dots' between periods of extreme weather and climate change. The EPCC survey found that the national impacts people most associate with climate change are storms, floods and unpredictable weather. So talking about these sorts of events helps to tie in with the associations already in people's minds when it comes to climate change. And since adaptation policies appear relatively uncontroversial, communications should build on this to talk about different types of climate response not just mitigation measures such as taxing fossil fuels.

"Public engagement with climate change, and support for policies to tackle it, is critical in creating a climate-proof Europe," says Professor Pidgeon. "Findings from the EPCC project are proving valuable in helping communications professionals, campaigners, policymakers and other practitioners adopt the most effective ways of engaging the public in climate change conversations." ■

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Mental health link to physical health in military personnel

MILITARY PERSONNEL WITH a mental health problem are at risk of developing adverse physical health outcomes, says new research from the King's Centre for Military Health Research.

By identifying military personnel in existing NHS hospital datasets, researchers were able to pinpoint the most common physical health problems and accidents requiring hospital in-patient care of some 10,000 military personnel.

This was also the first study to analyse English, Scottish and Welsh healthcare records together.

Findings show that gastrointestinal and joint disorders were most common, followed by arthritis/osteoarthritis. Personnel with a mental health disorder such as post-traumatic stress disorder or depression were more likely (than those without a mental health problem) to have a hospital admission for gastrointestinal disorders, hypertension and prostate/hypertourinary disorders.

"This study provides unique data on the association between mental and physical health in the UK military," says researcher Dr Laura Goodwin. "It highlights the priority to provide good mental healthcare and quick access to services for serving and ex-serving personnel."

While earlier studies show that 13% of the military are abusing alcohol at a level which is hazardous to their health, this study found no significant link between alcohol misuse and the five most common complaints requiring hospital treatment.

Researchers suggest this could be due to the younger age and physical fitness of the military personnel included in this study and health consequences are likely to emerge in later life. ■

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Inclusion in sport for development

THE SPORT FOR Development and Peace (SDP) sector features hundreds of programmes and organisations across the world which use sport as a tool to promote non-sport goals such as development, peace, human rights and social justice.

A research team led by academics from Loughborough University examined SDP initiatives in Jamaica, Kosovo, Rwanda, Sri Lanka and Zambia and found strong backing for inclusive ideals. Many SDP agencies ran programmes which gained positive assessments from their participants, for example in promoting cross-community social relations in post-conflict zones, or in supporting young people in locations with high levels of violent crime.

However, the researchers found that the SDP sector has more work to do in ensuring that its programmes are inclusive for diverse social groups. Disability, for example, was rarely addressed as a core programme theme, and actual participation of people with disabilities on SDP programmes was very limited. The study further highlighted the relatively low involvement of girls and women within SDP initiatives in some of the five locations.

“While SDP may ‘give voice’ to participants, especially those with athletic ability or sporting interests, the extent to which this creates social contexts that are fundamentally inclusive remains open to discussion,” says researcher Professor Richard Giulianotti. ■

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Affluent gain the most from water metering

INSTALLATION OF WATER meters by Southern Water (SW) has led to an 18-22% decrease in water consumption with the percentage reduction proving very similar across different income groups, says a University of Southampton study. But while high-income households gain financially by switching to metering, less affluent households are, on average, around £10 worse off, says researcher Dr Carmine Ornaghi.

The South East of England has been classed by the Environment Agency as an area of severe water stress. To address this problem, Southern Water (SW), the utility company responsible for supplying water in Hampshire, Sussex and Kent, started a five-year Universal Metering Programme (UMP) in 2010 to install half a million new water meters.

In a four-year study, researchers conducted a comprehensive analysis of the SW initiative, which also included optional water-efficiency visits by so-called ‘Green Doctors’ who visited more than 48,000 households and distributed 156,000 water-saving products. These water efficiency visits led customers to reduce water use

by around 30 litres a day. Metering reduces water consumption because households pay for what they consume instead of paying a fixed amount independently of their actual usage, Dr Ornaghi explains. But metering is socially valuable only if the benefit from reducing overconsumption exceeds the cost of installing and managing a meter.

“Our analysis also shows that there is a large proportion of households for whom the cost of metering outweighs the benefit,” she concludes. “This calls into question whether universal metering should be extended to other areas of the country in its current format, as opposed to a selective metering programme where meters are installed only to those types of households that are likely to substantially reduce water usage after switching from unmetered to metered tariff.” ■

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Regional role in poverty reduction

Poverty reduction strategies have traditionally been coordinated by multilateral organisations, in partnership with national state and non-state actors. Regional organisations of nations are neglected partners in global efforts to help the 1.2 billion people worldwide still living in extreme poverty, say researchers from The Open University's Poverty Reduction and Regional Integration (PRARI) project. "Regional organisations' achievements in developing region-wide health, education, social protection and other public goods and services provide a platform to consolidate and extend poverty reduction outcomes," says Professor Nicola

Yeates. This potential needs recognition and support from the UN, the World Bank and other international development partners to meet the UN's Global Goals. And regional organisations should have an identified institutional role in identifying context-specific strategies to tackle poverty and social inequality globally. ■

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Ethnic minority retailers boost deprived neighbourhoods

MIGRANT entrepreneurs provide vital economic and social assets in deprived urban areas, says a study of four multi-ethnic high streets located in deprived and culturally diverse parts of Birmingham, Bristol, Leicester and Manchester. The two-year 'Super-diverse Streets' project, based at the LSE Cities research centre, explored how urban retail economies and spaces are shaped by and shape migrant practices.

Researchers conducted face-to-face surveys with over 350 proprietors and focus group workshops with proprietors, local interest groups, and local authorities. Findings reveal that migrant proprietors play a vital role in generating local employment, as well as contributing to social exchange in urban areas which have often suffered from long-term underinvestment from the public and private sectors.

In-depth research in Birmingham's Rookery Road and Leicester's Narborough Road highlights practical ways in which local authorities could better support their street-based retailers. For example, in the context of austerity and reduced local authority services, new, more flexible forms of partnership between local authorities and local trading groups need to be brokered.

Researcher Associate Professor Suzanne Hall says local authorities should do more to recognise not only the economic but also the social value of ethnic minority retailers and their contribution to local neighbourhoods. ■

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IN BRIEF



POLITICAL PARTIES

British politics often appears to be dominated by two political parties – Labour and Conservative. Yet small parties have played pivotal roles throughout 19th and 20th-century politics and are becoming even more popular among a somewhat disillusioned electorate. Researchers will explore Britain's 300 smaller parties and investigate the role small parties play in politics and their impact on legislation.

ESRC grant number ES/R005915/1

BUSINESS TAX CUTS

Competition between OECD countries to attract inward investment through cuts in business and payroll taxes is likely to intensify. Understanding of the overall effects on employment, wages and tax revenues of cutting business taxes is crucial for informed policymaking. A new project will investigate the responses of firms and workers to changes in business (levied on profits) and payroll taxes.

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MICRO-BUSINESS DATA

The Micro-business Britain project is based on a large-scale survey of micro-firms (8-10,000 firms). It will provide place-based data to identify specific challenges micro-businesses face in terms of growth and raising productivity. Researchers will focus on micro-employers (firms with 1-9 employees) which have been in business for more than three years. Findings will inform both policy and national initiatives around skills, innovation and internationalisation.

ESRC grant number ES/R011842/1

Finding out what works

The ESRC is a major funding and administrative partner in the What Works Network, which has taken a national lead in improving the use of research evidence in decision-making on public spending. By **Martin Ince**

MANY PEOPLE IN the rich world now live long, healthy lives. A large part of the reason is their access to medical care and advice which change in line with emerging rigorous evidence.

In the UK, the quality of these medical recommendations has been safeguarded since 1999 by NICE, today called the National Centre for Health and Care Excellence. Now the approach that it embodies is being taken forward across a broad range of public services by an array of 10 ‘What Works’ Centres, looking at every issue from crime reduction to local economic growth.

ESRC is a principal participant in What Works, in partnership with government and non-profit organisations, and puts about £2.5 million a year into it. It is a key member of the Alliance for Useful Evidence, a multi-member group set up to support What Works.

The funders have now been working together for five years, and the initiative has high-level support in government.

David Halpern is the national What Works strategic adviser at the Cabinet Office. He is clear that ESRC’s involvement has been vital, and says: “ESRC has been an important funder of the What Works Centres, especially those devoted to crime, wellbeing, and local economic growth. But it

also plays a more fundamental role in nurturing the wider academic ecosystem that produces the evidence pipeline which the centres rely on.”

Halpern points out that every day, millions of people go to work in the UK public sector. “They

“What we don’t know is an important part of the What Works story”

do millions of hours of work a year and spend billions in budgets. Our task is to improve the way this time and money is spent, and to maximise the impact of this daily effort.”

The evidence base on which What Works recommendations rest is an increasingly large one. The Educational Endowment Foundation, one of the bigger centres, has supported over 130 randomised controlled trials of educational practice, involving over a million children. Halpern says: “This body of findings has led to a transformation in the quality of educational research in the UK, both in terms of the volume of evidence available and the strength of the methods that underpin it.” Some of the findings are fascinating to anyone who survived the British school system. For instance, there seems to be little educational value in improving the quality of school buildings, allowing students to repeat a school year, or reducing class sizes unless numbers drop below around 20.

He adds that “what we don’t know” is an important part of the What Works story. “A systematic review of the key drivers, in a field such as education or crime, forces you to take a position and to refine it as you go along.” Academics often find this process professionally rewarding. “In education, around 11,000 academic studies have been combined, together with new trials, to produce a powerful What Works toolkit. At the same time, such toolkits flush out what we don’t know or aren’t confident about. The large-scale reviews that lie behind the toolkits show us that many areas of practice rest on relatively weak evidence and methods. They lay bare the gaps in our knowledge that need to be plugged for us to work out, for example, how to improve essential life skills, reduce certain types of crime, or boost the productivity of firms.”

Halpern’s colleague Jen Gold, head of the Cabinet Office What Works Team, thinks that its

David Halpern, national What Works strategic adviser at the Cabinet Office, is clear that ESRC’s involvement has been vital.





existence allows academics to be more effective in public outreach. She says: “The centres do the brokering that is needed to connect research to practitioners and policy makers in a usable form.” She adds that over its five years of activity, What Works has taken a national lead in improving practice-related academic research. “Part of our approach has been to filter the available studies and look for the most robust. We rejected a large number and the effect has been to raise the quality of the research that is introduced into policy-making.”

Halpern now sees new areas in which the What Works approach can have results. He points out that some local authorities are spending a significant portion of their budgets on caring for children and families at risk, with youth social work alone costing around £7 billion a year of public money. What Works analysis in this field, he says, is “now coming along, with the launch of the latest What Works Centre for Children’s Social Care.” And although there is an active What Works centre for Crime Reduction within the College of Policing, the same approach has yet to be applied to other areas of justice such as probation, sentencing and the court system.

Gold agrees that some areas tackled through the What Works approach are more open than others to acting on its findings. She says: “NICE now has a long history as a body that looks at evidence, and there is a high level of awareness for it in the medical profession. It is less familiar

The findings of the Educational Endowment Foundation, one of the bigger What Works centres, have led to a transformation in the quality of educational research in the UK.

in other fields.” But there have been some success stories. “We have seen head teachers increasingly embrace the Education Endowment Foundation and volunteer for their schools to participate in trials.” Government is also following suit. The Educational Endowment Foundation ran a school breakfast club trial which established that children who attend achieve an average of two more months of progress in English and maths,” she says. “That result got public attention and has seen the Department for Education announce a £26 million school breakfast fund.”

“In addition, there remain areas such as sentencing policy, in which public sensibility limits the use that can be made of evidence. Gold says: “For us, this initiative is about putting evidence into the right hands. It is for decision-makers to come up with a final judgment, taking into account a range of factors including public opinion.” A focus at the moment is on vulnerable children who might end up in gangs. Gold points to a US experiment in taking at-risk youngsters to prisons and police cells to show them the fate that may await if they make the wrong choices. It turned out to be ineffective – incredibly valuable to know when designing a new programme.

Halpern says that in several areas, the What Works approach has gone “from zero to hero” in five years. As a result, it is attracting international attention, for example at federal and regional level in Australia and Canada, in Latin America, and to ►



Jen Gold, head of the Cabinet Office What Works Team, thinks its existence allows academics to be more effective in public outreach.

a lesser degree in continental Europe and the US. As he sees it, these links are invaluable because they deepen the evidence pool on which the UK What Works movement can draw. “At the moment,” he says, “local and national governments often commission their own separate reviews. What is the sense in that? It is better for them to have access to a few top-notch studies and systematic reviews than to attempt their own, while reflecting on whether their context might alter the outcomes.”

“It is for decision-makers to come up with a final judgment, taking into account a range of factors”

As a topical example, he points to a Chinese study of how many hours teachers should spend in class. In the UK, contact hours are regarded as a priority. In China, teachers spend less time in front of children and more on preparation. “They can even get kudos for creating a valuable lesson plan,” says Halpern, something which would be a rarity here.

And while he is enthusiastic about ESRC’s probable future involvement in What Works, Halpern sees scope too for the rest of UK Research and Innovation (UKRI) to join in. “How can we harness technology to make cyber or other forms of crime harder to perpetrate? How might fintech help the ‘squeezed middle’ get better deals or increase mobility? Or what about a vaccine for addiction? These are challenges that will need a combination of ‘hard’ and social sciences to crack – the full range of what UKRI covers. At the same time, the social sciences have much to add to more widely. The research councils were formed at a time when the UK had a very different economy, and perhaps they are still overly rooted in industrial rather than in social innovation. The public sector accounts for a third of the economy, and services around 80% of the UK economy and workforce. Improving school results, reducing recidivism,

boosting soft skills and increasing the productivity of public services is at least as important to our future as developing new products for business.”

It is also possible, says Halpern, for the What Works logic to extend its scope beyond the public sector. He asks: “How does the manager of an industrial plant know about best practice in running a factory, and why should this not be an interesting question for academics to answer? If we can build a better evidence base for public services, why not for the private sector? And for evidence to have an impact, in public or private sectors, we need bridging institutions to facilitate take-up.”

If the best academic evidence were available it might well be possible, thinks Halpern, to produce recommendations more rigorous than those produced by most consultants. He is conscious of the need for the British economy to be more productive, and believes that translating research and making it more usable is part of the solution. “Academics should like this approach,” he says, “because testing theories, including in real world contexts, is a good way of finding out if they stack up. Applied research can lead to better questions and stronger theories.” ■

? What Works Centres

The ESRC is a major funding and administrative partner in the What Works Network, which aims to provide robust research evidence to guide decision-making on £200 billion of public spending.

The network is made up of seven independent What Works Centres and three affiliate members. What Works is a UK government-led initiative to enable commissioners of public services to access independent, high quality, accessible evidence syntheses across a broad range of social policy areas.

ESRC currently invests in seven of the 10 What Works Centres as well as funding other related non-What Works investments such as the UK-wide member network Alliance for Useful Evidence. Our What Works investments are always funded in collaboration with others including a range of government departments or other public bodies and are underpinned by a commitment to shared goals; strong user involvement; a rigorous and transparent commissioning process; independence; and high academic quality.

ESRC-supported What Works Centres enable leading social scientists to evaluate the availability and quality of evidence underpinning public policy interventions, compare the effectiveness of interventions, and advise those commissioning and undertaking interventions to ensure that their work can be evaluated effectively. They also identify research and capability gaps, working with partners to fill them.

ESRC continues to commit in the region of £2.5 million a year to its broad What Works portfolio which will reach across Britain, focusing on key policy areas including:

- crime reduction
- local economic growth
- wellbeing
- early intervention
- poverty
- public sector reform

– as well as understanding, improving and creating demand for the use of evidence in decision-making. ■

www.gov.uk/guidance/what-works-network



Power over the platforms

Governments have suddenly woken up to the power of the tech giants and are rushing to assert control. But will this do any good? By **Dr Martin Moore**

WE ARE AT a peculiar moment when governments – democratic and authoritarian alike – are itching to regulate and legislate the major tech platforms. In the UK in April, Jeremy Hunt gave an ultimatum to social media to better protect children or face new laws.

His threat followed similar ones by Matt Hancock, Theresa May, and before her David Cameron. And, in the same month as Hunt's ultimatum, Facebook's Mark Zuckerberg was hauled in front of Congress for two days of questioning. 'Congress is good at two things' Republican Senator Billy Long said then, 'doing nothing, and overreacting. So far, we've done nothing on Facebook... [now] We're getting ready to overreact'.

Still, if the US and UK governments are getting ready, many other governments have already begun. Their reactions to date do not fill one with confidence. See, for example, how many governments have responded to the phenomenon labelled 'fake news'.

In Germany, the German Network Enforcement Act – the 'NetzDG law' – was voted through last year, requiring large social media platforms to remove illegal content within a short time period or risk being fined up to €50 million. It sounds outwardly straightforward, but in practice is anything but. It puts the onus on these commercial companies to decide – from a lengthy list – what is or is not 'illegal content' and then remove it, without reference to the courts and without providing a right of appeal.

The German law is, as Human Rights Watch has said 'vague, overbroad, and turns private companies into overzealous censors to avoid steep fines, leaving users with no judicial oversight or right to appeal.' Other countries are rushing to pass their own fake news laws, from Russia to the Philippines, from Kenya to Malaysia.

Nor is fake news the only policy area where governments are looking to respond. They are also considering how to deal with the tech giants' influence on elections, on cyber bullying and harassment, on digital fraud, on identity theft, on systematic privacy breaches, on encryption... the list goes on.

Governments – having suddenly woken up to the power of the tech giants – are rushing to assert control. In their rush they are doing things that will only partially address the issues and are likely to do more harm than good. This is certainly not to suggest there are not problems with these



dominant platforms – indeed the problems are legion – rather it is to suggest that democratic governments have misunderstood their nature and extent and are acting precipitately and myopically. The result will, at best, be poor regulation and legislation that is difficult to administer. At worst it will enhance the existing problems or land us with bigger new ones.

Our current digital disruption is about much more than 'fake news', election interference, or social media harassment. This disruption represents a fundamental shift in the way we communicate and interact with one another. How we learn about and navigate our world, and how we define our identities and who we are. If we are to respond successfully to this disruption we first need to acknowledge the scale and profundity of this shift.

To do this we need to better understand the power of the platforms and from where they derive that power. We need to figure out ways to address platform dominance without jeopardising many of the very real benefits that they bring. And we need to develop a vision of what we think the future digital world ought to look like in five, 10, or 20 years' time. Governments will need to respond, but should not rush to legislate before even working out in which direction they wish to head. ■



Dr Martin Moore is director of the Centre for the Study of Media, Communication and Power at King's College London, and joint editor, with Damian Tambini, of *Digital Dominance: the Power of Google, Amazon, Facebook and Google* – published in June by Oxford University Press

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Making cities tick

Arild Foss talks to Professor Michael Keith about the ESRC Urban Transformations network and his work on how cities function, how different interventions can improve life in cities and why cities are now and will increasingly be vital to how we transform society

PROFESSOR MICHAEL KEITH is passionate about cities. “The challenges of the 21st century are in reality the challenges of the city, and they will largely be realised through the city. We’ll see the challenges of an ageing society, of climate change, and the massive opportunities and challenges of rapid technological change. Those three drivers will transform society, but they will do it through cities,” he says.

The demographics suggest he might be right. Since 1950 there has been a huge increase in the percentage of population living within cities across the world, and the trend is only going upwards. For instance, the percentage of China’s population living in cities rose from 13% to 40.4% between the years 1950-2005, and is predicted to rise to 60.3% by 2030. In the UK the percentage was already at 79% in 1950, and is set to rise further to 92.2% by 2030.

“In the UK, the new technologies and innovations of advanced urban services offer the chance to retrofit the ways cities organise social and economic life, but the emergent city will include some and exclude others. Productivity, economic growth and behavioural change structure and are in turn structured by the DNA of the way cities work,” Professor Keith predicts.

As well as being Director of the Oxford-based Centre on Migration, Policy and Society (COMPAS) he is coordinator for the ESRC Urban Transformations network, overseeing over 80 research projects exploring the challenges and opportunities of the new ‘age of the cities’. The first phase of the programme is winding down having provided much needed research evidence on how the rise of cities will impact on us all although an urban focus remains a priority in key global and Newton funding programmes associated with Urban Transformations.



All of the projects are based on interdisciplinary research – encouraging researchers from across different academic disciplines to work together. Similarly, the projects aim to cut across the traditional professional divisions in city management and service provision.

Understanding what makes cities tick is a key part. A great aid for this understanding is the emergence of big data and the ability to track the activities of millions of city dwellers, opening up for groundbreaking insights into how they live their lives.

“Cities are not just systems, they’re really systems of systems – the health system, the economic system, the transport system. Cities are complex systems, and in order to understand them we need to understand the historical legacies that shaped them,” adds Keith.

In research terms these legacies are ‘path dependencies’ and ‘lock-ins’ – the historical context that has shaped a city’s development into its current form, and defines the options for the future. For instance, cities that have been designed for cars are more difficult to make accessible for walking. Cities that have been structured by one economic wave, such as shipbuilding, coalmining or industrial manufacture, will have the infrastructure, facilities and culture reflecting that history, and these path dependencies will frame and lock in the possibilities for the future. Key Urban Transformations projects consider the ways that social innovation and new structures of governance address these contexts, and how the lessons learnt from urban transformation globally lead to new insights that crosses cities, activists, public sector interests and third sector collaborations internationally.

“We need to think about the ways that different forms of interventions change city form as well as city life. What kinds of newly emergent economy, what kinds of newly emergent social life can be possible given the path dependencies and lock-ins of individual cities?”

The Urban Transformation network encompasses research projects working not only within a UK context, but also across a European and global scale. Research on cities has traditionally focused on western societies, but South Asian countries including China and India experience rapid urbanisation, and over the next three decades African cities will grow most of all.



“Cities are always on the move, always mutating – their form changes, their economy changes, their demography changes,” Professor Keith points out. “Sometimes those transformations are beneficial, sometimes not. Urban Transformations is about trying to understand the DNA, the processes, the possibilities of cities; but also trying to think through the sorts of interventions that might steer cities in a more beneficial way than others.”

One obvious area to explore is sustainability and ‘green cities’. Although swelling populations and megacities might conjure up Blade Runner-type visions of polluted cityscapes, studies covering four continents have shown that city dwellers have smaller carbon footprints than their countries’ national averages. Compact living with denser housing, greater use of public transport and more effective infrastructure can give cities an edge when it comes to sustainability.

“Some cities have thought inventively about sustainability. Conventionally, people might think in silos that separate out transport policy from economics, from health policy. In reality you can only understand those things happening simultaneously in a place. When considering transport systems you need to think about how health systems work. If you want more people to walk than to drive, you need to think about the design of cities as well as about what people are eating and how they’re living their lives. All of these things interact.”

With the help of Urban Transformations research we have gained a better understanding of why some interventions work and others don’t – and why some cities progress when others struggle.

“In the UK, although the rank order by size of the largest cities have remained pretty much the same, at a medium and smaller scale you see a significant difference between those cities that have turned their fortunes around over the last 20-30 years and those that haven’t. Some that have gone through forms of restructuring, others that have grown very rapidly, and some that have shrunk,” says Professor Keith.

But in all the focus on city economy we need to keep a focus on the people who actually live there, he emphasises. “One of the main challenges is to explore how cities succeed, finding the optimal mix of factors for economic development. But linked to that there are also other issues that are equally important to the social sciences – issues of social justice, of inclusion of people across the whole of the city, or the exclusion of some at the cost of others.” ■



Urban Transformations (UT) is an ESRC network, coordinated by Professor Michael Keith at the University of Oxford, showcasing research on cities. The UT portfolio represents over 80 research projects that engage with the challenges and opportunities of an increasingly urban world.

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Other ESRC-funded cities research: Urban Living Partnership – joining citizens, researchers and business

The Urban Living Partnership brings together eight UK Research and Innovation councils to promote integrated research and innovation to address the challenges faced by urban areas in the UK and to help them realise their visions for future urban living.

To solve the challenges facing our cities we need to bring different groups of experts together to work with municipal government, local communities and businesses. The Urban Living Partnership (ULP) includes citizens, researchers, local authorities and over 70 partners from business and the third sector working together to explore the possibilities for modern urban living.

In five pilot schemes people living in the cities of Birmingham, Bristol, Leeds, Newcastle & Gateshead and York are participating in research partnerships to help improve their cities’ health, wellbeing and prosperity. Taking a ‘whole city’ approach the initiative brings together a unique body of expertise cutting across over 20 research disciplines – including civil engineering, computer science, planning, psychology, management, arts and humanities, the creative industries and health sciences.

“Partnership-working at this level is very productive and important for cities. However, this degree of collaboration requires a high level of commitment,” says Professor Rachel Cooper, chair of the ULP’s Advisory Group. “It needs responsive leadership on all sides, to bring people together around the vision for the work, to identify common benefits and objectives; it requires high-level support at university, city and industry levels; and it needs a clear, simple and proactive form of governance and management, with people on the ground doing the work together.”

The partnerships enabled academics from all disciplines to work closely with innovative businesses, local communities and city government on pilot projects to understand ‘the whole picture’ and identify the challenges facing UK cities. “The most challenging aspects of the project, as often with all collaborative projects, is managing partner expectations, the different pace of academic, public sector and industry timescales and the approval processes required to undertake the research and implement solutions” adds Professor Cooper.

Key findings from the pilot initiatives include:

- Data is available and useful, but it is not always readily available. However, when it is, there are very valuable insights that local authorities can use to innovate and deliver services and benefits for communities (eg, Birmingham, York).
- It takes time to build collaborative trusted partnerships, but when projects like these ULPs are built on such existing partnerships, they can deliver innovative and successful projects (eg, Newcastle & Gateshead).
- Processes for innovation can be developed in partnership, but it demands concerted effort between academia, policymakers and industry, the resulting impact tends to be on longer timescale (eg, Bristol, Leeds).

For more information, see: epsrc.ukri.org/funding/calls/ulppilotphase/



Sugary solution?

Could a tax on fizzy drinks and alcohol make us healthier? Yes, but only as part of a range of public health policies. By **Kate Smith**

SINCE 6 APRIL, the UK's sugar tax has seen shoppers asked to pay 18p or 24p more per litre of soft drink bought, depending on how much sugar the drink contains. In Scotland, from May, alcohol is now not allowed to be sold for less than 50p per unit, with Wales also looking at similar measures.

The rationale for these price policies is that sugar and alcohol are associated with problems that impose a substantial cost on society. For example, problem drinking can lead to anti-social behaviour, crime, pressure on A&Es and increased liver disease. Excessive sugar consumption is linked to rising obesity rates, diabetes and heart disease.

“ Research suggests heavy drinkers respond less strongly to price increases ”

But these costs are not the same for everyone. Excess alcohol consumption is concentrated among a relatively small number of people and the government is particularly concerned about obesity among children and young people. The aim of policy should be to reduce the most socially costly consumption (and hence, achieve potentially large improvements to public health) while limiting the impact of higher prices on everyone else.

Price increases will be most effective if the people who consume too much sugar and alcohol significantly reduce their intake. Research by the Institute for Fiscal Studies (IFS) suggests that heavy drinkers respond less strongly to price increases. For example, if the price of

alcohol increases by 1%, the percentage fall in consumption among households which buy more than 40 units per adult each week is only half as large as among those which buy fewer than eight units.

It is also important to take into account what people choose to buy instead. In the case of sugary drinks, increasing the price of a bottle of cola might work if people choose water instead. But only some drinks, and no foods are taxed – not cakes, chocolate, or ice cream. So, if people choose to buy a milkshake or a chocolate bar, instead of the cola, then the impact of the tax on sugar consumption will be reduced.

The food and drink industry will react to the taxes – but not necessarily in the intended way. The extent to which firms pass on the tax to consumer prices is important in determining how much consumption falls. Manufacturers may also change their products – a move which could make the policy more effective.

For example, several soft drinks companies have already reduced the sugar content of their products to avoid the tax. If people are happy to buy the reduced sugar varieties, this could be a relatively effective way of reducing the nation's sugar intake. Research from the IFS found that voluntary reformulation targets led to a 5% reduction in the salt content of groceries between 2005 and 2011.

It is also important to consider where the revenue from higher prices will go. Money from the sugar tax will go to the government, which could use this revenue to improve public health. But minimum unit pricing is likely to create windfall profits for manufacturers and retailers. If the alcohol industry uses the money to increase promotions, or advertising, this could undo some of the potential benefits of the policy.

The challenges posed by obesity, poor nutrition and alcohol consumption are substantial, and all the options involve trade-offs. The sugar tax is a reasonable start in addressing some of the problems associated with excess sugar consumption. However, it is likely that a whole range of policies will be needed to tackle these major public health challenges, and it will be important to assess carefully whether these policies are likely to have their intended impact. ■



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Making inroads in infrastructure

Professor Richard Dawson, Director of iBUILD, says an effective infrastructure is absolutely crucial to deliver economic growth and innovation in the UK. It's a backbone of how we function as a society, but often overlooked, and we don't miss it until it stops working

FUNDED BY ESRC and the Engineering and Physical Sciences Research Council (EPSRC), iBUILD – an acronym for 'Infrastructure business models, valuation and innovation for local delivery' – is a consortium of researchers from Newcastle University, University of Leeds and University of Birmingham. The consortium is focused on exploring ways of strengthening our infrastructure and has just come to an end after nearly five years.

A key challenge for the UK is to develop a broader and more integrated approach to infrastructure, argues Professor Dawson, Director of iBUILD.

"Currently we have a fragmented infrastructure organisation, consisting of mostly private utility companies, lacking effective join-up. Utilities such as water, gas or electricity are not managed along the same boundaries geographically or structurally, but operated under different owners and management practices. The sheer variety of ownership models means that they can be run quite differently – depending on whether they are FTSE 100 companies, owned by overseas sovereign funds, investment banks or local trusts," he points out.

Opposite: Going more digital and interconnected also makes networks such as traffic management more vulnerable; Below: The market best suits big utility companies more than small community-owned energy producers.

"There are limited mechanisms to incentivise the different stakeholders to work together. This is starting to change for national infrastructure with the National Infrastructure Commission, appointed in 2015, but there is still a way to go."

Although the variety of actors and lack of coordination is a clear challenge, Professor Dawson believes governance is a huge part of the issue. "There are regulatory barriers that directly discourage vertical integration. For instance in the electricity sector, there are a range of different companies and agencies involved at different stages from production to consumption. The market best suits big utility companies and is less accommodating towards other models, for instance small community-owned energy producers. These challenges extend across sectors, where regulation constrains how different utilities can work together, potentially missing opportunities to deliver services more efficiently.

Infrastructure networks are becoming increasingly interconnected, mainly driven by digital technology. Traditionally, infrastructure would mainly mean physical structures – pipelines, roads, pylons – but with the rapid expansion of web-based





services and other digital technologies the physical/virtual divide is becoming more and more blurred.

Take traffic lights: software is used to manage traffic light sequencing and ensure optimal traffic flow. Even when digital technology isn't directly part of operations, it's increasingly used to monitor the physical infrastructure and flag issues, for instance need for repairs.

On the flipside, going more digital and interconnected also makes networks more vulnerable – whether it's accidental glitches or deliberate sabotage. "We've seen extreme weather events where damage to physical structures cascaded into the virtual infrastructure. For instance, the 2015 flooding in York led to disruption of emergency services 85 miles north in Tyneside, as the 999 calls were routed through a York-based exchange. The flooding also affected ATM banking services and led to problems with cashpoint withdrawals. This interconnectivity is introducing new vulnerabilities that we do not yet understand."

It would be tempting to conclude that less connectivity and small-scale local networks would be the way to go for more robust infrastructures.

"If you base everything on a local solution, there's nowhere to go for backup. One severe event can effectively wipe out the whole system of infrastructure you depend upon. A local energy grid based on smart technology can provide sufficient resilience in a small area, but going up in scale you need redundancy, for instance if there's a surge in demand, or loss of supply in several places simultaneously," says Professor Dawson. "What is needed is a good mix of agile, smart local systems and larger regional/national networks to provide the necessary backup." ■

i iBUILD (Infrastructure business models, valuation and innovation for local delivery), comprising researchers from Newcastle University, University of Leeds and University of Birmingham, has focused on developing new business models to improve the delivery of infrastructure systems and the services they provide.
 Contact iBUILD Director Richard Dawson, Newcastle University
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iBUILD's final report *Closing the gap: Local infrastructure business models to support inclusive growth* includes a set of key recommendations for investment in infrastructure:

- Adopt a broader, integrated and more holistic appreciation of infrastructure
 - Governments, advisors, planners, engineers and other stakeholders should use a broader definition of infrastructure to include the full range of opportunities from alternative business models.
 - Housing and 'hidden infrastructure', such as efficiency measures, should be considered alongside large-scale capital investments as part of infrastructure planning.
 - Reforms in policy, institutions and regulation are needed to facilitate an integrated approach to local infrastructure across different sectors.
- Enable greater action at the local scale that reflects the distinctive nature of local areas but also connects with the national level
 - Individuals and communities should have an Infrastructure Service Guarantee, ensuring a minimum level of service that is achieved with an engineering solution and business model appropriate to the local situation.
 - Greater local autonomy is required in the planning, funding, financing and delivery of infrastructure to maximise the effectiveness of local infrastructure business models.
- Facilitate and capture all forms of long-term value
 - Measures of social and environment value must be incorporated into infrastructure appraisal frameworks to achieve the widest possible set of mechanisms to capture revenue and other values.
 - Develop and implement a quantitative framework within the infrastructure appraisal process that can assess the value of flexibility and resilience across the whole infrastructure system over the long term.
 - Resource assessments must become routine to identify the potential for land and infrastructure assets to generate long-term, stable revenue streams and sustainable growth, and not just one-off windfalls from selling off capital assets.
 - Employ a new approach to infrastructure economics that recognises the long-term and system-wide value of infrastructure provision and the alternative forms of investment necessary to realise this value.
 - Align organisational capabilities and apply 'circular economy' principles for more efficient infrastructure delivery.
 - The government's Project Initiation Routemap toolkit has demonstrated many cost-reduction benefits and should be made standard practice for all public-funded projects.
 - Infrastructure design should be grounded in circular economy principles (maximum use and recycling of resources) to consider the whole-life material and resource demands of infrastructure pipelines, to identify opportunities to reduce overall energy consumption and waste.
- Accelerate uptake through practical action and demonstration
 - Establish full-scale urban demonstrator sites for applied research into integrated infrastructure planning and testing of innovative infrastructure business models.
 - Develop alternative business models by collaborating with the widest range of stakeholders, and integrate the assessment of a broad range of values with the design of engineering solutions.

THE UK BY NUMBERS

THE GENDER PAY GAP

We present an at-a-glance overview of key topics. This issue's focus is on the gender pay gap. Statistics are from the Institute for Fiscal Studies 2016 report *The Gender Wage Gap*, the ONS 2018 *Understanding the gender pay gap in the UK*, Diversity UK, the Global Salary Transparency Survey, and the Chartered Institute of Personnel & Development

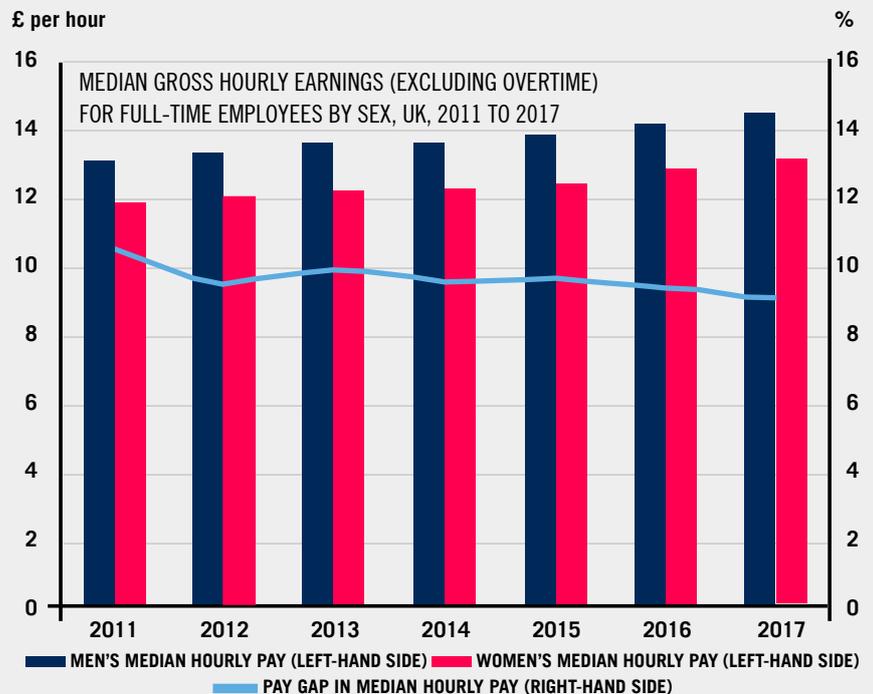
HOURLY WAGES

Differences in hourly wages between men and women remain substantial, despite some convergence.



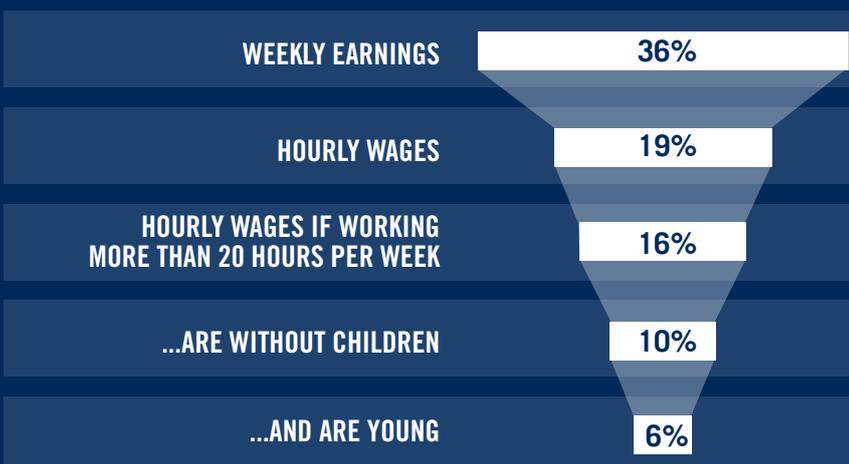
THE HOURLY WAGES OF FEMALE EMPLOYEES ARE CURRENTLY ABOUT 18% LOWER THAN MEN'S ON AVERAGE

having been 23% lower in 2003 and 28% lower in 1993.



Gap in weekly earnings or hourly wages between different groups of men and women

GAP (%)



A BIG DIFFERENCE IN EMPLOYMENT RATES BETWEEN MEN AND WOMEN OPENS UP UPON ARRIVAL OF THE FIRST CHILD



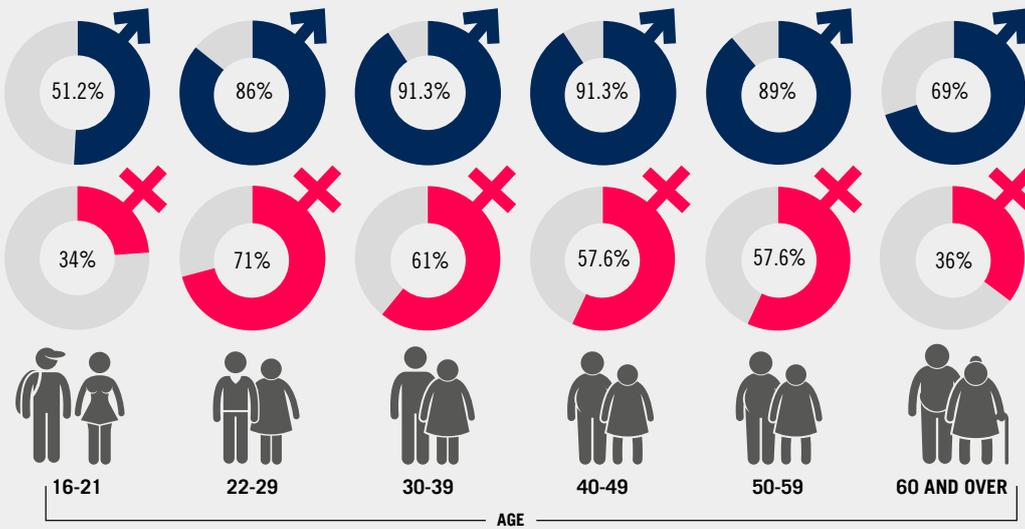
and is highly persistent. By the time their first child is aged 20, women have on average been in paid work for four years less than men and have spent nine years less in paid work of more than 20 hours per week.

WORKING PATTERNS FOR MEN AND WOMEN

Men are proportionally more likely to work full-time than women. At younger ages (16 to 21) men's jobs are split almost equally between full-time (51.2%) and part-time (49.8%) but, between the ages of 30 to 39 (91.3%) and 40 to 49 (91.3%) more than 90% of men's jobs are full-time.

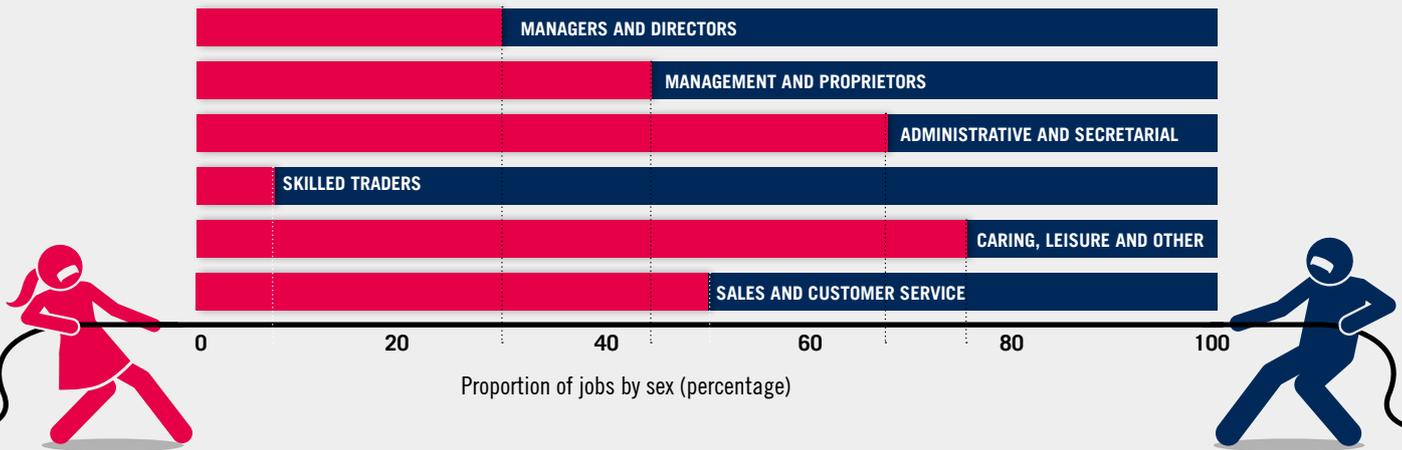
PROPORTION OF FULL-TIME MEN'S JOBS AND WOMEN'S JOBS BY WORKING PATTERN AND AGE GROUP, UK 2017

● FULL TIME MEN ● FULL TIME WOMEN



Women are less likely to work full-time, with only 61.1% and 57.6% of women's jobs being full-time for ages 30 to 39 and 40 to 49 respectively.

PROPORTION OF MEN AND WOMEN FULL-TIME EMPLOYEES BY OCCUPATION, UK, 2017



IN 2017, MEN AND WOMEN WORKING FULL-TIME IN THE HIGHEST-PAID OCCUPATION GROUP (CHIEF EXECUTIVES AND SENIOR OFFICIALS) EARNED A MEDIAN HOURLY PAY OF £48.53 AND £36.54

Women managers who work full time are paid 22% less than men...



...meaning they are effectively unpaid for 1 hour and 40 minutes every day...

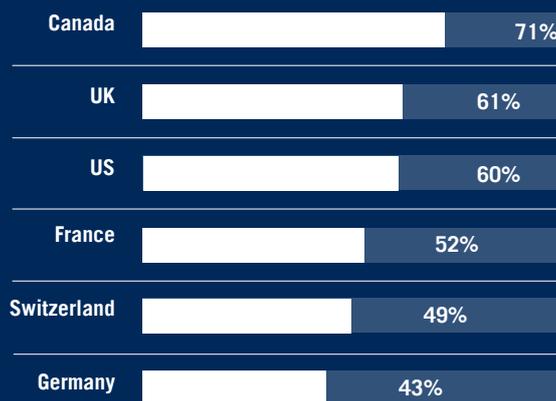


...or work 57 days a year for free.



Source: Diversity UK

HOW TRANSPARENT ARE WE NOW?



Source: Global Salary Transparency Survey (conducted by Glassdoor)

WILL GREATER TRANSPARENCY REDUCE THE GAP?



Source: Reward Management Survey 2015 (conducted by the Chartered Institute of Personnel & Development)

Deep impact

The ESRC is deepening its commitment to world-class economics research with the recognition of two leading centres as the first two ESRC Institutes. Their mission is to advance the science of economics and the impact of their research findings. By **Martin Ince**

ECONOMICS HAS ALWAYS been a core priority for the ESRC. Now it is deepening its commitment to world-class economics research and dissemination with the establishment of the first two ESRC Institutes. Each will be concerned with advancing economics as a science, and with deepening the impact of their findings among audiences including government, business, the media and the public.

The two ESRC centres which have been awarded institute status are the Centre for Economic Performance (CEP) at the London School of Economics, and the Centre for the Microeconomic Analysis of Public Policy (CPP), based at the Institute for Fiscal Studies (IFS) in London. IFS collaborates closely with several top UK universities, in particular University College London where CPP researchers carry out their graduate studies.

To become ESRC institutes, both centres had to demonstrate they were already successful users of ESRC funding, and that they had ambitious plans to make the most of increased and longer-term support. They are expected to produce and disseminate work of UK and world importance.

No existing centre can become an institute without 15 years of successful bids for ESRC centre funding. This makes institute status one of the

biggest prizes in the world of UK social science research. Success is bound to make the institute more attractive to other funders in the UK and around the world. And while the first two are both concerned with economics and economic policy, there may in future be institutes in other areas of the social sciences.

“There has been a huge increase in the amount of fine-grained economic data that is available”

Sir Richard Blundell, director of CPP and Professor of Economics at UCL, says that the CPP’s new standing has two main foundations. One is “the success of evidence-based economic policy analysis,” in which IFS has become a world leader through the work of CPP. The other is its record of producing a new generation of economists who are now widespread as leaders in academic life, business, the media and the world of policy.

As Blundell sees it, CPP’s enhanced role will allow it to grow both its research base and its policy influence. He says: “The long-term research that we will be able to support is not always headline-grabbing in itself. But it allows us to develop rigorously researched findings which are important to public debate, where we aim to offer rapid, authoritative and independent responses to current policy questions.”

CPP’s success, he says, is particularly striking because of the Centre’s apparently modest start in life. “When the Centre was set up more than 25 years ago, we did not realise how powerful the combination of microeconomic data, microeconomics and policy analysis would be. We had to develop new methods to study issues like the effects of tax and welfare reform on families and on firms. Now this approach is an essential part of good policy research. Today we are ‘riding the data revolution’. There has been a huge increase in the amount of fine-grained economic data that is available. When used carefully this can enormously enhance our ability to produce findings that improve policy, and improve lives for families and individuals.”

The CPP’s original interest was in tax and welfare reform. Alongside these issues, and related ones such as savings, labour supply and investment, it now works in education,



Sir Richard Blundell is Director of the ESRC Centre for the Microeconomic Analysis of Public Policy. He is David Ricardo Chair of Political Economy at University College. A graduate of the University of Bristol and London School of Economics, in 1986 he was appointed Research Director of the Institute for Fiscal Studies (IFS), where he has been Director of the

ESRC Centre for the Microeconomic Analysis of Public Policy since its inauguration in 1991. He was awarded a CBE in the Queen’s New Year’s Honours List 2006 and a Knighthood in 2014 for services to Economics and Social Science.

The overarching objectives of the ESRC Centre for the Microeconomic Analysis of Public Policy (CPP) at IFS are to:

- make major scientific progress in understanding how individuals and firms behave and how they react to government policy;
- have substantial impact on policy in the fields of taxation, labour market, education, welfare, pensions, and public finances;
- build technical and policy capacity in a new generation of highly-skilled researchers.



We are now more involved in policy discussions at all levels, and there seems to be more acknowledgement that evidence-based research is important



productivity, and many other areas. Blundell regards its methodology as “a highly transferable approach to economic analysis.” For example, it shows how the distribution of household income and savings affect economic behaviour and the overall macro economy directly.

One of CPP’s particular interests is in the persistence of low wages and inequality in the UK. The lowest-paid workers find it harder than the better-educated to increase their earnings in work, making it difficult for them to work their way out of poverty. But there are approaches that can alleviate

““ Institute status will allow CEP to provide higher levels of academic and policy leadership ””

this problem. The key, Blundell says, is a balance between redistributive tax credits, minimum wages and qualification-based training.

These findings relate directly to the debate about the continuing slow growth of the UK economy and of UK productivity. Blundell says that this issue lies at the intersection of macro- and microeconomics, allowing CPP’s approach to illuminate it directly.

Blundell says that businesses often have “the wrong skills or underused skills” among their workforce and that for those in the bottom half of the income distribution, human capital investment is “very poor.” He adds: “The level of vocational

There is a need for more high-quality apprenticeships and for more portable qualifications that are recognised across different employers.

training for anyone below A-level in their education is low, and the evidence is that it has fallen back since the recession. To improve productivity we need to invest far more in people.” This points to the need for more high-quality apprenticeships and for more portable qualifications that are recognised across different employers, which would allow lower-paid people to up their incomes by moving job.

Professor Stephen Machin, director of the Centre for Economic Performance, says that Blundell’s assessment of the importance of Institute status for IFS applies also to his own Centre. It will allow CEP to provide higher levels of academic and policy leadership. CEP is already strong in key policy areas such as education and skills, the labour market, wellbeing, and overall economic growth and productivity.

He says: “We plan to use our Institute status to deliver some change and some continuity. We intend to strengthen our well-known work on the economics of education, which has been important to the field for years. We will also build on our work on international trade and trade deals, which is especially important in the light of Brexit. Looking at new research areas, we are interested in the economics of crime, and in changes to the labour market such as the gig economy. Our pioneering work on productivity will need to be driven forwards, given that the productivity puzzle underlies most of the UK’s economic problems both before the financial crisis, and after Brexit in whatever form it takes.”

Machin and Blundell agree that Institute status will also allow their centres to be more effective in producing future generations of excellent academic economists who are comfortable in the world of policy, the media and business. Both centres are already known internationally and are plugged into networks across the rich and developed worlds.

Their planned investment in capacity-building will make for better economics research, but will also grow the pool of economically literate business executives, public servants and media commentators. Trying his best to be tactful, Blundell suggests that there is “plenty of room for improved media coverage of economic issues.” He adds too that he expects more centres comparable to CPP to emerge over time, in the UK and around the world. And he believes that many of their directors will be CPP alumni.

They are also both convinced that economic advice to policymakers and the public is of value, despite the difficulty of gauging its effect. Machin says: “Before the Brexit referendum, there was as clear a consensus among economists as you can imagine which stressed the long-term negative effects of Brexit on the economy. While some economists feel bitter that they were not listened to, we have to persevere. That means doing high-quality research, publishing it in leading journals, and promoting it to the rest of the world. Even before Brexit, the financial crisis was not good for economics. But I am optimistic, and I think that our new status will help us gain further influence.”

Blundell thinks that the sheer amount of attention now being paid to Brexit “has made it harder to get the voice of research heard in policy debate.” But he also senses that things are getting less frenetic, perhaps opening the door for evidence-based approaches to become more important again.

He says: “We are now more involved in policy discussions at all levels, and there seems to be more acknowledgement that evidence-based research is important. Getting things right over a

Professor Machin says the CEP plans to use Institute status to strengthen its well-known work on the economics of education.



long period puts you in a stronger position to have impact over time.”

He cites a number of fields in which long-established research concerns are now reappearing as policy issues. In 2011, the IFS published the Mirrlees Review, a report on the design of tax systems for the 21st century from a group headed by Sir James Mirrlees, a British winner of the Nobel Prize for economics.

Blundell, a member of the team responsible for the review, points out that its findings on the taxation of property, especially the ill effects of stamp duty and council tax, remain valid. They have grown topical as intergenerational economic justice has become a widespread concern. “If we want to be fair to the younger generation,” he says, “UK property and estate taxation need to be reassessed. The proposals in the Mirrlees Review are a great place to start. The results of this kind of detailed research can have a big impact on people’s lives over time.”

Blundell points out that in economics, research is now carried out increasingly in a “laboratory-style” fashion, with large teams, plenty of data, and the extensive use of software and empirical models. This more science-like pattern suggests the need for bigger centres with more concentrated resources. He hopes that institute status will make it simpler for the CPP to bring in more external funding, as potential supporters see it has a long-term funding base and a firm future. For example, the CPP already works in the developing world, in both poor and middle-income economies, and plans to grow this activity. “We expect the institute,” he says, “to become an international powerhouse for research in all these settings.”

Machin agrees, saying that “This long-term commitment allows us to build leadership in the academic field and in our policy work.” He says that the closer relationship with ESRC implied by CEP’s new brand will allow for more capacity-building in research, and for more valuable social and economic outcomes. ■



Stephen Machin is professor of economics at the London School of Economics (LSE) and Director of the ESRC Centre for Economic Performance (CEP).

He is a fellow of the British Academy and Society of Labor Economists. His current research interests include labour market inequality, the economics of education, and the economics of crime.

The CEP is an interdisciplinary research centre at the LSE Research Laboratory. It was established by the ESRC in 1990 and is now one of the leading economic research groups in Europe.

The CEP studies the determinants of economic performance at the level of the company, the nation and the global economy by focusing on the major links between globalisation, technology and institutions (above all the educational system and the labour market) and their impact on productivity, inequality, employment, stability and wellbeing.

i Centre for the Microeconomic Analysis of Public Policy (CPP) at the Institute for Fiscal Studies (IFS)
Web www.ifs.org.uk/centres/cpp
Centre for Economic Performance
Web cep.lse.ac.uk

Seeing the bigger picture

Winners of the ESRC Bigger Picture fourth photographic competition impressed judges with their skill and creativity, while tackling a range of social issues

The social issues we face, and how they can be tackled by the social sciences, were captured with iconic photographs taken by young people who won this year's ESRC photographic competition – 'The Bigger Picture'.

The fourth photographic challenge run by the ESRC, this year's competition tasked 14- to 18-year-olds to take a photo which showed the 'bigger picture' of society today. Students were asked to consider how subjects like politics, education, climate change, healthcare, technology, migration and poverty affect them and others. More than 550 images were entered from 75 schools across the UK. There were five diverse categories: New world order; Age of

innovation; Fragile Earth; Being me; and Society in chaos. Judges were also asked to pick their personal favourite and there was a prize for the best entry via social media.

On 20 March, at a special ceremony at the Espacio Gallery in London, the overall winner was announced as 16-year-old Maddy Turner, from Reepham High School and College in Norfolk. Maddy's portrait, 'Diversity in the media', highlights the inadequacies of representation of racial diversity in the media and fashion industries.

For more information and to view more of the competition shortlisted and winning images, see: esrc.ukri.org/public-engagement/photographic-competition ■



Fragile Earth category winner: More more more

Florence Noon, Twyford Church of England High School

We all obsess too much about acquiring material possessions, without taking into account what effect such often shallow, collections has on Earth's rapidly depleting resources. This woman is obsessed with shoes - it is her 'raison d'être' - and she doesn't care where the materials are sourced from.



Social media winner: Memorial remembers

Teddie Summers, Felsted School

Jewish memorial, a reflection of the past and a reminder to future generations.

New World Order category winner: Looking beyond the present

Cameron Lawrence, Reepham High School And College

Coming from a rural area I have experienced the increasing pressures on our farming industry. With the uncertainty of Brexit and globalisation, where do our farmers and natural resources lie?



The Bigger Picture

Category winner Society in Chaos: Another wrecked migrant dinghy

Patrick Wilkinson, Lancaster Royal Grammar School

I found this dinghy on a Southern Spanish beach that is special to my family, for all the happy memories of previous visits. This flimsy craft shows the lengths people are willing to go to have a better life, and is just the latest incarnation of the global economic and political struggle of our ever-changing society.



Category winner Age of Innovation: The modern family

Libby Styles, Kings Norton Girls' School

My image shows a family where the young boy is pointing to something, trying to show his dad, but he appears too engrossed in his phone to notice. Does it represent the negative side of the rise in social media and our addiction to our phones? While technology can be a positive thing, can it also change the dynamics of the modern family?

Category winner Being Me and overall competition winner: Diversity in the media

Maddy Turner, Reepham High School and College

This image highlights the lack of racial diversity in the media. I searched through every fashion magazine I could find and didn't come across a single portrait of someone with darker skin. Norfolk is one of the least diverse places in the country, making people with any kind of difference stand out and face discrimination. This photograph shows how this can make people more self-conscious about their skin colour.



Scientific inquiry in times of populism

Professor Dr Peter Strohschneider, President of the Deutsche Forschungsgemeinschaft (DFG), argues that the sciences and humanities must engage in the struggle against shifts in political communication and for the freedom of research and teaching

THE UNAMBIGUOUS WORDING in Article 5 of Germany's constitution states: "Arts and sciences, research and teaching shall be free." But what appears as natural is actually an obligation: the freedom of inquiry arises from the responsibility we are prepared to take for it. And until quite recently, it would have been hard to imagine the extent of the challenges now surrounding what is guaranteed as a basic right in this country.

Some may have assumed that anti-science sentiments and populist anti-intellectualism were merely noise accompanying public discourse, and that the denial of man-made climate change has been largely limited to marginal groups. However, we have long been disabused of that notion. Delusion and lies, vulgar cynicism, raw calculus of power and irresponsible simplification are once again proving their historical force – also towards science and its freedom. And not just in the particularly bizarre case of the United States, but also in places like Turkey or Hungary.



The author is a professor of German medieval studies and President of the DFG, pictured at the DFG's 2017 annual meeting. Photo copyright: DFG/Wenzel

To autocrats and populists free science is an object of insinuation and suspicion. They promote widespread mistrust of experts and discredit the exchange of arguments as the basis for understanding in open societies. In its place we have a new dialectic of enlightenment (according to German political scientist Karsten Fischer), in which good reasoning by educated people brings about resentments against education and good reasoning. Populist simplifications and pervasive autocratic ideologies promise easy solutions to the complexities of the modern world. This is why they disparage objective discourse as much as they do the methodical pursuit of truth and the need to justify claims of validity.

What would remain then is the regime of alternative facts, where validity is at the discretion of those in power. Reference to fact would be replaced by reference to power: those who follow claims of power are judged to be telling the truth, while all others are regarded as liars. Truth becomes a function of power.

The sciences and humanities must engage in the struggle against such tectonic shifts in political communication of pluralistic societies and for the freedom of research and teaching. But they can only be successful if they are true to their own principles. And that, conversely, means that they must not attempt to define the legitimacy of power as a function of truth. Modern research is pluralistic. It does not produce certainties but rather methodologically reliable knowledge. It says what the case is. It cannot categorically say what the case should be. Democracy needs to be informed by science and scholarship in virtually every respect; however, it politically entails more than just the implementation of research findings. As Hannah Arendt once said "seen from a political viewpoint", technocratic constraint has a "despotic character".

One approach that opposes populist anti-science sentiments is currently gaining renewed attention. Its motto (according to Kathrin Zinkant in the *Süddeutsche Zeitung*) is "For alternativeless facts, for scientific evidence, for truth in politics". This, however, is the motto of scientocracy, which at the same time undermines democratic principles. It confuses unambiguous facts with ambiguous political conclusions. It fails to recognise that what is evident to some is not evident to all. It holds that political power is legitimised by truth rather than by the majority and the constitution. And like the autocrats and populists it intends to oppose, it is antipluralistic in its inner logic (as the Princeton political scientist Jan-Werner Müller has shown).

And yet, academics can only enter into the struggle for pluralistic modernity and against the enemies of research if they do not see themselves as possessors of truth, but rather as rational, methodical seekers of truth. Scholarly knowledge is subject to revision – this is what makes advances in understanding possible. It must inform collectively binding decisions, but it cannot make them.

Only in acknowledging this researchers can do their part to ensure that the differentiation between truth and fake will continue to be based on factual criteria rather than criteria of power.

This is a crucial responsibility of modern scientific inquiry, and one to which justice can only be done to if research is conducted responsibly. This encompasses a wide range of issues – from the quality of higher education to equal opportunities. Responsible science requires two things: scrupulously careful knowledge production and realistic promises to society.

Good scientific practice addresses a complex set of problems in modern science. These include plagiarism and falsification, questions of authorship and citation, and lax or hasty research conduct.

What is widely and publicly debated as the reproducibility crisis is also a matter of serious concern, even if the non-replicability of a result neither disproves it nor proves it to be bad science. For it indicates a quality problem in research, which is due not only to individual misconduct but also to systemic shortcomings. These include the burden of quantitatively parameterising control, evaluation and gratification systems, which have long impacted research by continually increasing the pressure to compete and accelerate the pace. Furthermore, the differences between the contest of ideas, funding competition and institutional marketing in academia are becoming increasingly blurred. Rather than being fuelled by this pressure to compete and be ever faster, the diligence that research requires must be defended against it. This should give pause to all decision makers in science and academia, be they responsible for publishing, hiring or funding.

The quality problem in research is serious. It is also a problem of trust in modern science in general. Yet without the credibility of researchers and the trustworthiness of the research system as a whole, modern science cannot function – too complex is its knowledge, too transformative its power.

Populist expert bashing seeks to undermine this trust, which is why it must be rejected. But we as the actors of scientific inquiry also help create fertile ground for criticism in some respects – not only due to instances of poor research practice, but also because we promise more than we can deliver.

And the reasons for such exaggerated promises are made quite clear: demands for direct and short-term effectiveness of scientific knowledge are growing, as is the fierceness of the struggle for resources. Such an environment encourages researchers to make ever-bigger promises and to minimise any adverse effects: All too often, a new ultimate technical solution to the energy problem is found, and the blessings of personalised medicine are extolled while the socio-economic distribution problems that come along with it are withheld. Such promises pose a threat. They carry the danger of science structurally overcharging itself. They awaken hopes that are likely to be disappointed, at least in the short term. And unfulfilled, let alone unfulfillable promises produce credibility gaps.

Both examples are aspects of a critical analysis of the research system. We must address these seriously and we can do so through self-awareness.

Academic research challenges established knowledge with new insights. It cannot function without the honesty of those who carry it out. This honesty, as a commitment to the integrity of research, is born of the freedom guaranteed to it, and it is associated with a scientific attitude in which self-distance plays a vital role.

This attitude involves open-minded sincerity and alert receptiveness to irritations from the world and what others know about it. And it requires the ability to step back from oneself – to not hold one's own expertise for the whole of science; to not mistake the methodological reliability of scientific knowledge for absolute certainty; and to know that research must inform social and political discourse but cannot take its place. Scientocracy, incidentally, would be the collapse of exactly this distancing ability.

In addition, we also need conditions that encourage such diligence and honesty, such an attitude of receptiveness and self-distancing. This brings us to the social organisation of the sciences and humanities, and to practical, even political questions. The question of funding for universities is also connected to the question of whether these institutions include spaces of trust – spaces which, in the interest of the best research, are free from the constant competition for funding and the relentless individual accountability that has long become a kind of organised mistrust. Many management tools in academic research have the adverse effect of leading almost systematically to confuse the speed of research processes and the size of research projects with the quality of research. The same goes for the place of publication, which is not an argument of fact but an argument of authority (as in medieval scholarship).

This may also have to do with a kind of overproduction crisis in science. To put it polemically, publishing as the principal objective of research has become so dominant that the only way to cope seems to be – from abstracts to review articles to bibliometrics to text mining – to refine the techniques that help to avoid having to read what has been published.

Particularly in times of populist anti-intellectualism and autocratic hostility to science, research can only do justice to the connection between freedom and responsibility if it exercises careful self-limitation and self-distancing – in other words, sincerity and modesty. As in pluralist society and constitutional democracy, such an attitude is also important in the sciences and humanities. Therefore such an attitude is worthwhile a great and even self-critical effort by the sciences, which in fact deserve great societal and political trust. ■

? Deutsche Forschungsgemeinschaft (DFG)

The DFG is the self-governing organisation for science and research in Germany. It serves all branches of science and the humanities and members are German research universities, non-university research institutions, scientific associations and the Academies of Science and the Humanities.

Stamping ground

There are concerns that Stamp Duty is slowing down the housing market by putting off some first-time buyers, and by preventing households from moving to more suitable homes. What do economists and policy experts think could be the solution? By **Simon Wesson**

IF YOU LIVE in England and want to purchase a property, you are required to pay a tax which helps raise revenue for the Exchequer. This has been the way since 1694, where such a tax was developed to help finance a war against France. It was a temporary measure, but was so successful in raising funds, it has stuck around ever since!

Today it takes shape as the Stamp Duty Land Tax (SDLT), and materialises on residential properties costing over £125,000, and £150,000 for non-residential land and properties. Above the tax-free threshold, the Tax is banded, and ranges from 2 to 12% of the value of the property (different thresholds apply for first-time buyers). The total income from the Tax provides the Treasury with more than £8 billion per annum (2016/17) – a figure which has tripled over the last eight years: from £2.9 billion in 2008/09.

In recent years there has been a great deal of concern that Stamp Duty is slowing down the housing market, contributing to what some refer to as the ‘housing crisis’: first in the form of putting off some first-time buyers, and secondly by preventing households from moving to more suitable homes. This is something which research by Professor Christian Hilber and Dr Teemu Lyytikäinen, from the ESRC-funded Centre for Economic Performance (CEP), at the London School of Economics, found in their September 2017 paper ‘Transfer taxes and household mobility: Distortion on the housing or labor market?’ and summarised in the October 2017 article ‘Stamp duty, mobility and the UK housing crisis’.

During the spell of the current Conservative Government, there have been moves to look to address these concerns. In the Autumn Budget of November 2017, the Government announced





an exemption for first-time buyers, who can purchase a property worth up to £300,000 (or up to £500,000 in more expensive locations such as London) without paying stamp duty. There are various other rules including a 3% surcharge for buyers who already own a property, which was introduced to slow down the buy-to-let market. However, concern continues to escalate within policy circles that the current configuration is a major deterrent to housing transactions. Evidence shows that overall numbers of housing-market transactions are falling – by more than half after the 2008 crash, and in 2016 it was still 38% below levels seen in the early 2000s.

Housing-market transactions in 2016 were 38% below levels seen in the early 2000s.

“Evidence shows that overall numbers of housing-market transactions are falling”

Professor Hilber and Dr Lyytikäinen's report was the first study to look at how SDLT affects the nature of household moves (short vs long distance; housing vs labour market related).

Using data prior to legislation change in 2014 and exploiting a discontinuity in the tax liability (the tax rate jumped from 1% to 3% at the £250,000 threshold value: a £5,000 increase in the tax liability), the research shows a very substantial reduction in the rate of mobility at the threshold value. The study uses data from the British Household Panel Survey (BHPS), which enabled the experts to analyse otherwise inaccessible information on the distance of moves and the main reasons for moving:

“When we split moves by distance of move (shorter versus longer than 10 kilometres), we find a large adverse effect of the SDLT on short moves but no effect on long moves,” explains Professor Hilber. He added “A similar picture emerges when

we divide moves into three groups based on survey responses regarding the main reasons for moving. The SDLT adversely affects housing and area-related moves but has little effect on job-related or major life event-related mobility.”

Professor Hilber concludes “Our findings strongly suggest that stamp duty jams the housing market by discouraging or preventing households from moving to more suitable homes, but its effect on relocation of the labour force appears to be quite limited. A potential explanation for the differential effects is that when moving to a more suitable house locally – say, one bedroom more or less – the benefits of moving often exceed the costs only by a narrow margin. Therefore even a small increase in the tax wedge can prevent a large fraction of moves.”

Another LSE study ‘Is Stamp Duty Land Tax Suffocating the English Housing Market?’, was completed in November 2017 by Kath Scanlon, Christine Whitehead and Fanny Blanc. It suggests that the consequential silting up of the property market is making it more difficult for first-time buyers, families seeking larger properties and downsizers, especially in higher-cost areas of the country.

“The induced sluggishness of the housing market limits labour-market mobility and reduces the consumer expenditure associated with home moves, with knock-on effects for the economy as a whole,” argues the report.

Looking at 2016/17 data, the report shows that SDLT has different effects in the various regions of the country.

“The majority of SDLT revenue into the Treasury comes from sales of ‘typical homes’, particularly in the South East: 58% of revenues were from properties worth between £250,000 and £1 million,” it states. “Importantly, people paying average house prices in all four southern regions must now pay SDLT, while in London a purchaser must buy a home worth less than one third the price of an average flat (and an even smaller fraction for a house) to avoid stamp duty.”

Interestingly, because of higher property values in London and the South East, these regions account for more than two thirds of SDLT revenues, whereas they account for only around 30% of dwellings. The report also demonstrates that although a fifth of receipts into the Treasury came from the purchases of properties in the highest tax band, these properties only account for well under 1% of transactions.

But what does this mean to our homebuyers? As part of the study, there was a survey of customers of the Family Building Society, which has a well established reputation for lending to older borrowers. It showed that:

- SDLT was now the second most important influence on a decision whether or not to downsize. Ten years ago respondents saw it as a much less significant factor.

- Due to having to pay SDLT, regardless of whether their new acquisition costs are the same as the house they are selling, purchasers still have to pay the Tax – many therefore stay in homes that may be highly unsuitable for their needs.
- Respondents with adult children said SDLT limited their ability to buy without parental help. SDLT increases the already difficult deposit requirement; in addition, because it makes older households less likely to sell, there are fewer suitable homes on the market. This makes it difficult not only for first-time buyers but also for families and second steppers to get the housing that is best for them.
- SDLT contributes to reduced household mobility. Having bought a home, people are unwilling to move again soon and ‘waste money’ by paying SDLT twice over. This is costly for individual households as they are less likely to take up new job opportunities (or, if they do, may need to commute long distances); it is costly for the economy because it inhibits the efficient allocation of labour, and consumer expenditure and housing investment are lower than they otherwise would be.

So what can be done to address these issues? Complete reform, according to LSE experts.

“There is near-consensus among economists and policy experts that an annual tax on property or land value or indeed an improved version of council tax could raise at least the same revenue as SDLT, distort the housing market much less, and provide incentives that aligned with housing-policy objectives instead of undermining them,” Kath Scanlon lead author of the November 2017 LSE report states.

“An annual tax on property could raise at least the same revenue as SDLT”

“Inevitably there would be winners and losers from any tax change, but carefully designed transitional arrangements could mitigate negative effects on individual households. The phased reduction in mortgage interest tax relief over 30 years, and its eventual abolition in 2000, show that sensible tax change is possible. A brave government should at least start the process of shifting taxation away from transactions that are necessary to ensure a well operating housing market.”

Whilst Professor Hilber adds: “Our analysis suggests that abolishing the SDLT (or replacing it with an annual local tax on the value of land or property) may do little to improve the spatial mismatch of job opportunities and workers. But it could greatly reduce the allocative mismatch in the housing market via increasing the likelihood of a match between elderly households willing to downsize and young families seeking to expand their housing consumption.”



“We do not claim that abolishing the SDLT could solve the housing affordability crisis. The latter is caused largely by a flawed planning system, but abolishing the SDLT could help to alleviate the crisis by putting existing housing stock into more efficient use.”

He adds: “Our estimates come with uncertainty. But taken at face value they imply that the overall effect is very substantial: our central estimate suggests that a two percentage points increase in stamp duty from 1% to 3% reduces household mobility by almost 40%.

“Considering the entire distribution of self-assessed house values, our central estimate implies that abolishing (or replacing) stamp duty could have increased mobility of homeowners by around 27% (from 5.1 to 6.5 percentage points per annum).”

Professor Hilber qualifies “The stamp duty has been reformed in 2014 and the tax liability-discontinuities, which we exploited in our analysis to identify the adverse effects of the SDLT on mobility, no longer exist. The overall adverse effect of the SDLT on mobility may however be of a similar magnitude today. This is because, while the reformed system reduced the tax burden for the majority of homeowners, the house price increases since 2007 raised the burden for all owner occupiers, likely more than offsetting the effect of the tax reform. In any case, our research strongly suggests that stamp duty – reformed or not – induces substantial misallocation of dwellings, thereby worsening the housing crisis.” ■

i Hilber, C. A. L. and Lyytikäinen, T. (2017) Transfer Taxes and Household Mobility: Distortion on the Housing or Labor Market?, *Journal of Urban Economics*, 101(1), pp 57–73.

To read a summary of the full article, see the Centre for Economic Performance's *CentrePiece* magazine:

Web.cep.lse.ac.uk/CentrePiece/abstract.asp?index=5618

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News briefs

ESRC'S NEW COUNCIL

The Board of UK Research and Innovation has confirmed the appointment of the ESRC's new Council – the senior decision-making body of the organisation.

The Council came into effect with the launch of UK Research and Innovation (UKRI) on 1 April 2018. Welcoming the announcement, Professor Jennifer Rubin, ESRC Executive Chair, said: "It is with great delight that we welcome members to the new ESRC Council. They will be vital to ensuring that the social sciences make their contribution within the UK research and innovation landscape, and that the ESRC contributes to shaping opportunities for social science as they emerge."

The members of the Council are:

- Professor Diane Coyle, Bennett Professor of Public Policy, University of Cambridge
Term: 1 April 2018 - 31 March 2021
- Mr Mike Emmerich, Founding Director, Metro Dynamics
Term: 1 April 2018 - 31 March 2020
- Professor Jane Falkingham, Professor of Demography and International Social Policy, University of Southampton
Term: 1 April 2018 - 31 March 2021
- Professor Matthew Flinders, Professor of Politics, University of Sheffield
Term: 1 April 2018 - 31 March 2020
- Professor Nigel Gilbert, Professor of Sociology, University of Surrey
Term: 1 April 2018 - 31 March 2020
- Professor Rachel Griffith, Professor of Economics, University of Manchester and Research Director, Institute for Fiscal Studies
Term: 1 April 2018 - 31 March 2021
- Professor Melinda Mills, Head of Department of Sociology, University of Oxford
Term: 1 April 2018 - 31 March 2021
- Professor James Smith, Professor of African & Development Studies, University of Edinburgh
Term: 1 April 2018 - 31 March 2020
- Professor Anna Vignoles, Professor of Education and Director of Research, University of Cambridge
Term: 1 April 2018 - 31 March 2022
- Sir Christopher Wormald, Permanent Secretary, Department of Health and Social Care ■

NEW UK CENTRE FOR RESEARCH ON ENERGY DEMAND

A new research centre, the UK Centre for Research on Energy Demand (UKCRED), will develop and deliver internationally leading research, focusing on energy demand from a systemic, socio-technical perspective.

Funded with £19.5 million from the Engineering and Physical Sciences Research Council (EPSRC) and the ESRC, it will bring together a world-leading and multi-disciplinary group of researchers and be led by Professor Nick Eyre at the University of Oxford.

They will look to lead whole systems research on energy demand in the UK. They will champion research that is inter-disciplinary and whole systems, focusing on the energy demand aspects of the transition to a secure and affordable low carbon energy system, and the existing excellent single-disciplinary and component-related research.

The proposed programme of research will have several themes that align well with elements of the Government's Clean Growth Strategy, especially 'Improving Business and Industry Efficiency', 'Improving our Homes' and 'Accelerating the Shift to Low Carbon Transport'.

The Centre involves over 40 academics at 13 institutions across

the UK and Professor Eyre will be supported by a team of seven Co-Directors who have a balance of skills, covering the key energy demand sectors – buildings, transport and industry – and a wide range of disciplinary backgrounds.

The Co-Directors all have a track record of strong commitment to inter-disciplinary research. They have played leading roles in all the key research council investments in energy demand research, including the UK Energy Research Centre (UKERC) and the End Use Energy Demand (EUED) Centres.

Professor Philip Nelson, EPSRC's Executive Chair, said: "This new Centre for Research on Energy Demand will play an important role in developing policy and practical innovations that can help the UK address energy demand over the coming decades.

"The inter-disciplinary nature of the research means we can get a much clearer picture of what needs to be done, both technologically and socially, to bring about change in energy use and demand. The team led by Professor Eyre are of a high calibre and I am confident they will make a big difference to the long term ambitions of the UK to meet its international obligations." ■

UKRI FUTURE LEADERS FELLOWSHIPS SCHEME

The UK Research and Innovation (UKRI) Future Leaders Fellowship scheme (FLF) aims to develop, retain, attract and sustain research and innovation talent in the UK. Providing up to seven years of funding, for at least 550 early-career researchers and innovators, the scheme will tackle difficult and novel challenges.

UKRI Future Leaders Fellowships can be held at any UK-based organisation currently registered as eligible to apply to the research councils (for example higher education institutes, research council institutes and eligible independent research organisations), or Innovate UK. Companies or other privately owned research organisations are encouraged to host UKRI Future Leaders Fellowships if they can provide an innovation and/or research environment of international standing.

There will be six calls for the FLFs, with two calls taking place each year over the next three years. Applications can be submitted in any area of research or innovation covered by the Research Councils and Innovate UK. ■

UK Research and Innovation

£2 MILLION BOOST FOR ESRC RESEARCH CENTRES TO SUPPORT INDUSTRIAL STRATEGY

The ESRC announced that the Centre for Economic Performance (CEP), the Enterprise Research Centre (ERC), the What Works Centre for Local Economic Growth (LEG) and the Institute for Fiscal Studies (IFS) have collectively received £2 million in extra funding from the Government to support a programme of work as part of the Industrial Strategy. The programme will comprise synthetic reviews, short term research projects and new data collection, which will support the implementation of the Industrial Strategy. The themes of the work will be:

Entrepreneurs and business growth

40% of growth in the workforce since 2008 has come from people working through their own businesses. The number of company owner-managers has doubled, so it is important to understand the characteristics of start-ups, reasons for recent trends and the effects that a changing labour market is having on productivity and growth.

Place

A key feature of the Industrial Strategy is place-based strategies. Developing baseline data and understanding the factors behind geographic differences in innovation, productivity and growth is critical.

Skills

The Industrial Strategy will need to consider how the education system can best create the general and specific skills needed by businesses today and in the future. Evidence will be produced on strengths and weaknesses in the current education system at all levels (schools, colleges and universities), highlighting where improvements can be made. There will also be a study into higher education institutions, with the aim of better understanding how they impact on local economies.

Wages and distributional impacts

It is critical to measure the impact of the Industrial Strategy on growth. But we also need to understand the implications for wages and wage distribution.

Professor Jennifer Rubin, ESRC Executive Chair, said: "I'm thrilled that we have successfully secured extra

funding for these research centres. The UK has world-leading economists who can make a significant contribution, ensuring that rigorous research informs policy and practice." ■

REVIEW RECOMMENDS FURTHER INVESTMENT IN WORLD-LEADING ESRC LONGITUDINAL STUDIES

A comprehensive, independent review has recommended that the ESRC should continue to fund its world-leading social science longitudinal studies.

The Longitudinal Studies Review 2017 concluded that the ESRC's longitudinal studies provide us with unrivalled information and insights into the lives of the UK population, with data that stretch over 60 years. These studies follow individuals over short and long periods of time and collect data on many aspects of their lives, including their beliefs, emotions, attitudes, motivations, economic circumstances and behaviours.

The review concluded that whilst the UK's longitudinal studies are internationally excellent, more investment is needed to secure the UK's position as a global leader in the provision of social science data. The review also highlighted the need to demonstrate to the public and to policymakers the significant academic and societal impact of these datasets.

The ESRC's longitudinal studies provide us with an understanding of how different aspects of people's lives, from their physical environment to their education, impact on a range of health, social, economic and other outcomes. These data are vital to understand the many facets of individuals' lives and are particularly powerful when used in conjunction with administrative data records – the review highlighted. For example, these longitudinal studies when linked to health records can help us understand how a child's early environment can influence their adult health outcomes.

The report was carried out by an independent international panel of experts, chaired by Professor Pamela Davis-Kean, University of Michigan.

For the full report, see: esrc.ukri.org/files/news-events-and-publications/publications/longitudinal-studies-strategic-review-2017 ■

EVENTS

19 JUNE

Electoral Shocks: Why British Politics is Becoming More Volatile

In the next Social Market Foundation Ask The Expert seminar (in association with the ESRC), Professor Jane Green, Co-Director of the British Election Study, will discuss new arguments and findings in the forthcoming British Election Study book, explaining how declining levels of attachments to parties and a series of crucial electoral shocks (including policy shocks) have caused considerable instability – and unpredictability – in recent elections.

www.smf.co.uk/events/ask-the-expert-jane-green/

2 JULY

What Next After the Facebook and Cambridge Analytica Revelations?

The ESRC Human Rights, Big Data and Technology Project co-hosts this event at Chatham House to discuss the implications of recent revelations in the tech industry.

www.chathamhouse.org/event/what-next-after-facebook-and-cambridge-analytica-revelations

3-5 JULY

ESRC Research Methods Festival 2018

The ESRC Research Methods Festival 2018 is hosted by the National Centre for Research Methods (NCRM) at the University of Bath. This year will be the eighth biennial festival, and previous events were highly successful in attracting around 800 social science researchers at various stages of their careers, from across a range of disciplines and sectors.

www.ncrm.ac.uk/RMF2018/home.php

19 JULY

First findings of the Skills and Employment Survey 2017

The first findings of the Skills and Employment Survey 2017 will be launched at Church House, Westminster, London. The survey is the seventh in a long-running series of surveys which examines skills and the quality of work. The research team (Alan Felstead, Duncan Gallie, Francis Green and Golo Henseke) will focus on what the new surveys tell us about productivity, skills trends and fairness at work. To register your interest email: eventassistant@inanyevent-uk.com

Making sense of society



The ESRC magazine *Society Now* aims to raise awareness of our research and its impact. It addresses a wide range of readers, from the MP to the businessperson, the voluntary worker to the teacher, the public through to the social scientist, and is published four times a year (spring, summer, autumn and winter).

Society Now offers a readable, intelligent, concise overview of current issues concerning society.

To subscribe to the magazine, please send an email including your full name and address to: societynow@esrc.ukri.org



The Economic and Social Research Council (ESRC) funds research into the big social and economic questions facing us today. We also develop and train the UK's future social scientists.

Our research informs public policies and helps make businesses, voluntary bodies and other organisations more effective. Most important, it makes a real difference to all our lives.

The ESRC is part of UK Research and Innovation.

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