

REPORT OF THE

COEURE WORKSHOP ON

## “Funding the Economic Research that Europe Needs”

Organizers: **Tessa Ogden** | Centre for Economic Policy Research  
**Marc Ivaldi** | Toulouse School of Economics

Académie Royale de Belgique  
Rue Ducale 1, Brussels

29 June 2016

Rapporteur: **Tom McCarthy** | HelmAG Limited Ireland

- Workshop Programme
- Rapporteur’s Report
- Workshop Participants

### Background on COEURE:

The **COEURE Coordination Action** (which stands for COoperation for EUropean REsearch in Economics) brings together the key stakeholders in the European economic research space – funders, policy-makers and researchers – in a process of stocktaking, consultation and stakeholder collaboration. The aim of this process is to identify the knowledge gaps on key EU economic policy issues and assess the current challenges and opportunities facing European-based researchers, with the ultimate goal to inform the European agenda for research funding. COEURE is funded by the FP7 SSH research programme and it is coordinated by the European Economic Association.



This project has received funding from the European Union’s Seventh Framework Programme for research, technological development and demonstration under the grant agreement no 320300.

# PROGRAMME

Tuesday, 29 June 2016

**11.15-11.30**    **Welcome and Introduction**

**Marc Ivaldi** (Toulouse School of Economics)

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**11.30-12.00**    **Session I - Economics Research in Europe – the Funding Landscape**

**Tom McCarthy** (HelmAG Ireland)

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**12.00-13.00**    **Session II - European Economists – Funding Experiences**

**Marc Ivaldi** (TSE)

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**13.00-14.00**    Buffet Lunch

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**14.00-15.30**    **Session III – Effectiveness of the funding environment for economics research – stakeholder perspectives**

*15-minute presentation from each speaker*

1. **Marianne Paasi** (Senior Policy Officer Unit B6, Directorate-General for Research & Innovation))
  2. **Adriana Cristoiu** (Scientific Research Officer, Unit B5, European Research Council - Executive Agency)
  3. **Dr Jens Hemmelskamp** (Head of Sector) & **Danielle Barbieux** (Head of Unit) - Research Executive Agency, European Commission
  4. **Eucharía Meehan** (Director - Irish Research Council)
  5. **Martin Hynes** (President - European Science Foundation)
  6. **Edwin Hubers** (Senior Policy Officer - NWO Social Sciences)
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**15.30-15.45**    Coffee

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**15.45-16.45**    **Session IV - Funding Economic Research in Europe: New Approaches**

**Facilitated Workshop**

*Speakers asked to deliver an opinion as a stimulus to debate, 10 minutes each*

Facilitator: **Tom McCarthy** (HelmAG Ireland)

**F1. Is economics research capable of renewing the “European Project?”**

**Tony Venables** (Oxford University)

**F2. Organising to deliver: what modes of collaboration/clustering are required?**

**Ramon Marimon** (European University Institute)

**F3. Should thematic priorities at the national level complement or duplicate the EU's funding priorities?**

**Christiane Krieger-Boden** (Kiel Institute for the World Economy)

**F4. What do economists need to do to ensure the funding of the economics research that Europe needs?**

**Philippe Keraudren** (Deputy Head of Unit B6, Directorate-General for Research & Innovation) & **Reinhilde Veugelers** (ERC Scientific Council)

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**16.45-17.00**    **Closing Remarks**

**Next Steps**

**Tom McCarthy** (HelmAG Limited Ireland)

**Workshop Organizers:**

**Tessa Ogden**  
Chief Executive Officer  
Centre for Economic Policy Research  
Executive Committee of COEURE

**Marc Ivaldi**  
Research Director  
Toulouse School of Economics  
Executive Committee Chair and  
Project Coordinator of COEURE

**Contact and registration information:**

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Report:  
COEURE Workshop on  
**Funding the Economic  
Research that Europe Needs**

Organizers:

Tessa Ogden | CEPR

Marc Ivaldi | TSE

Venue:

The Marble Room, Académie Royale de Belgique

Rue Ducale 1, Brussels

29 June 2016

Presentations delivered at the workshop are available on the project website.  
This report is a high level summary of the discussion designed to facilitate  
appreciation of the presentations on the website.



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# Welcome and Introduction

Marc Ivaldi | Toulouse School of Economics



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**Marc Ivaldi** opened the workshop by acknowledging the significance of the decision of DG Research to fund this action and thanked the Commission for their ongoing support. He then presented a brief overview of the COEURE action, which outlined the content of the work packages, and explained that the final conference would draw on the various elements to outline an Agenda for the future funding of the Economics research that Europe needed. He also noted that the surveys completed under Work package 1 had now been edited and produced as a book to be published by Cambridge University Press.

He made clear that the objective of this cooperative action is to evaluate the state of research in Europe, and eventually come up with recommendations for both academics and policy-makers. He noted that the presentations from the COEURE team at the workshop are based on the survey of funders conducted by the CEPR partner and the survey of economists conducted by the Toulouse School of Economics partner.



# Session I: Economic Research in Europe – the Funding Landscape

Tom McCarthy | HelmAG Limited Ireland



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**Dr McCarthy** started his presentation by giving an outline of what to expect from the Work Package 2 of the COEURE project. He explained that the focus will be on: presenting details of the research funding landscape for economists in Europe, assessing their effectiveness, and using this analysis to lay the foundations for developing the agenda for future funding.

In his presentation he drew on a survey of economist that had been conducted to assess their experience with funding applications. He also used information that had been gleaned from the development of a database of funders and interviews conducted with funding agencies.

There were three elements to his presentation: an overview of the state of economics research in Europe, an analysis of the landscape of research funding for economics, and a review of the experience of economists with funding applications.

### European economic researchers & research institutions.

He made use of the RePEC database as a means of assessing the state of economics research in Europe. While acknowledging all the caveats associated with using citation counts he suggested that the RePEC ranking of economics departments based on a composite index of citation ranking methods was a useful way of assessing where important research in economics was undertaken.

He noted that, of the global top 25% of economics departments in the ReREC ranking, that 40% of them were based in European countries. This exceeded his prior expectation. This outcome contrasted with the fears, 30/35 years ago, of a brain drain from Europe. At that time senior researchers were re-locating to North America attracted by better terms and active graduate programmes which enhanced the conditions for stimulating research. Europeans also looked to North America to do graduate studies and subsequently took up employment there after graduation.

He traced the positive outlook reflected in the RePEC ranking to two developments: innovative clustering activity that has created critical mass of scale, and evolution of funding sources particularly at EU level.



He used the RePEC database to identify the affiliations of authors and the clusters in which they participate. Three types of clusters were apparent: large departments of universities containing full time academics with the overwhelming share of their commitment to the department, large research centres with full-time employees, and networks enabling collaboration around research programmes but not directly employing the researchers.

It is only in Germany (most notably DIW Berlin) and in multilateral bodies such as ECH and OECD that we see large dedicated research centres, he noted. Evolution and change in recent decades has occurred in the other types of clusters.

Historically, large centres of economics activity had existed in LSE and Oxford in the UK. In recent decades concerted initiatives has seen the growth of a number of university based clusters. Three of these clusters have had considerable impact; Barcelona, Solvay and Toulouse. These clusters combine graduate education and research publication.

The third form of cluster involves networks that combine around research programmes. Significant advances have been made by three clusters: CEPR, CESifo and IZA. Researchers from a variety of universities combine to work on thematic areas and use their participation in these networks when identifying their affiliation in publications. Generally, this meant that the networks accounted for a 10/15% of author share.

## Funding Landscape

He used a chart from the UK to illustrate trends in the composition of research funding across all disciplines on the period from 2001. Growth in research council funding led to an increase in funding in the first part of this period while the growth in success from European funding applications compensated for research council funding in the latter part.

He then went on to use the information from the survey of researchers to outline the sources of funding for economists. Half of all funding came from national sources and 20% was EU funding.

The explained that the COEURE project has developed a detailed database of funders that includes public and private sources of funding. He gave an illustration of this database for one of the private foundations – the Volkswagen Foundation. Apart from the illustration this



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example also demonstrated how a private funder had filled a valuable gap in supporting the host institutions of researchers. A number of their programmes are designed to reduce teaching obligations for established researchers and provide a path for tenured positions for junior researchers. It was noted that university budgets across Europe have come under considerable strain in the past decade and this type of funding from a private foundation was very valuable.

In regard to funding he emphasised two points impacting on economics researchers that need to be addressed:

1. Feedback from interviews with funding agencies suggests that economists have not been as amenable to engaging with top down priority research funding processes, and
2. Economics departments in universities that are particularly successful in winning research funding for the life and physical sciences could find themselves being squeezed in their core institutional support.

The latter issue arises as a consequence of overhead cost funding provision in research grants to the life and physical sciences falling well short of the overhead costs associated with activities in these areas. The consequence is that universities cross subsidise this activity from core institutional budgets thereby raising the possibility the economics department, along with others in the humanities and social sciences, will be "taxed" to support the life and physical science activities. This manifests itself in larger class sizes and higher teaching loads.

### The experience of economists.

He concluded with an overview of the results of the survey of economists on their experience with application for research funding.

Overall respondents do not report that the administrative burden associated with funding application will deter them for making an application to the same funding agency in the future.



In general, there is variation across funding sources in the degree of satisfaction expressed at pre-award stages. This suggests that there is scope for improvement by sharing best practice across funding agencies.

Transparency in an evaluation process on funding applications can contribute to confidence in the outcome. Save for regional funding – which had mixed results in earlier questions – no source of funding achieved the confidence of even 50% of respondents for process transparency. It is difficult to assess this result and it is an issue that warrants further investigation around what is meant by transparency and to what extent such transparency is achievable. More detailed feedback might be beneficial. From a funding agency perspective, however, these potential benefits would have to be set against the time and financial costs.



# Session II: European Economists – Funding Experiences

Marc Ivaldi | Toulouse School of Economics



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**Marc Ivaldi** started the presentation of the survey by highlighting that there are not too many papers studying researchers' productivity. He explained the two objectives of the research: what is the output of the "production process" and how is it linked to the environment. He explained how the survey was conducted, and what kind of questions were asked, then presented some general descriptive statistics of the population of the survey, after stating the importance of characterising the population of European economics researchers.

He then explained the importance of finding adequate output measures for research. There can be an additional bias when counting output, related to the language barriers. He outlined the output measures used in the study and how they were constructed, along with descriptive statistics of the populations publishing performance. He presented technical details on the teaching process, and underlined the reverse causality between output and time spent on teaching. After specifying all the technical details, he presented the results of the analysis. and explained the relation between economic graduate departments and current academic success.

Two results of note were emphasised:

1. In all specifications of the model statistically significant gender impact is not detected.
2. Substitute activities for research, in this case teaching, measured by the share of time spent on teaching, do have a negative impact on the publishing performance. Spending ten percent more of the time on teaching, all other things equal, makes the researcher lose 166 citations over their cumulative history of research, and 0.4 Hirsch-points over the same period. Moreover, it diminishes the number of publications in the defined top 5 economic journals.

He concluded by emphasising the importance of this type of analysis and the need for it to be a permanent feature of reflection on the research process. In this context future work



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can build on the groundwork that has been established in the COEURE project surveys and analysis.

# Session III: Effectiveness of the Funding Environment for Economics Research – Stakeholder Perspectives

Presentations by invited speakers:

Marianne Paasi | DG Research & Innovation

Adriana Cristoiu | European Research Council

Danielle Barbieux & Jens Hemmelskamp | Research Executive Agency



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Eucharía Meehan | Irish Research Council

Martin Hynes | European Science Foundation

Edwin Hubers | NWO Social Sciences

**Marianne Paasi**, Senior Policy Officer Unit B6, Directorate-General for Research & Innovation started with presenting the elements of European funding landscape and the position of research budgets within countries. She then presented the three actors in European research funding: member states, private funding, EU level framework programmes. It was explained that the legal provisions for the EU level research and innovation policy are part of the treaty and EU. She described the multiannual research and innovation framework programmes and noted the importance for researchers to recognise what priorities had been established and that research output be seen to break new ground in contributing to these priority objectives. In this context she noted and elaborated on the three priorities of Horizon 2020: Excellent science, Industrial leadership, societal challenges.

**Adriana Cristoiu**, Scientific Research Officer, Unit B5, European Research Council - Executive Agency, explained the structure of the executive agency she represents. She explained that the only eligibility condition to be satisfied by the applicant is that he must be part of an EU-based or EU-related host institution, and insisted that there no nationality requirements or quotas. She reviewed 9 years of activity and presented the three grant schemes: starting grants, consolidator grants and advanced grants. After that she presented the structures evaluating proposals, how they work and how they are divided in subdivisions. She concluded by presenting the sources of information one can access in order to be up to date on the funding calls.

**Danielle Barbieux**, Deputy HOU, European Commission, started by explaining the nature of the Research Executive Agency (REA) and presenting some key facts on its work. After that she gave a budget overview and explained the bi-annual work programme.

**Jens Hemmelskamp**, Head of Sector, European Commission, outlined the existing calls for submissions for funding. Then he outlined some statistics on the success rate of the applications by country. He underlined the importance of having a diversity of nationals



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among the evaluators of the research proposals and noted the contribution brought by involving people from outside the EU in the research process.

**Eucharía Meehan**, Director - Irish Research Council explained the role of the Irish Research Council. She outlined the funding landscape in Ireland and noted that the IRC is the only agency that does not have a mandate dictated entirely by economic impact. She noted the increased focus on thematic prioritisation of research areas. In this context she demonstrated how the IRC, while maintaining an emphasis on funding basic research, is able to make a connection between government needs and the incidence on the IRC activity.

**Martin Hynes**, President - European Science Foundation, gave a summary on the current European economic situation. He mentioned the importance to set up not only short term European goals but also long term goals. He spoke on creativity which is to complement innovation. The main questions he debated were: who captures the benefits of open innovation? How to capture returns from open innovation? He made a parallel between old funding instruments and new-ones, and expressed concern with the discontinuation of the EUCORES Scheme. He expressed his opinion that career tracking is very useful and poorly done, and mentioned the lack of a coherent way to track researchers' career. Also he stressed the importance of Ph.D. programs and presented some facts on U.S grants.

He concluded on the need to estimate how the society captures the benefit from research.

**Edwin Hubers**, Senior Policy Officer - NWO Social Sciences, outlined the structure of the NWO and the social sciences funding instruments available in the Netherlands. He commented on the challenge to research performance of teaching loads, particularly in Economics. In Netherlands 10% of the total students are economics students and professors carry a heavy teaching load. He emphasised the importance of multilateral and bilateral international research funding calls and highlighted the need of European networks. In this context he described his experience with the Urban Europe project.

He concluded by noting importance for future of economic research funding of cooperation with other disciplines and the need to be seen to be addressing societal challenges.



# Session IV: Facilitated Workshop

## Funding Economic Research in Europe - New Approaches

Chair: Thomas McCarthy | HelmAG Limited Ireland

Debate by invited speakers:

Tony Venables | Oxford University

Ramon Marimon | European University Institute



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Christiane Krieger-Boden | Kiel Institute for the World Economy

Phillippe Keraudren | DG Research & Innovation

Reinhilde Veugelers | ERC Scientific Council

### **F1: Is economics research capable of renewing the “European Project”?**

**Tony Venables**, Oxford University, gave his opinion on what research can do:

- Create more researchers.
- Increase the effectiveness of current researchers.
- Change what researchers do.

It was mentioned that research should bring the opportunity to interact with able people and propose a larger flexibility on small research grants. Also he argued the importance to have a power of putting big teams on big projects which would be stimulated by the Big Data usage in the future. He concluded by reflecting on the need also to focus on transferring the existing stock of research knowledge to policy application. While this should not be done to the exclusion of funding research directed at generating new ideas it is an important transmission mechanism. If high level researchers are not devoting effort to this mechanism, we run the risk of less than good ideas influencing policy decisions.

### **F2: Organizing to deliver: what models of collaborative/clustering models are required?**

**Ramon Marimon**, European University Institute, address the challenges faced by researchers and recommended that these challenges could be mitigated if some considerations was given to: greater support for the role of Economic scientific officers in funding agencies, and a move away from allocating ERC funds (within fields) based on quantity demanded as measured by submissions.

He concluded on the specific funding required for collaboration/clustering, and noted that the PhD program was the equivalent of the laboratory in the physical sciences and that it should be the focus for building clusters of collaboration as had been done in Barcelona.

### **F3. Should thematic priorities at national level complement or duplicate the EU’s funding priorities?**



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**Christiane Krieger-Boden**, Kiel Institute for the World Economy [information on the slides]

#### **F4. What do economists need to do to ensure the funding of economics research that Europe needs?**

**Reinhilde Veugelers**, ERC research Council, underlined that collaboration in economic research is not compulsory, and insisted that academics are given a free choice and are being trust. She mentioned that on one side, existing relevant challenges are addressed in funding calls, but on the other side sometimes challenges escaping of the policy-maker's attention are brought up by the funding calls. She expressed the need to build tools which would allow to check where research is needed, and tools meant to assess research social importance. After that she concentrated on the importance of platforms and the need of better connected economic systems. It was mentioned that it should be investigated how important the training component is in an academic career and how effective is the funding which targets top researchers.

She concluded on the diversity of the emerging economic subfields, and made a call for a focus on supporting the development of available data.

**Philippe Keraudren**, Directorate-General for Research & Innovation, thanked the coordinators of the projects and stressed two issues.

1. The need to prepare for FP9. He recommended that there be coordination across the social science in order to lobby for a place for economics and the other social sciences in future framework programmes. He noted the value of the COEURE project to this effort.
2. The need for researchers in the social sciences to be self-critical and self-reflective. In particular, he stressed the need to foster collaboration across social science disciplines as a means of establishing the value of the research produced to the future of the European economies and society. In this he pointed to increased emphasis on the role of women in research and the need to integrate researchers from the EU13. reseaebetween researchers.

#### **Closing Remarks**



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Marc Ivaldi, closed the workshop by thanking the participants and the European Commission and noted that the insights of the workshop will be captured in the final report from the workshop.

### **List of Participants – COEURE Workshop 29 June 2016**

<b>Corinna</b>	<b>Amting</b>	European Commission
<b>Danielle</b>	<b>Barbieux</b>	European Commission
<b>Cristiana</b>	<b>Benedetti-Fasil</b>	European Commission
<b>Simran</b>	<b>Bola</b>	CEPR
<b>Cristina</b>	<b>Bonafé</b>	BRUEGEL
<b>Richard</b>	<b>Cawley</b>	European Commission
<b>Estelle</b>	<b>Cantillon</b>	Université Libre de Bruxelles
<b>Basudeb</b>	<b>Chaudhuri</b>	European Commission
<b>Barbara</b>	<b>Chizzolini</b>	Bocconi University
<b>Alessandra</b>	<b>Contigiani</b>	Toulouse School of Economics
<b>Adriana</b>	<b>Cristoiu</b>	European Research Council
<b>Catalin</b>	<b>Dobrea</b>	Toulouse School of Economics
<b>Robert</b>	<b>Gampfer</b>	European Commission
<b>Martin</b>	<b>Hallet</b>	European Commission
<b>Jens</b>	<b>Hemmelkamp</b>	European Commission
<b>Edwin</b>	<b>Hubers</b>	Netherlands Org. for Scientific Research
<b>Martin</b>	<b>Hynes</b>	European Science Foundation
<b>Marc</b>	<b>Ivaldi</b>	Toulouse School of Economics
<b>Stijn</b>	<b>Kelchtermans</b>	KU Leuven
<b>Philippe</b>	<b>Keraudren</b>	European Commission
<b>Pegah</b>	<b>Khoshnevis</b>	KU Leuven
<b>Christiane</b>	<b>Krieger-Boden</b>	Kiel Institute for the World Economy
<b>Wolfgang</b>	<b>Leininger</b>	Universität Dortmund
<b>Gabriella</b>	<b>Manganelli</b>	European Commission
<b>Paola</b>	<b>Maniga</b>	BRUEGEL
<b>Ramon</b>	<b>Marimom</b>	European University Institute (EUI)
<b>Elisa</b>	<b>Martellucci</b>	Centre for European Policy Studies
<b>Laszlo</b>	<b>Matyas</b>	Central European University
<b>Tom</b>	<b>McCarthy</b>	HelmAG Ireland
<b>Eucharía</b>	<b>Meehan</b>	Irish Research Council
<b>Daniel</b>	<b>Neicu</b>	KU Leuven
<b>Tessa</b>	<b>Ogden</b>	CEPR
<b>Marianne</b>	<b>Paasi</b>	European Commission
<b>Domenico</b>	<b>Rossetti di Valdalbero</b>	European Commission
<b>Angela</b>	<b>Schindler-Daniels</b>	Kooperationsstelle EU der Wissenschaftsorganisationen
<b>Azadeh</b>	<b>Sharafshahi</b>	European Commission
<b>Tony</b>	<b>Venables</b>	Oxford University



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<b>Paul</b>	<b>Verdin</b>	Université libre de Bruxelles
<b>Reinhilde</b>	<b>Veugelers</b>	Katholieke Universiteit Leuven
<b>Ian</b>	<b>Vollbracht</b>	European Commission
<b>Stephen</b>	<b>Yeo</b>	CEPR



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