

# School of Economics and Finance

## Strategic Plan 2022-2027

By fostering an inclusive and collegial environment where all staff and students can thrive and achieve their best, the School will build on its existing strong record of delivering world-class research and outstanding research-led teaching, with the aim to be one of the top 10 departments in the UK for economics and finance.

### Recognising and Supporting Excellence

The School will recognise, support and value the many diverse skills and contributions which are required to create and achieve academic excellence. All academic staff are expected to strive for excellence in both teaching and research, but the School believes that within these broad aims there are multiple ways to achieve excellence.

Excellence in teaching is most obviously demonstrated in individual module design and delivery and the School places great value on individual staff performance in this activity, but the School also highly values individual leadership contributions to curriculum and programme design and management, outreach, and student wellbeing support.

Publication in highly ranked journals in economics and finance is the most obvious way to demonstrate research excellence and this is an activity which the School highly values and supports, but the School also values and supports interdisciplinary research, research impact and policy engagement, research-student supervision, the generation of research income, research leadership and network building and the mentoring of early career researchers.

The School aims to recruit staff who bring the highest skills to contribute across a wide range of these different facets of research and teaching. But the School also aims to mentor, support and develop all staff, both existing and newly recruited, to achieve their highest potential in research and teaching.

### Diversity

The School is committed to removing barriers and practices in teaching, staff recruitment and staff development which inhibit or discourage under-represented groups in the discipline. The School has Athena SWAN Bronze status and is committed to delivering across the full range of its action plan and aims to apply for a Silver award within the next five years. The Athena SWAN process has already had a significant influence on practices – with a particular focus on ensuring a good gender balance in School management positions, recruitment panels and shortlists.

At over 40%, the proportion of female students on the School's UG and PGT programmes already exceeds the national average, but the School is committed to a range of actions on admissions, assessments, curriculum design and careers advice with the aim of improving the gender balance at all stages of academic progression from UG to PGT to PGR and academic careers.

At the staff level there has been some slow improvement in the gender balance from a low starting point, but (in 2021) the proportion of female staff remains below 35%, with a concentration in junior positions. The School is therefore committed to a range of actions on staff recruitment, mentoring, promotions, career development and maternity leave with an aim to increase the number of female staff at all levels, particularly at senior levels in the School.

## **New location**

For many years the School has been exceptionally fortunate to be located in Castlecliffe – a uniquely beautiful and dramatic setting, but one which has limitations as a base for a dynamic and growing academic school. The School is therefore scheduled to move to the University's newly acquired South Street site and will be co-located there with the Schools of Management and International Relations. The new site will become the main hub for Social Science schools in the University. The new development will provide the School with purpose-built new facilities with extra office space, including dedicated office space for research students and grant-funded research staff, study space for PGT students, state-of-the-art teaching rooms and a significantly improved econometrics/experimental laboratory. The move to this new location will greatly strengthen and enhance the School's strategies for teaching and research.

## **Teaching**

The School offers distinctive, innovative and flexible UG and PGT programmes and modules which appeal both to students wishing to specialise in economics and finance and those wishing to pursue joint degree programmes across the Faculties of Arts and Sciences. There are over 50 joint programmes – combining economics and finance with: arts and humanities subjects such as history, English literature and modern languages; social sciences such as international relations and management; and sciences such as biology, computer science, mathematics and statistics.

A distinctive feature of the School is that it covers both economics and finance. The ability to offer finance modules and finance programmes alongside economics underpins strong demand for the School's UG and PGT programmes.

The School is highly ranked in UK league tables for UG teaching and NSS results show high student satisfaction. The School is now firmly and consistently within the top 10 in the UK in these rankings. There is strong and rising student demand – with UG applications up 33% over the 2 years to 2021, reaching a level of over 25 applications per place. Graduates from our UG, PGT and PGR programmes are highly employable.

The student body is very international, with over 60% of students coming from outside the UK. This creates a highly diverse and rich student culture. This is enhanced by the School's participation in a range of international student exchange programmes.

The School aims to maintain and build on its reputation for high-quality UG and PGT teaching – by continuing to broaden and strengthen its programmes of research-led teaching across the full range of economics and finance – and develop distinctive cross-disciplinary teaching which exploits the unique mix of schools in St Andrews, the distinctive flexibility of the Scottish programme structure and the quality of UG students across the Arts and Science faculties.

The School has particularly strong UG teaching links, via very popular joint-honours programmes, with the Schools of Management and International Relations. Co-location of the three schools on the new South Street site will therefore enhance the educational experience for students on these joint programmes and further promote the development of tailored interdisciplinary teaching between the three schools.

At the PGT level the School aims to develop a new suite of PGT modules in applied economics which can form the core of new PGT programmes run in collaboration with other schools.

The School will create and fund a paid research internship programme to build on its distinctive programme of hourly-paid UG research assistantships. This will allow UG students to become directly involved in research projects led by staff and promote student interest in PhD study and research careers.

Given strong student demand for the School's programmes, there is an opportunity for a long-term expansion of student numbers to the range 560-630 FTE. In turn this would allow for an expansion of academic staff numbers to 40 or 45, and a corresponding increase in professional services staff numbers – which would bring the School's size into rough parity with other highly-ranked UK economics departments and would allow a comprehensive coverage of the discipline in terms of research and teaching.

## **Research**

The School ranked joint 10<sup>th</sup> in terms of research outputs in REF2014, with over 80% of outputs classed as internationally excellent or world leading, and has research strengths across micro theory, macroeconomics and applied micro.

The micro theory cluster has particular expertise relating to heterogeneity and ambiguity in strategic thinking and decision making; peer influences on decision making; and the implications of consumer indecisiveness. A second important and distinctive theme is the analysis of regulation and taxation in relation to firms, labour markets and the environment.

The macro cluster has distinctive research strengths relating to the role of financial market imperfections in macroeconomic dynamics – in particular the role of international financial markets in transmitting macroeconomic shocks and policy impacts. There is also a strong focus on expectations and learning – with researchers working on both the macro and micro implications of bounded rationality and learning.

The applied micro cluster has a particular focus on the determinants and implications of migration; and the interaction between migration, political dynamics and development. It has also developed a theme relating to human capital accumulation and its links with health, education and welfare.

In addition to these three main research areas in economics, there is a developing cluster in finance, with research strengths in asset pricing, behavioural finance, systemic risk, venture capital and innovation, and corporate governance.

The School aims to build on its current research strengths and maintain its position as one of the top 10 research-focused departments of economics in the UK, as measured by the REF. It aims to maintain and build broad and strong research coverage of all the main areas of economics and finance, while also focusing particularly on its existing main strengths in micro theory, macroeconomics, applied microeconomics and finance.

The School plans to establish more formal research clusters (or research centres) in its three main research areas. The clusters/centres will bring together colleagues and research students and provide a focus for internal and external workshops and conferences and provide a structure to encourage and facilitate mentoring of early career researchers. The clusters/centres will provide a natural framework for colleagues with a successful track record in attracting research funding to involve less experienced colleagues in collective grant applications. They will also provide a focus for attracting and hosting research visitors, including those invited as part of the University's Global Fellows scheme. Where appropriate the clusters/centres will exploit opportunities for distinctive cross-disciplinary research with other schools in the University.

The School will continue to provide staff with travel and small-scale research funding (at a level which is as generous as possible within the constraints of the School's operational budget). Early career lecturers will continue to be provided with start-up funding at a relatively more generous level. Additional funding will also continue to be used to support and incentivise staff to apply for external grant funding. The School will set up an additional research budget (of £20k per annum) which will be used to fund special research initiatives – such as conferences and workshops or pilot research projects – and all staff will have the opportunity to apply for funds.

The move to the University's new social science hub on South Street will provide a number of significant additional opportunities for developing the School's research strategy. The expansion of office space will allow staff numbers to grow and thus strengthen the main research clusters. The provision of office space for research students will allow them to integrate better into their research clusters and the general life of the School. A new and improved experimental/econometrics lab will provide a valuable new resource for one of the School's core research strengths. In addition, the new hub will facilitate the pursuit of interdisciplinary research agendas with Management and International Relations, but not preclude collaboration with other schools, such as Psychology.

While the main research focus of many staff in the School will be on their primary fields within the disciplines of economics and finance, the School will support and encourage interdisciplinary research which exploits the unique combination of strong research schools in St Andrews. The University has identified six key strategic themes for interdisciplinary research and the School is well placed to contribute to all of them. For instance research in the micro theory cluster on game theory, political economy, decision theory, behaviour economics, experimental economics and industrial organisation has potentially very productive links with the University's broad research themes: *Peace, Conflict and Security; Evolution, Behaviour and Environment; and Materials for the Modern World*. Research in the macro and finance clusters on international policy coordination, environmental and energy economics, and behavioural finance can contribute to the strategic themes: *Peace, Conflict and Security; Evolution, Behaviour and Environment; and Sustainability*. And research in the applied micro cluster on migration, labour markets, health, education and economic development has natural links with the strategic themes: *Peace, Conflict and Security, Cultural Understanding, Evolution, Behaviour and Environment; and Health, Infectious Disease and Wellbeing*.

## **Postgraduate Research Students**

The School aims to expand research student numbers to approximately 20 FTE and develop advanced level PGT modules focused on specialist research student training as a first stage towards the establishment of an MRes programme.

The School's strategic aim to develop and expand research student provision and research student numbers will be supported by scholarships financed from the operational budget and the University's Handsel scheme, and will be aided by the provision of new office space and the improved econometrics/experimental lab facilities at the new South Street site. Expansion in academic staff numbers will significantly increase supervision capacity and research clusters will provide a more focused environment for senior and experienced staff to supervise students and involve and mentor early career researchers in the supervision process.

## **Impact**

The School's research generates high-level policy impact: for example research on labour markets has fed into public policy via the NHS Pay Review Body, research on taxation and public finance is influencing fiscal policy via the Scottish Fiscal Commission, research on competition and regulation is affecting competition policy via the Competition Appeals Tribunal and research on monetary policy has directly contributed to policy discussions of senior members of the US Federal Reserve system.

The School's future impact strategy aims to develop a strong and sustainable core of policy engagement and impact activity based on new research outputs and interdisciplinary collaboration with other schools in St Andrews, and beyond. The School will support and promote impact via seminars and workshops which include speakers from local and national policymaking institutions and NGOs. Impact activities will be supported with funding from the School's operational budget in the same way as other research activity. Staff will be encouraged to make full use of the University's Knowledge Exchange and Impact funding schemes. Preparation of REF impact case studies will receive full credit in the School's work allocation model.

Examples of newly developing research with strong Impact potential include:

- Research on the role of unpaid work in careers in science is related to public discussion about the role unpaid work can play in reducing diversity in professional fields.
- Research in cooperation with Save the Children working to evaluate an intervention based around bilingual story books.
- Research on early child development in low-resource settings, the results of which are likely to be incorporated into an intervention by Save the Children with the possibility of influencing similar programmes in other countries, as well as nation-wide early child development efforts within Tanzania.
- Research on directly measuring fossil-fuel subsidies at both national and subnational levels based on country-specific patterns in carbon emission-to-output ratios, known as emission intensities. This research reveals hitherto unnoticed magnitudes of fossil-fuel price distortions and demonstrates that the subsidies have materially contributed to increased emissions and lower growth.
- Research related to the academic publishing market, based on a blockchain application that enables online usage data of scholarly articles to be validated, aggregated and disseminated on a worldwide basis in a way that parallels what Bitcoin does to money transfers.

## **Conclusion**

The School aspires to be one of the top 10 departments for economics and finance in the UK, with an open, diverse and collegial culture which values and supports excellence in all its various forms. The specific aims set out above – for culture, diversity, teaching, research, research student numbers and impact – all build on a strong record of existing achievement and provide a blueprint for a strong and thriving future for the School.

Final version: 27 September 2021.