Building Successful Research Institutions in Europe

Richard Blundell
UCL and IFS
What are the key ingredients?

• Three main features (in the case of UCL)
  
I. A small number of ‘niche’ research areas
   - competing at an international level
II. An institutional structure - that allows flexibility in hiring and funding
III. A PhD framework - that provides long term credibility, high level courses and a stimulating research environment
What are the key ingredients?

I. A small number of ‘niche’ research areas, competing at an international level

• Establish a limited number of fields that can be excelled in
  – microeconometrics/empirical-micro and game theory in UCL’s case
  – the RAE (with funding attached) was useful in UK

• A mix of theory and econometrics is essential
  ..... in my opinion

• A strong empirical (and policy, but that may be London) base too
What are the key ingredients?

II. An institutional structure that allows flexibility in hiring and funding

• An ‘independent’ research group/institute alongside the department
  – IFS provides a good example (cemmap,..)
  – Autonomy in key decisions
  – And engaging with policy, media, business

• Use a visitors program/network extensively
  – Keep strong contacts with top schools and ensure PhDs/junior Faculty present there
What are the key ingredients?

III. A PhD framework that provides long term credibility

• Hardest thing is to establish a graduate school
• But you need the best young researchers
  – Create a group around the niche areas
  – Use institute to provide research environment, funding flexibility and presentation skills
  – Good placements are key
• Engage with a top-flight European PhD Network, like ENTER
Other lessons

• Don’t need many people just good people
  – It’s rather too easy to get too big
  – The right kind of people are hard to find

• The incentives for keeping a group together in Economics is weak
  – Unless there are limitless resources (Harvard, Princeton etc), it’s not easy!
  – Must have a group who create externalities
  – Graduate school can help

• We need to examine failures in Europe as well as successes
Is there anything special about Europe?

• The tradition in theory and econometrics is strong
• The policy environment/agenda differs and some great policy experiments
• Research funding (ERC, for example) is good
• The RAE – with funding attached - has been helpful in the UK
• Undergraduates (in the UK, at least) are well trained - so even undergraduate teaching can be a pleasure rather than a chore
• But institutional structure is awkward and salary competition is always difficult .....
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