

# C A G E

**Advisory Board  
March 2023**

**Mirko Draca**



**Economic  
and Social  
Research Council**

## Topics for Today

- **The Call is out! Outline Stage Deadline is May 17th.**
- **Shortlisting then occurs in July & we are (hopefully) invited to submit a full bid which is due in November (unspecified date).**
- **So let's go through the draft plan for the bid. This is based on the USPs, ideas and discussions we have had.**
- **We'll also go through the plan for expert feedback.**

## Personnel

- Juan Mateos-Garcia (Deepmind / ex-NESTA) cannot join due to the admin overhead that Deepmind have for external engagements.
- Duncan Weldon is visiting Warwick on Wednesday and we plan to ask him to come on board.
- This leaves the gap left by Sheilagh Ogilvie.

# ESRC Challenge-led Specification

"We are looking for centres that deliver challenge-led research, bringing together the right people, disciplines, institutions and infrastructure to respond to that challenge within a 5-year timeframe. "

"Challenges addressed through successful centres will be critical to the future of our society or the economy, or both. **Research will address a gap that is not being addressed elsewhere** that can be delivered within a 5-year timeframe. You should describe the challenge that your centre is responding to as part of your case for support and outline:

- What the challenge is and how it is currently affecting society or the economy, or both
- The geographic scale and demographic focus of the challenge
- Why the research needs presented by the challenge are currently unmet

# Terminology

## KEY TERMS

US policy working definitions <sup>#</sup> (*terminology more conventionally used in many US agencies)	Alternative definitions* (*sometimes used in certain UK and EU policy-related contexts)
<b>Mission:</b> overarching goal of a challenge-led R&I agency <sup>5</sup>	<b>Grand challenge:</b> a difficult but important, systemic and society-wide problem with no 'silver bullet' solution <sup>6</sup>
<b>Challenge:</b> specific technical capabilities that are valuable and achievable in relation to the mission; a challenge breaks down a mission into different programmes <sup>3,7</sup>	<b>Mission:</b> a concrete target; an achievable step towards a grand challenge that contextualizes projects <sup>6</sup>
<b>Programme:</b> R&D funding activities constructed by identifying specific technology needs or new capabilities; usually made up of a set of projects <sup>8</sup>	<b>Project:</b> a single, isolated, clearly defined innovation activity with risky or uncertain outcomes <sup>6</sup>
<b>Project:</b> one of a portfolio of projects within a programme with defined technical goals that are aggressive but can be potentially met within a defined timeframe and budget <sup>5</sup>	

# Inclusive Growth (1)

## Opportunities for all: OECD Framework for Policy Action on Inclusive Growth

### INCLUSIVE GROWTH INITIATIVE POLICY BRIEF

- ▶ Globalisation and digitalisation present opportunities as well as challenges for people, firms and public authorities.
- ▶ Inequalities have widened in terms of income, wealth and opportunities.
- ▶ Focusing only on economic growth without giving everyone a stake in that growth has left too many people from poor and middle-class backgrounds behind.
- ▶ The OECD's *Framework for Policy Action on Inclusive Growth* moves beyond GDP metrics and statistical averages to focus on equity, people and well-being, and emphasises the distribution of opportunities and outcomes in order to create sustainable growth.
- ▶ The Framework recommends investing in people and places, supporting business dynamism, and creating more inclusive labour markets, which will contribute to rebuilding trust and strengthening social cohesion. This will not only address concerns related to inclusiveness, but will also lay foundations for more sustainable growth, in line with the OECD's Productivity-Inclusiveness Nexus.
- ▶ Governments can do more to empower citizens and communities to help them shape policies for people, thriving businesses, shared prosperity and a sustainable planet.

# Inclusive Growth (2)

THE  
ECONOMY 2030  
INQUIRY



About

Themes

Reports

Events



**Resolution**  
Foundation



## Current Approach

- **Position us in this space of evidence-based policy research as a lateral expansion of the research base.**
- This lets us state our established USPs:
  - 1) **Firstly**, CAGE will act as an important vehicle for broadening the scope of the UK's economic research base for inclusive growth.
  - 2) **Secondly**, CAGE is an important 'connector' between economics and other disciplines.
  - 3) **Thirdly**, CAGE will be a major UK research base in economics outside the M25 and the well-known 'Golden Triangle'.

## Aims of the Centre

Right now, generic research production aims...

1/. **Produce new, unique research resources** and tools for the development of inclusive growth policies.

2/. **Contribute new skills, capabilities and networks** to the UK's research base for inclusive growth.

....but the expansion of these gives the CAGE contributions..

## "Produce New Research"

*"Three areas crucial to the inclusive growth challenge":*

- 1/. **Historical Roots:** What has been the historical pattern of growth across countries and regions and what factors have underpinned this growth?
- 2/. **Institutions:** How can we build better political institutions for social and economic success? What are the causes of dysfunctions in our current institutions?
- 3/. **Policy Design:** What are specific examples of inclusive growth policies? How can we bring innovative methods to bear on policy development and do this expeditiously?

## "Build Capability"

- 1/. **New Research Networks:** CAGE will meaningfully involve researchers outside of economics in the study of inclusive growth questions.
- 2/. **Quantitative Skills for 'Agile' Public Policy:** CAGE will develop a set of training events that will emphasize the quantitative skills that still tend to fall outside formal curricula but are essential to rapid policy analysis and innovative research generally.
- 3/. **Connecting UK Economics:** Collaborations with Birmingham & Nottingham ('Midlands Agglomeration'); Queen's University Belfast (Centre for Economic History) & ETH Zurich Economics & Natural Language Lab.

## Assessment

1/. Need to address the specific requirements of the challenge.(eg: current effects of the challenge; demographic/geographic scope; how the challenge is unmet).

2/. Make the prose less generic and reflective of CAGE's original contributions.

We can only generate this by going through the substance of the proposal, specifically the research programme. This is where it gets interesting....

## "Produce New Research" Aim

**Historical Roots:** What has been the historical pattern of growth across countries and regions and what factors have underpinned this growth?

- 'Global Economic History' theme.
- Expand coverage of data, bring in new partners (Queen's University, ETH Zurich).
- Methodological focus on digitization.

# Theme 1 - Global Economic History

*What has been the historical pattern of growth across countries and regions and what factors have underpinned this growth?*

- **Growth, Development and Inequality:** Building on our existing estimates of GDP for England, Japan, India and China we will develop data on Russia, South East Asia and Africa. We will derive estimates of patterns in pre-20th century inequality based on this data following the methodological lead of Alfani (2022).
- **The Evolution of Colonial Economies:** How did industrial development proceed outside Europe under colonial influence and how did this affect economic structures in the long-run?
- **'Economic History Goes Digital':** CAGE's research network has built considerable expertise in the practice of digitization. We will consolidate this capability with a new wave of training courses and a digitization programme focused on the history of the UK economy since the industrial revolution.

## Historical Data UK



BANK OF ENGLAND



OVERVIEW

### NATIONAL ACCOUNTS

Historical national accounts data stretching back to 1086

### INDUSTRY AND THE SUPPLY SIDE

Historical data on input-output and supply-use tables back to 1841

### CAPITAL AND PRODUCTIVITY

Capital stocks, capital services and productivity

### COSTS, PRICES AND INFLATION

Data on wages, prices, inflation and inflation expectations

### FISCAL DATA

Data on government spending, revenues and public sector debt

### OVERSEAS TRADE AND THE BALANCE OF PAYMENTS

Data on the UK's overseas trade and balance of payments as far back as the C13th

### MONEY, BANKING AND CREDIT

Money, banking and credit statistics, including the Bank of England balance sheet and its operations

### FINANCIAL ACCOUNTS AND BALANCE SHEETS

Historical data on UK sector and industry financial accounts and balance sheets

### REGIONAL DATA

Regional output and employment data for the UK

### INTERNATIONAL DATA

Links to international data sources

Library



BOARD OF TRADE  
AND  
CENTRAL STATISTICAL OFFICE

# INPUT-OUTPUT TABLES FOR THE UNITED KINGDOM

1954  
17 MAY 1953



LONDON: HER MAJESTY'S STATIONERY OFFICE

PRICE 7s. 6d. NET

# CENSUS OF PRODUCTION (1907).

## PRELIMINARY TABLES

Summarising the Results of the Returns received  
under the Census of Production Act, 1906.

- PART I.—Containing particulars relating to—
- (1) Mines under the Coal Mines Regulation Acts (including Coke and Shale Oil Works in connexion with Mines).
  - (2) Cotton Factories.
  - (3) Woollen and Worsted Factories.
  - (4) Tintplate Factories.
  - (5) Iron and Steel Factories (Smelting, Founding, and Rolling).

Presented to both Houses of Parliament by Command of His Majesty.



# Your results for: steam engine

☆ Save this Search



## An EPIGRAM

... more exaft and expeditious than any that has yet been made. Likewife leftifies Fire **Engines**, with his new invented Bars for faying Coals, and raifing a greater **Steam**. ...

Published: Sat 13 Jun 1741

Newspaper: [Newcastle Courant](#)

County: Northumberland, England

Type: Article | Words: 1436 | Page: 3 | Tags: none



## We hear, that -on Monday Night, bei\_| the 19th infant, 1 will be performed, at the Moot Hall, fox the

... more exaft and expeditious than any that have yet been made. He likewife reftifics Fire **Engines** with his new invented Bars for faying Coals, raifing a greater **Steam**. &c. makes Stoves for Gentlemens Kitchens, after the neaicft Manner, aud xafts all Sorts ...

Published: Sat 20 Jun 1741

Newspaper: [Newcastle Courant](#)

County: Northumberland, England

Type: Advertisement | Words: 4797 | Page: 3, 4 | Tags: [Classifieds](#)



## LONDON, July 28

... Mofes Hadley and Thomas Stephens for their new invented Double Concave Boiler, with a Flanch fo- railing **Steam** by Fire, to woik Atmofphere **Engines** for raising of Water, and other Pur- pofes therein contained, to them \*nj (heir Afflignees tur 14 Years. 'Tis ...

Published: Sat 30 Jul 1748



### Refine Search

#### ▼ DATE

1700-1749 3

1750-1799 914

1800-1849 369,941

1850-1899 2,671,124

1900-1949 939,102

1950-1999 129,154

2000-2021 2,084

#### ▼ NEWSPAPER

Lloyd's List 97,084

Yorkshire Post and Leeds  
Intelligencer 75,684

Sheffield Daily Telegraph 58,699

Manchester Courier and  
Lancashire General Advertiser 52,674

Shipping and Mercantile  
Gazette 50,920

More Newspapers

#### ▼ COUNTRIES

England 3,018,014

Ireland 389,694

Scotland 473,418

## Theme 2: Designing and Building Better Institutions

*How can we build better political institutions for social and economic success?*

### The Set-Up.

"A central insight of CAGE's work is that we cannot see the design of institutions as a straightforward task of designing an idealized rule system. The environment for rule systems is not frictionless - it is subject to culture, incentives and shocks. "

"As such, it is crucial to understand how culture and identity are generated from an economic perspective. This is of added importance now that social media has emerged as a new mass media institution that heavily emphasizes cultural and identity questions. ".....

# Designing Institutions Theme

- **Mental Models and Identity:** Shared mental models affect how members of society perceive the world around them and what they want. 'Cognitive foundations' of institutions. Projects = 'zero-sum' thinking (Mukand) + family/masculinity (Akerlof).
- **The Attention Economy:** A wealth of information creates a poverty of attention and a need to allocate that attention efficiently. Projects = microeconomics of attention allocation (Draca) + information overload (Hills).
- **Social Media as a New Institution:** Mass media has become more decentralised, multichannel and subject to behavioral biases. Questions will cover: opinion formation; platform design (moderation); memetic measurement; and behavioural biases. Experimental & quasi-experimental approaches.

Regular article

# Mistaking noise for bias: Victimhood and Hutu–Tutsi reconciliation in East Africa ☆

Arthur Blouin <sup>a</sup>  , Sharun W. Mukand <sup>b</sup>[Show more](#) [+](#) Add to Mendeley  Share  Cite<https://doi.org/10.1016/j.jdeveco.2022.102943>[Get rights and content](#) 

## Abstract

The difficulty in resurrecting inter-ethnic cooperation in the aftermath of violence and genocide is one of the biggest challenges facing post-conflict societies. Using experimental data from post-genocide Rwanda and Burundi, this paper shows that an unwarranted tendency to blame others for negative outcomes is a behavioural barrier that makes reconciliation difficult. We show that individuals systematically (and mistakenly) blame accidental negative shocks (noise) to the deliberate intent of individuals (bias). This “victimhood bias” wherein individuals ascribe noise to bias is much larger for (a) individuals for whom ethnic identity is salient; (b) for those who have had greater exposure to inter-ethnic violence. Further, we observe that *both* inter-ethnic contact *and* economic development are associated with a decline in this victimhood bias. Finally, those with a lower victimhood bias are more likely to behave cooperatively in inter-ethnic relationships. Our results suggest that insurance agreements that limit negative shocks and reduce noise, can encourage reconciliation by mitigating feelings of victimhood.

## Introduction

Perspectives on Psychological Science

1–8

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DOI: 10.1177/1745691618803647

[www.psychologicalscience.org/PPS](http://www.psychologicalscience.org/PPS)

# The Dark Side of Information Proliferation

**Thomas T. Hills**

Department of Psychology, University of Warwick

## Abstract

There are well-understood psychological limits on our capacity to process information. As information proliferation—the consumption and sharing of information—increases through social media and other communications technology, these limits create an attentional bottleneck, favoring information that is more likely to be searched for, attended to, comprehended, encoded, and later reproduced. In information-rich environments, this bottleneck influences the evolution of information via four forces of cognitive selection, selecting for information that is belief-consistent, negative, social, and predictive. Selection for belief-consistent information leads balanced information to support increasingly polarized views. Selection for negative information amplifies information about downside risks and crowds out potential benefits. Selection for social information drives herding, impairs objective assessments, and reduces exploration for solutions to hard problems. Selection for predictive patterns drives overfitting, the replication crisis, and risk seeking. This article summarizes the negative implications of these forces of cognitive selection and presents eight warnings that represent severe pitfalls for the naive “informavore,” accelerating extremism, hysteria, herding, and the proliferation of misinformation.

## Keywords

misinformation, evolution, social risk amplification, social proof, attention economics

## "Produce New Research" Aim

**1.3 Policy Design:** What are specific examples of inclusive growth policies? How can we bring innovative methods to bear on policy development and do this expeditiously?

- Gender, Health & Well-Being theme
- 'Agile' Public Policy theme.

## Gender, Health and Well-Being Theme

*What are the links between economic success and improvements in well-being, health and gender equality?*

- **Economic Impacts of Mental Health Interventions:** Look at how treatments such as anti-depressants affect outcomes such as employment and labour supply, providing insights on the economic challenge of inactivity. (Bhalotra, Warwick).
- **Tracking Female Careers Using Large-Scale Personnel Data:** Uses personnel data to study the evolution of female careers. Let's us look at how the structure/composition of workplaces affects progress. Sets an overall agenda of looking at gender-related labour market issues in detailed, empirical settings.

## 'Agile Public Policy' Theme

*How can we design policies that overcome historical persistence? What are the opportunities for policy innovation that are afforded by the growth of new data sources and improvements in experimental methodologies?*

- Aim is to 'scale up' the capability we have shown in projects such Covid contact-tracing, wealth tax and environmental policy evaluation.
- USP is that the agile approach uses new data sources, rigorous methodologies at a high scientific level, and is FAST.
- We're still sourcing projects but, by definition, this stuff is responsive. Hence this theme is about building capability.
- Hence we need to build some data hub web resources ("Open Regional UK"), training events, and a researcher network. We'll try and interest Digital Catapult & JBM in this. Plus Bellingcat.

# 'Agile' Public Policy

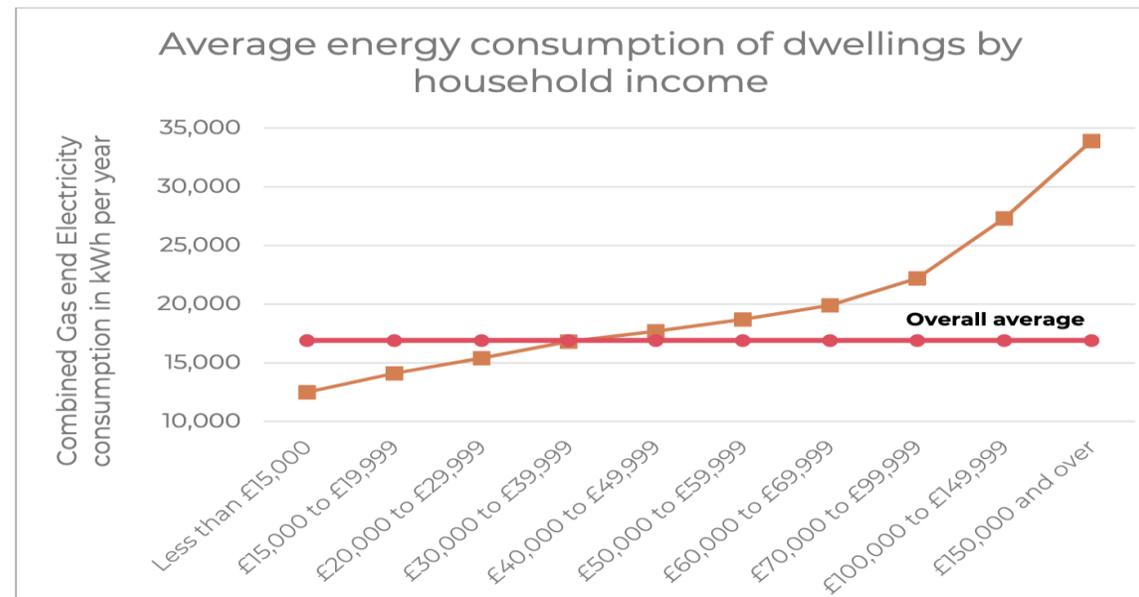
- 'Real-time' policy analysis.
- Innovative micro-level data on energy usage.
- Local government outreach through surveys, inclusive of prompts for interventions.

## Beyond the Energy Price Guarantee. With or without?

CAGE Policy Briefing no.39

October 2022

Thiemo Fetzer



# Digital Catapult Venue - Kings Cross

"Modelling an Evolving Economy" - October 7<sup>th</sup>  
Joint with NESTA and ESCoE



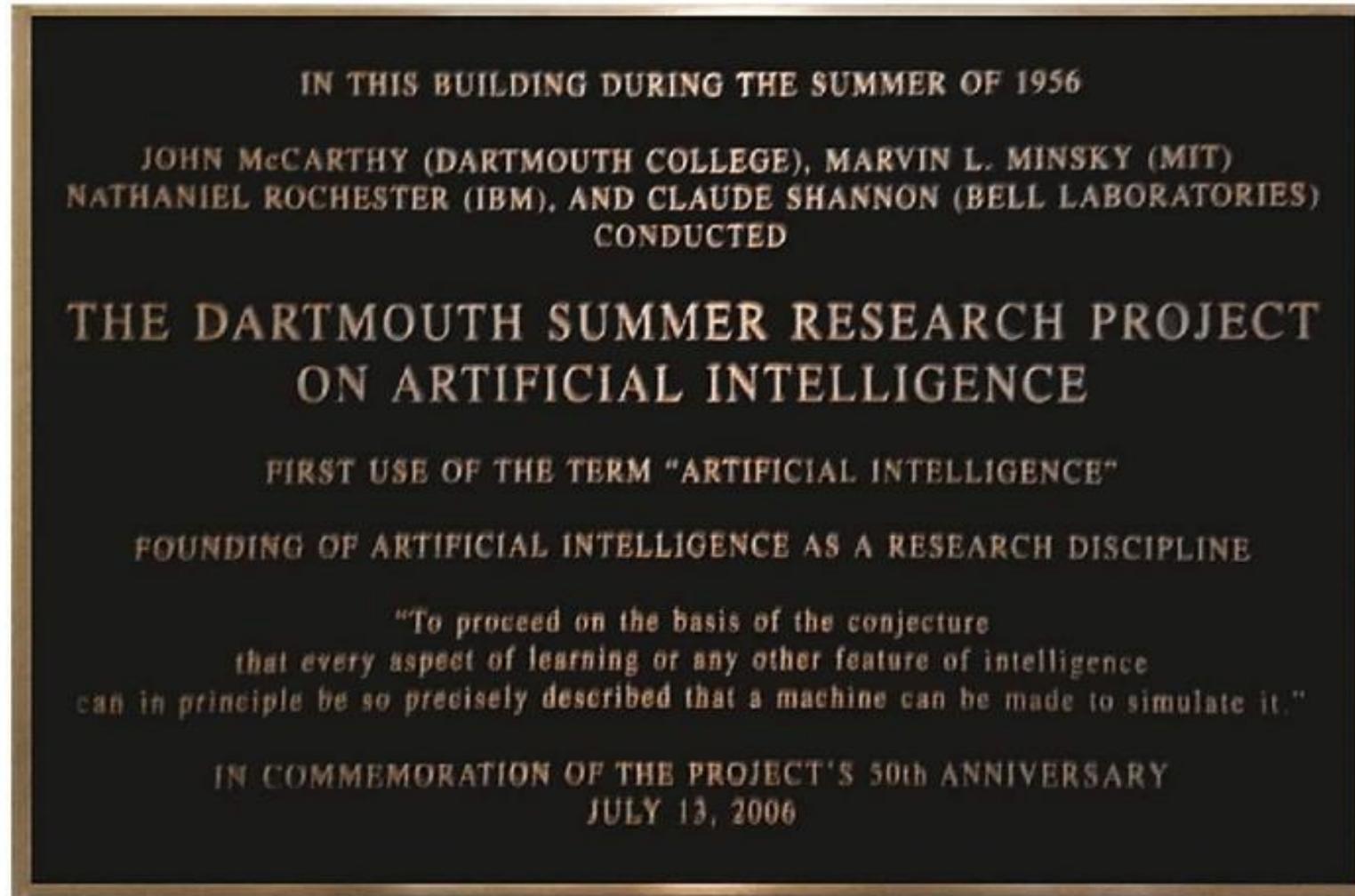
DC is a government accelerator / start-up incubator equipped with lab-style facilities. Situated 9 floors above Kings Cross with a 90-person events space.

## Communications and Engagement Plan

- Revamped Media Fellow and Policy Fellows programme.
- Expanding the network of media contacts to (again) non-standard topics and a new generation of journalists.
- Economic History videos to expand dissemination in economics to non-standard topics. Plus economic history data website.
- Build a profile in 'real-time' and 'agile' policy.
- Emphasize capacity building: we skew young compared to other academic research centres.

## Leadership & Management

- Typically generic!
- But we will add the Cross-Disciplinary Advisory Group. This will kick off seminars and events designed to build networks.
- The key is CURATION. You do not a dozen white papers and strategic 'brainstorming' events. You need intellectual engagement.
- Not to be too grand, but this idea has a chequered history...



## Internal Development

- Consult with Theme Leaders & others and have a second draft by end of March.
- Comments from Nick & Sascha.
- Develop attachments.
- Develop initiatives to 'show off' new ideas. Specifically, data websites & agile public policy events.
- General presentation to Economics Department at Warwick.
- Main advice I need is on the rhetoric / wording. Need to avoid cliches & convey the innovation of what we're doing without just saying 'innovative' & 'cutting edge' all the time.

## External Review

We need readers who will come to it 'fresh' & not already primed. Currently, I plan to call on:

- Steve Machin (LSE).
- Rebecca Riley (ESCoE)
- Juan Mateos-Garcia (Deepmind)
- Arthur Turrell (ONS).

Will also seek advice from the ESRC at this point.

## Final Notes

- I estimate that our maximal probability is 50%.
- This is because of variance in the draws of referees. The approach of selecting interdisciplinary referees makes the process noisy. I've seen at least two high-quality bids sunk like this (LSE & Bristol).
- Between May and August we will push forward the back-up plan to keep a basic operation running.

## London Events Space

- DC are selective with events that fit with their mission.
- Current plan is for an AI research event jointly with DeepMind and another media network event.
- We are still contemplating a Westminster events space for 2023. NIESR are an obvious potential partner.
- Post-pandemic we have enough experience and enough of a network that we can run Westminster events directly.

## CAGE Media Network

- UK economics research centres tend to have an established media network of writers with origins in the 2000s.
- We're retaining this but also expanding the network with data-focused journalism on non-core economics topics and a new generation of writers.
- This is both through our Media Fellow programme and special sessions at research events....

# 2022 Political Economy Summer School



...plus sessions with Tom Wainwright (Economist) and Mary Hui (Quartz).

## John Burn Murdoch - Charting Success: Insights into Data Journalism

*This event is delivered in partnership with the Department of Economics Careers in Economics 2022 event*

### John Burn-Murdoch

John Burn-Murdoch is the Chief Data Reporter at the Financial Times. He is renowned as a pioneering data journalist, a job involving the processing of large amounts of data, enabling readers to comprehend and digest information which paints big pictures and tells nuanced stories alike. John has worked at the Financial Times since 2013. Prior to that he worked for The Guardian and for Which? magazine having started his career as a sports reporter for the Doncaster Free Press. He is also a visiting lecturer at City, University of London, covering topics as diverse as story development, web scraping, data cleaning and digital cartography. John's educational background is an MSc in Data Science from the University of Dundee, an MA in Interactive Journalism from City, University of London, and for his undergraduate studies a BSc in Geography from Durham University.



Putting together plans for a London workshop linking data journalists with applied researchers.

Names for Media Fellow programme visits are welcome.

## Video Series: Why isn't the whole world developed?

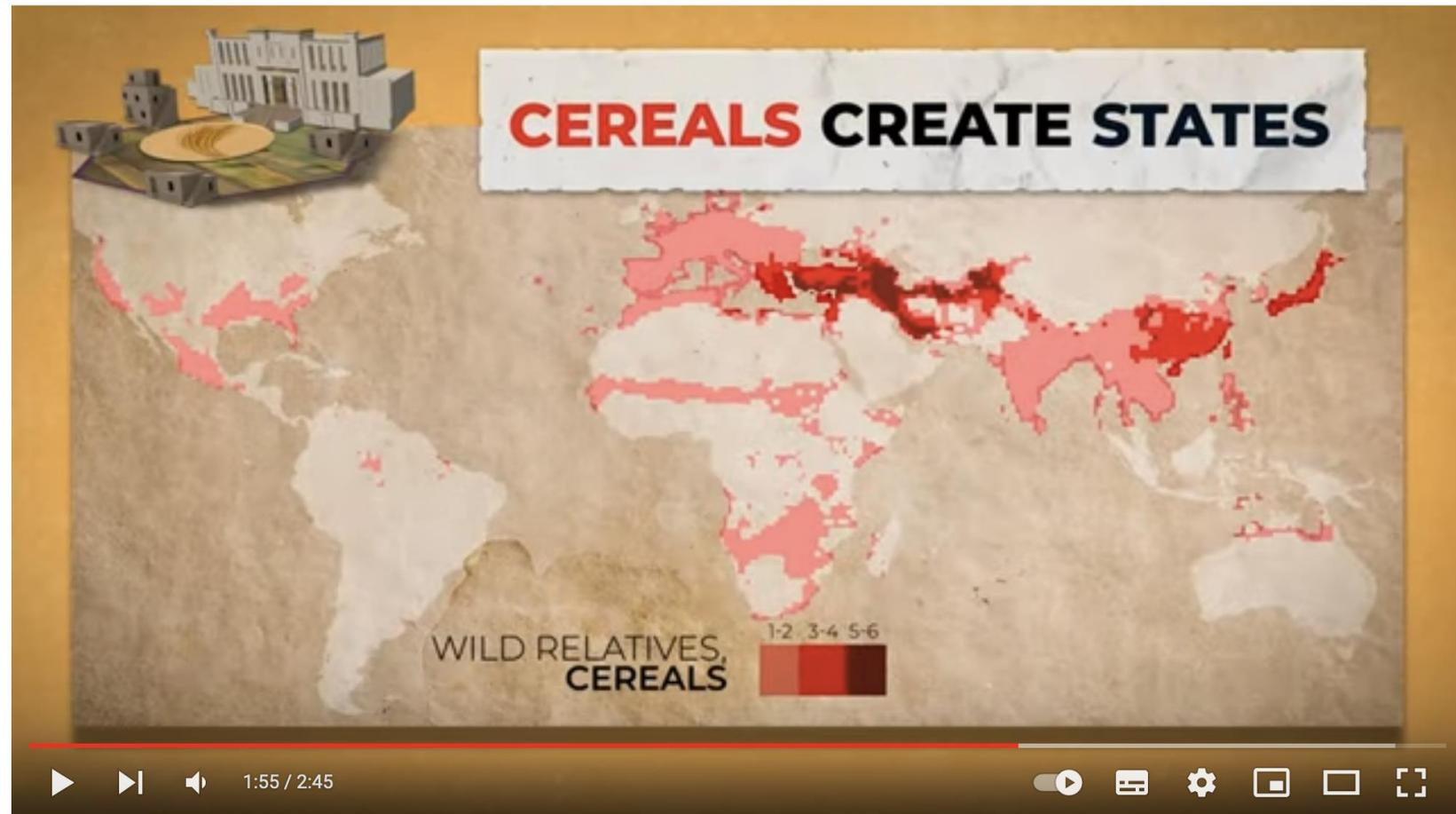
- We discovered our own in-house video producer, Jacob Liebenberg through a student video essay competition.
- Now working on a programme of videos with Discover Economics.
- Topics will include the African slave trade, colonial origins (Acemoglu / Robinson) and India's transition from a colonial economy.
- Recent video on "How Farming Shaped the World" has 6,000+ views on Youtube...

C A G E

**Establishing a dissemination channel for economic history research.**

**Link to our strengths in the history of development.**

**Analyse the economics of colonialism.**



How farming shaped the world



CAGE Research Centre  
235 subscribers

Subscribe

70



Share

Save



6.5K views 7 months ago

Why are some countries so much richer than others?

## Rebid Planning

- The call has been scheduled for April 2023 but the full timeline is unclear.
- Specifically, whether the timelines and stages will be compressed is unknown.
- But we have been building up a structured set of activities and projects in preparation...

## Basic USP for the Rebid

Aiming for 2022 application with an October 2023 start:

- (1) ESRC has great 'bread & butter' evidence-based policy economics research centres (IFS, CEP) but needs an economics research base that goes into more diverse, less traditional topics for economics. Hence 'culture, history, behaviour'.
- (1) In line with this, the ESRC also needs an 'interdisciplinary connector' between economics and other disciplines. Current plan is to do this with respect to statistics, computer science, and psychology.
- (2) ESRC needs an economics research base outside the M25 / 'golden triangle'.

## Potential Themes & 'Big Questions' (1)

**Theme 1: Global Economic History** - What factors have underpinned social and economic development in the long-run? What are the historical sources of persistent contemporary problems? (Broadberry / Fenske)

**Theme 2: Designing and Building Better Institutions** - How can we build better political institutions for social and economic success? What are the causes of dysfunctions in our current institutions? (Akerlof / Fetzer)

## Potential Themes & 'Big Questions' (2)

**Theme 3: Gender, Health and Well-Being** - What are the links between economic success and improvements in well-being, health and gender equality? (Bhalotra / Zinovyeva)

**Theme 4: 'Agile' Public Policy** - aka 'New Policies for Social and Economic Change'. How can we design policies that overcome historical persistence? What are the opportunities for policy innovation that are afforded by the growth of new data sources and improvements in experimental methodologies? (Gazze / Dhatta)

## Preparing for the Re-bid

- Many activities have been designed to align with the above USPs and themes.
- The third 'Outside the Golden Triangle' is always a challenge. On this front we have real-time policy angle (EP Guarantee with local government outreach) plus a Midlands Research Network with Birmingham and Nottingham.
- Remaining area for development is 'interdisciplinary connection'. Here we are developing events for 2023 with an emphasis on the need for curation. "Modelling an Evolving Economy" was a test of this model and it was effective.

## Next Steps

- 'Flagship' project ideas from Theme Leaders are coming in.
- A formal draft outline of the (1) Strategic USPs; (2) Intellectual Content; and (3) Communications and Engagement Plan are underway. This will be distributed to 'Board members in the new year.
- Precise menu of documents that will be needed for the Outline Stage are hard to predict exactly but we can still generate a lot of content.