

BIS | Department for Business
Innovation & Skills

**ECONOMICS AND SOCIAL
RESEARCH STRATEGY 2011 - 2012**

An Overview of Economic and
Social Research

FEBRUARY 2012

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1. Foreword

I am pleased to introduce the BIS Economic and Social Research Strategy 2011-2012. BIS, and its preceding departments, have always valued the importance of evidence-based policy making. The Department achieved the top rating (green) in the 2009 Cabinet Office *Capability Review*¹ section on '*basing choices on evidence*' indicating that we have a good capability in place for analysis and use of evidence when delivering on policy priorities.

This research strategy is a key part of our work in taking forward our ongoing commitment to evidence and analysis. The gathering of research and evidence is necessary to support policymaking; insuring interventions are targeted and achieve value for money, especially given current budget constraints.

As part of our overall approach to economic and social research, the aim of this strategy is to clarify how BIS research is in line with its policy objectives; and to highlight the current priority research areas. Faced with greater resource pressure and competing bids, it is vital that resources available for economic and social research are used in a way which maximises impact. This strategy outlines the way in which research in BIS is governed to achieve that impact. By publishing this strategy on our website we hope to generate interest from external parties and encourage more joined-up working with BIS.

BIS, as the Department for Growth, is at the heart of the Government's agenda to support sustainable growth by re-balancing the economy across sectors and regions. The role that economic and social research can play in this is fundamental. By ensuring that our policies are evidence-based, targeted and provide value for money, we can contribute to this agenda by sustaining growth through the promotion of business and investment; creating a highly-skilled workforce; and promoting free and open markets.

Finally I would like to express thanks to all those who have contributed to the development of this strategy as well as to those who have been involved in producing research within, or on behalf of, BIS up until now.



Amanda Rowlatt
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¹ http://www.civilservice.gov.uk/Assets/13842%20Cross%20Cutting%20Web_tcm6-35132.pdf

2. Introduction

The Department continues to develop a robust and coherent evidence base to aid the development of its policies, with the use of research increasingly integral to BIS policymakers. The aim of this strategy is to highlight priority research areas for BIS in the financial year 2011-12, outlining how this research will feed into policy development that will help the Department meet its objectives.

Research is essential in informing and influencing policy as it provides a valuable resource to ensure that policymaking is evidence based. Research is commissioned to meet the short-term information requirements of policymakers and to strengthen the medium to long-term evidence base in the Department's key policy and programme areas. BIS covers a very broad range of policy areas, which incorporates: national and regional productivity and economic performance; business sectors; enterprise; the low carbon economy; trade; employment relations; consumer and competition policy; further and higher education; and science and innovation. As such, there are a number of areas in which economic and social research is required to support policy development.

This research strategy aims to highlight BIS' research priorities over the 2011-12 period.² The aim is to consolidate all of our existing and on-going research to ensure it aligns with the Department's key policy objectives. This provides an overall picture of our economic and social research in order to identify potential gaps in the evidence base. It is vital to appreciate that whilst the current economic situation has meant BIS has had to meet new, more immediate challenges, this should not detract the Department from its medium and long term goals.

Following the recession, the UK's economic position remains uncertain. UK businesses face a weakened global market and increased competition from abroad. Consumers are faced with the challenge of higher prices and stagnating incomes. The Government will need to ensure businesses have the support to benefit from the recovery, ensuring they are equipped and able to prosper from globalisation and new markets for growth. Continuing investment in skills and the universities is needed to ensure citizens have the opportunity to achieve their potential and provide businesses with the skilled employees they require.

² This strategy outlines the research completed or ongoing in BIS at the time of publication.

3. BIS Priorities and the Role of Research

As the 'Department for Growth', BIS is central to the UK economic recovery by creating the conditions that enable businesses to start-up, invest, grow and be profitable. The Department also has the lead role to play in the Coalition's commitment to creating a fairer and more balanced economy.

BIS contributes to this agenda by:

- Promoting business and innovation
- Creating a highly-skilled workforce
- Promoting free and open markets

This will be achieved by meeting nine priorities based around four themes:

I. Secure an economy that is more dynamic and more balanced between public and private sectors and between regions

1. Rebalance the economy across sectors

Ensure new businesses and economic opportunities are more evenly shared, supporting growth and a low-carbon economy.

2. Rebalance the economy across regions

Enable local authorities and businesses to determine the development strategies for their local area, in ways that support economic growth and help to rebalance the economy.

3. Safeguard the future of Royal Mail and the Post Office

Secure the future of the universal postal service and create a sustainable future for Royal Mail and the Post Office network.

II. Safeguard the UK's long term growth by promoting skills and by turning knowledge to commercial use

4. Build an internationally competitive skills base

Create a dynamic and efficient skills system with informed, empowered learners and employers served by responsive colleges and other providers in their areas.

5. Support universities, science and research in building a strong, innovative economy

Establish a higher education, science and research framework that promotes world-class competitiveness in teaching and research. Ensure progression, fair access and better quality for students. Strengthen links between universities and industries and support innovation and technology development.

III. Stimulate enterprise and trade to drive the rebalancing and private sector growth we want to see

6. Boost enterprise and make this the decade of the entrepreneur

Help small and medium-sized businesses start and thrive through better business support, improved access to finance and stronger competition, with fewer market barriers to entry, creating a more entrepreneurial culture.

7. Stimulate exports and inward investment

Promote open and fair global markets, improve UK Trade & Investment's focus on generating high-value inward investment, and strengthen the capability of UK exporters.

IV. Remove government as an obstacle to growth while ensuring responsible corporate behaviour

8. Create a positive business environment

Create a business environment that supports long term investment and sustainable growth, reducing regulation, creating more flexible labour markets, reforming corporate governance and ensuring that intellectual property laws promote commercial innovation.

9. Protect and empower consumers

Strengthen consumer protections, especially for the most vulnerable, and promote more responsible corporate and consumer behaviour through greater transparency and by harnessing insights from behavioural economics and social psychology.

Role of research and the use of evidence in BIS

Economic and social research is central to good policymaking. To ensure the underpinning of evidence in policymaking, all government departments are required to produce either an impact assessment or business case that sets out the likely costs and benefits of a proposed policy, with analysis based on the most robust evidence base at the time.³

Analysis is also essential to underpin the decisions to remove, or reduce the scope of, particular policies or programmes which no longer meet BIS' objectives efficiently as part of the Government's deficit reduction plans. Similarly, under the new system of One-In-One-Out, the Government is committed to reducing the regulatory burden faced by business. New regulations being introduced are scrutinised, based on evidence to estimate the likely costs and benefits before a decision is made on whether to proceed.

³ All Impact Assessments are published on the BIS website <http://www.ialibrary.bis.gov.uk/>

Evaluations of existing BIS policies and programmes also contribute significantly to the evidence base, analysing the actual impact of a particular policy compared to what would have taken place had that particular policy not been implemented. This can also be compared to its estimated impact at the time of its introduction and providing feedback for future policy design. The BIS Evaluation Strategy⁴ outlines the Department's approach to evaluation and the incorporation of evaluation evidence into policymaking.

Research governance

Given the current economic challenges and the varied Departmental portfolio, there are a number of directions in which research could be taken forward. However, in the current fiscal environment, it is crucial that research is strategically focused. The governance structure of Departmental economic and social research outlined below ensures that local knowledge and expertise is utilised in the prioritisation process, whilst maintaining a system where funding is allocated to those areas which demonstrate the greatest value for money.

Research budgets are allocated down the Departmental structure, with each analytical team receiving their budget from their Group⁵. Each analytical team has a Research Committee⁶ which is responsible for considering the business cases supporting each research bid and allocating the team's research budget, prioritising funding to those projects which will have the greatest impact on policy development. In some cases, committees agree research programmes for a financial year in advance; in other cases, research projects are agreed on a more ad hoc basis.

In order to maximise consistency and transparency, Research Committees are recommended to consider the following criteria when prioritising research funding:

- The extent to which the proposed research project helps meet Departmental objectives and is consistent with the priorities outlined in this strategy;
- The cost effectiveness and value for money of the project, including the level of benefit which will be achieved relative to the cost, the longevity of the benefits, and the incremental loss in benefits which would arise from a given reduction in the budget
- The level of risk involved in the project.

⁴ <http://www.bis.gov.uk/assets/biscore/economics-and-statistics/docs/e/10-1098-evaluation-strategy-evidence-based-decision-making.pdf>

⁵ BIS is divided into Groups according to the policy areas covered (e.g. Business and Skills Group, Knowledge and Innovation Group). The budget for each Group is allocated by the Finance Directorate.

⁶ Research Committees can consist of both analysts and policy officials. The precise membership varies between different teams.

BIS strives to achieve the maximum value for money from all its economic and social research projects. To ensure this, the majority of projects are tendered competitively or through a framework agreement. Single tenders are only allowed in exceptional circumstances, such as when one firm owns a pre-existing dataset necessary for the research. In addition, project managers are strongly encouraged to submit a draft report for peer review by other government analysts in order to ensure they are completed to the highest quality and address all the relevant issues.

4. Priority Research areas for 2011-12

I. **Secure an economy that is more dynamic and more balanced between public and private sectors and between regions**

The recession brought to the fore the consequences of the UK economy being overly concentrated towards the financial sector. Diversification, into new markets such as green technology and advanced manufacturing is needed, along with promoting competitiveness in areas where the UK already has a comparative advantage; to ensure the country is not so reliant on a narrow range of economic sectors.

In order to meet the Government's plan to reduce the deficit, a reallocation of service provision is needed from the public sector towards the private sector. We need to ensure that the transition is managed well, with the private sector equipped and able to fill the gaps, whilst the loss of public sector employment is not detrimental to one area only.

Regional disparities remain in the UK, with growth in Southern regions higher than in the North, such that GVA per capita levels in London for 2009 were twice as high as those in the North East. To ensure a balancing of the economy and opportunity available to all, BIS needs to truly understand the causes of these disparities in order to implement policies to overcome them. In November 2010, BIS and HM Treasury announced a fundamental review of what each part of Government is doing to create the best conditions for private sector growth.

The Plan for Growth Published in March 2011 set out actions from the first phase of the Growth Review which examined the following priority areas:

- Planning
- Regulation
- Trade and inward investment
- Access to finance
- Competition
- Corporate governance
- Low carbon

The first phase of the Growth Review also examined the following eight sectors:

- Advanced manufacturing
- Healthcare and life sciences
- Digital and creative industries
- Professional and business services
- Retail
- Construction

- Space
- Tourism

The Autumn Statement 2011, published in November 2011, set out actions from the second phase of the Growth Review, which focused on:

- Infrastructure
- Education and skills
- Logistics
- Mid-sized businesses
- Rural economy
- Open data

1) Rebalance the economy across sectors

Growth is the Government's top priority and every part of government is focused on it. There is a clear and active role for government to create the conditions and drivers for the private sector to grow, whilst removing the unnecessary barriers that can stifle growth. BIS research seeks to understand the role Government can have in enabling private sector growth.

International comparison of the impact of energy and climate change policies

Current evidence on the impact of energy and climate change policies on industry in different countries varies considerably. This project will develop a detailed understanding of the various policies in place in 10 key countries (plus the UK) and develop a quantitative metric to enable the comparison of the impacts these policies have on industry. The findings will feed into cross-Whitehall discussions on the impact of energy and climate change policies on the UK's competitiveness.

Economic Advice on the rationale and value for money of the Green Investment Bank (GIB)

The information and analysis undertaken in this project will ensure that the establishment of a Green Investment Bank is founded on robust and comprehensive evidence. It identifies the existing market failures and the sectors where the GIB could play a role, and also provides the analytical basis of the value for money assessment. This is vital to demonstrate the case for Government intervention.

Low Carbon and Environmental Goods and Services database.

The database provides an evidence base on the turnover, employment, number of firms, international trade and turnover growth of the low carbon and environmental goods and services sector. The database contains both UK and global information and importantly it provides details on the wider supply chain. It covers the traditional environmental services and renewable energy, as well as emerging low carbon activities, such as low carbon building technologies and carbon finance. The data on this sector now covers a number of years allowing for intertemporal comparisons.

Low Carbon and Environmental Goods and Services database.

The database provides a sound evidence base on the turnover, employment, number of firms, trade and growth of the low carbon and environmental goods and services sector. The database contains both UK and global information. Importantly it provides details on the wider supply chain and the split between manufacturing, R&D and services. It covers the traditional environmental services and renewable energy, as well as emerging low carbon activities, such as low carbon building technologies and carbon finance. The data on this sector now covers a number of years allowing for intertemporal comparisons.

Cleantech Database

This is financial data from a number of sources, including international exchanges and databases. It includes analysis on market intelligence for the cleantech sector including who are the key players, venture capital investment trends, and other market trends such as Mergers and Acquisitions (M&A) and IPO (Initial Public Offering) data. Access to this data provides significant insights into the demand and supply of investment in the move to a green economy. It can also provide better evidence on the market's expectations about the future of the UK green sector over the longer-term.

Understanding and strengthening evidence on the productivity spillovers of intangible capital

The research project analyses and synthesises the evidence base on productivity spillovers relating to investment in intangible capital - specifically those relating to the BIS policy areas of skills, research and innovation. The project will include a cross cutting literature review, a review of evidence used in quantification and provide recommendations on data and methodologies to further strengthen the BIS evidence base to identify research required to further improve the design and development of policy.

2) Rebalance the economy across regions

Reform of the regional development landscape is underway, with the creation of Local Enterprise Partnerships, Enterprise Zones and the Regional Growth Fund to deliver regional policy. The aim is to enable local authorities and businesses to play a key role in defining and determining the development strategies for their local area.

Spatial Economic Research Centre (SERC)

There is evidence that the UK's regions show a large divergence in their economic performance. SERC is an independent research institute examining why the UK has such an imbalanced distribution of economic performance and how policy can address these imbalances. The Centre is primarily based at the London School of Economics, but includes economic and geographic experts in universities throughout the country including Oxford, Cambridge, Newcastle, Glasgow and Swansea. The research from the Centre has provided valuable evidence to help shape policies aimed at driving growth and rebalancing the country. SERC is also funded by ESRC and Welsh Assembly. For details, see www.spatialeconomics.ac.uk

Subnational economic and business intelligence

The English Business Survey (EBS) is a major new survey that will provide timely and rigorous information about business and economic conditions throughout the country and will be widely used by government, local partners and the private sector. The EBS will survey 3,000 English businesses each month to provide evidence on business activity, investment and employment. The survey will provide robust regional indicators of economic conditions on a monthly basis and subregional indicators quarterly. The survey will provide findings by sector, size of business and particular geographies (such as cities).

3) Safeguard the future of Royal Mail and the Post Office

Research regarding Post Office mutualisation has been conducted in 2010/11.

II. Safeguard the UK's long-term growth by promoting skills and by turning knowledge to commercial use

Improving the level of skills is a key priority for the Government. Investment into apprenticeships and Further Education (FE) along with ensuring the fair funding of universities will drive up the skill base, ensuring businesses have the workforce it requires to compete with our international peers.

Business survival will depend on innovative solutions to the challenge of globalisation facing firms with competition from low cost economies. Innovative ideas and new ways of working will enable the UK to prosper from the benefits globalisation brings.

4) Build an internationally competitive skills base

A dynamic and efficient skills system will enable the workforce to be equipped to match the needs of a changing economy. International comparisons with other OECD countries show a poor ranking in terms of the proportion of the population with Level 2 qualifications. Government needs to understand what drives these international differences and demonstrate how BIS interventions are tackling those drivers. Our research will give us an insight into which forms of training (what subjects, what modes of delivery, and in what circumstances) generate the best economic returns and social benefits to both employers and learners, and what market failures will remain that will be a barrier to private investment. The Government aims to enable people to choose the learning that will help them achieve their goals, and empower and inform learners so they can hold colleges and providers to account. Skills provision and training should come from both the public and private sector, with our research projects focused on making the case for investment in skills, being able better to demonstrate the links between the quality of the UK skills base and its productivity and growth, and gaining further evidence on the spillovers and externalities of skills and training.

Wider economic benefits (spillovers) of skills/training

The research project analyses and synthesises the evidence base on productivity spillovers relating to investment in intangible capital - specifically those relating to the BIS policy areas of skills, research and innovation. The project will include a cross cutting literature review, a review of evidence used in quantification and provide recommendations on data and methodologies to further strengthen the BIS evidence base to identify research required to further improve the design and development of policy.

Assessing Deadweight in Further Education and Skills

This research project will improve our evidence base on the extent of additionality / deadweight in Further Education (FE) and Skills, focussing on work-based learning routes such as apprenticeships. The study will i) develop a conceptual framework for assessing the extent of additionality / deadweight in FE and Skills programmes; ii) provide an overview and critique of existing evidence; iii) undertake econometric analysis of the National Employer Skills Survey (NESS) on the extent of additionality in apprenticeships, and iv) make recommendations for further analysis and data collection to develop BIS's evidence base in this area going forward. Such evidence will improve BIS's assessment of the value for money of government investment in different programmes.

Evaluation of FE Learning

This research will survey FE learners to understand more about their course, their course choice, satisfaction and expected outcomes and explore how this affects the subsequent outcomes in terms wage gain or improved job outcome, and separately that lead to further learning at a higher level. The research will also look at the impacts to social mobility.

Employer focused training

There is some evidence of the benefits to employers in some sectors of apprenticeships and of apprentices' satisfaction. We hope to gather a more representative assessment of the benefits and costs across different sectors to employers and apprentices of engaging with apprenticeships. Benefits to employers will be demonstrated through survey material and data matching using the Virtual Microdata Laboratory (VML) to identify the contribution of apprenticeships to productivity. Benefits to apprentices will cover aspects of progression and economic returns. We hope to extend this research to cover other work based training programmes.

International comparisons of employer investment in training – EU continuous vocational training survey (CVTS4)

The UK contributes to the EU-wide survey. This allows BIS to benchmark the incidence, duration, type and costs of vocational training offered by employers. Previous surveys (1994, 1999, 2006) have indicated that the UK may have a higher than average incidence of training, but of shorter duration than the EU average. The survey covers 4000 enterprises in the UK with more than 10 employees. The work is required under EU Council regulations, but we will extend the minimum requirement to cover health and social care work. The data will be available to external researchers when released by the EU.

Understanding international differences in patterns of training

This is a follow-up to the continuing vocational training survey (CVTS). A key issue arising from the CVTS is why employers in Britain provide such short periods of training per trainee.

The work will involve case studies of a selection of countries and perhaps follow-up of some CVTS interviews with qualitative work to place the results in context of employers' investment in apprenticeships and the drivers and barriers to training.

Apprenticeship evaluation

This will largely take the form of surveys of employers and individuals covering the quality, delivery methods including accelerated learning, barriers, experience and perceived impact of apprenticeships. Specifically the evaluation will cover:

- The contribution to productivity
- Cost benefit to employers
- The case for government intervention (including deadweight) scoping assessment
- Progression from apprenticeships to higher level study
- Pay survey

Developing an internationally competitive skills base – multinationals' views of the UK skills base

This will explore:

- How important skills are as a factor in the decision to invest in particular countries;
- Perceptions of how the UK skills base compares to the main competitors.

This will help assess the feasibility of developing a measure as an indicator of the success of BIS' Skills Strategy. The research will be based on a UKTI survey of measuring change in UK reputation in China, India and USA by a quantitative phone survey of commercial organisations likely to engage in international investment in the next 5 years.

Assessing the proportion of the adult population who lack basic skills

We will update our assessment of the proportion of the adult population who lack basic skills. This will be able to show the extent of any change in the adult population's basic literacy and numeracy skills since our last survey in 2003. The research will gather evidence through a large scale survey. We will also undertake research to look at the impact of different forms of Skills for Life provision.

Training for unemployed (Not in Education, Employment or Training - NEET) and a renewed focus on the 18-24 NEET population

There is evidence that those who are less skilled are more likely to be unemployed, but evidence gaps remain as the new processes bed down on the impact of new policies on the take-up and effectiveness of training. We will also assess the impact of changing policies on NEETs and disadvantaged

groups. Part of this research will be jointly undertaken with the Department of Work and Pensions, and we will carry out other research with providers to assess take-up and availability of provision for NEETs and other disadvantaged groups.

Evaluation of the FE Teachers' Qualifications Regulations (2007)

This evaluation will assess whether the regulations are meeting their intended aims of embedding a culture of professionalism and consistent standards so that learners have expert subject teaching by qualified and skilled teachers. The evaluation will analyse data to look at the trends in teacher qualifications; and carry out case studies with a range of providers to assess progress.

Research to assess the impact of funding changes, including incentives for training unemployed people

The research will assess the impact of funding changes in FE and skills, particularly for unemployed people where incentive payments are being considered. It seeks to understand the range of provision which is being delivered in the 2011-12 academic year through qualitative research with FE colleges and training organisations.

Overarching Evaluation of the Skills Strategy

This will take the form of a synthesis, looking to identify links and relationships between the evaluations of individual components of the strategy. It will provide a broad picture of the aggregate impact of the Strategy on key outcomes, and will be informed by a wide range of existing data, research and evaluation.

5) Support universities, science and research in building a strong, innovative economy

To become a more innovative economy the UK needs a well-funded higher education system, along with strong investment in science and a research framework that promotes world-class competitiveness in teaching and research. The revised higher education system must deliver value for money for the taxpayer whilst ensuring quality for students and fair access. BIS also aims to strengthen the links between universities and industries, vital for innovation and technological development.

Student Income & Expenditure Survey (SIES) 2011/12

The survey will be an update to the SIES 2007/08 and will provide a baseline for changes to tuition fees and student support which will be introduced in September 2012.

SIES is the most important and authoritative study of the income and expenditure of students in England and Wales. Results from previous studies have been used to inform policy making around student financial support systems and as key inputs to the Fees Commission. Future SIES will be used

to understand the impact of any future changes to student support. The data will be available to researchers via the Data Archive.

Analysis on the predictability of A level results

This research will provide further analysis of predicted and achieved grades of applicants to start HE in September 2011. The research will explore the overall accuracy of prediction for an individual, and the destinations of students who missed their desired destination by a slight margin.

The results will provide important information for the Admissions Process Review being lead by UCAS, in that it will provide robust findings on whether particular groups of young people are affected by the use of predicted grades and what would be the likely impact of any changes.

Graduate Premium – further analysis

The financial returns to individuals for degree and higher level qualifications has been one of the major strands of evidence underpinning the economic case for investment in HE. While a solid evidence base has been developed, many of the results relate to ‘the average student’ or can only be presented at high levels of aggregation. This study aims to explore what further disaggregation of graduate premium, returns, earnings, etc. are feasible, and to calculate these where possible. Particular analyses include investigating differences in returns by:

- institution – using DLHE (Destinations of Leavers from HE) and LDLHE (Longitudinal DLHE)
- subject – LFS, DLHE and LDLHE
- type of student – analysis of HESA data to examine movements between social class and/or ‘disadvantaged’ areas (or other metrics)

And examining:

- ‘long-term’ trends, investigating whether financial returns have held up despite the substantial increase in the numbers participating in HE – this could take the form of Labour Force Survey (LFS) analysis to try to identify any changes: ‘grouping’ by age cohorts of graduates from 1996 (or 1992)

The study will help to develop a better understanding of how the benefits of Higher Education may vary for individuals, different groupings and across different types of HE which remains important to inform decisions on public and individual investment.

Demand by Students for Postgraduate Study

There have been limited analyses done on the impact of the 2006 student finance changes on student demand for postgraduate study. Future increases in undergraduate fee levels mean that it is important to understand more clearly what influences student demand for different types of postgraduate study. Since data on postgraduate applications is not held centrally, this study will require primary data collection from institutions and/or students. It will inform policy on government support for postgraduate study.

Delivery of Higher Education (HE) in Further Education (FE) institutions

Currently around one in eleven UK-domiciled higher education students in England are taught in further education colleges, and the expectation is that this figure will increase following the reforms set out in the recent HE White paper. However, the college sector of HE is poorly understood and under-researched for a variety of reasons, including administrative data collection arrangements, funding, validation and structural arrangements. This research will investigate the delivery of HE in FE institutions, providing evidence on students, institutions and employers in order to:

- identify the features of successful provision, including their accessibility, flexibility, responsiveness and cost-effectiveness;
- consider where the opportunities for expansion might best be found, whether through the growth of current successful provision or by the stimulation of new activity;
- encourage participation by those groups targeted by government policies for widening participation.

Expanding and Improving Part-time Study

Around one-third of all UK domiciled undergraduate students study part-time. They comprise a diverse group and are quite different to the traditional model of an HE student: they tend to be older, with a range of prior qualifications and studying a wide range of qualifications. Provision is equally diverse, with day-time, evening and weekend courses being delivered in partnership between institutions, at an employer's premises, or via distance learning. The recent HE White paper proposed changes to student support which went some way towards removing the distinctions between full time and part-time study which might lead to more people, including young people, to opt for part-time study.

This project will:

- collect information and data on how institutions encourage and support part-time study for undergraduate students of all ages;
- provide evidence to help determine whether it is feasible to introduce policies to increase the numbers of young people who study undergraduate part-time courses;
- identify likely barriers to increasing numbers and the changes and incentives that may be required.

This will help assess the potential for expanding cost-effective part-time courses at an undergraduate level in HE (targeted towards younger students); and more widely will inform policy on a shift of provision towards alternative modes of delivery, including part-time study.

Alternative and Private Providers of HE

Currently it is estimated that around only 1% of HE provision takes place in private providers. However, beyond some basic statistical information on the scale of provision, very little is known about private providers, the courses that they offer, the types of students studying there, and their motivations, experiences or outcomes. The HE White Paper aimed to enable a wider range of providers to enter the sector to offer more choice for students. It is anticipated that private providers will form part of this wider offer.

This research would seek to improve our understanding of the sector to help assess and forecast the potential for growth (in both supply and demand), likely costs and regulatory implications.

Decision Making of High Achieving HE Applicants

Previous research has shown that even when students possess equivalent qualifications, socially and academically selective schools are still likely to exhibit higher than average application and participation rates at the most selective universities. This study, which is jointly funded by the Department and the Sutton Trust, explores the application behaviours and influences on young people predicted to get at least 3 grade Bs (and separately at least 3 grade As) at A level. The aim is to understand why equally capable higher education applicants make very different decisions about the types of HE institutions to which they apply.

The research will inform policy around widening participation and fair access, in particular to inform decisions on provision of appropriate information, advice and guidance to different groups of young people at different stages.

Part-time Futuretrack – Employer Views

Despite comprising around a third of all UK domiciled undergraduate students, relatively little is known about the motivations, experiences and outcomes of those studying part-time or the views and experiences of their employers. BIS is funding the employer-related element of this longitudinal study of part time students, which is being funded by the Higher Education Careers Services Unit (HECSU).

The project will inform policy development around part-time study, in particular providing information for prospective students and their employers on the benefits and outcomes of part-time study.

International Comparative Performance of the UK Research Base

The main objective of the study is to provide a key resource by which to judge the relative international performance of research outputs produced in the UK. In addition, this study considers data on research inputs, so as to enable the tracking of spending changes occurring now that could potentially impact on future international rankings of science and research performance.

Community Innovation Survey, 2011

This is the seventh wave of the UK part of the Community Innovation Survey and will cover the years 2008 – 2010.

The survey provides a comprehensive overview of business innovation activities in the UK and opportunity for international comparison. It is the key source of information for business innovation activity, expenditure, drivers and outcomes. BIS publishes a summary of findings upon release of each wave to be found on:

<http://www.bis.gov.uk/policies/science/science-innovation-analysis/cis>

Also, the data is available to external users, but due to confidentiality issues has to be accessed through the ONS Virtual MicroLab. This is accessible on: <http://www.ons.gov.uk/ons/about-ons/who-we-are/services/vml/about-the-vml/datasets-available/dataset-downloads/index.html>

The survey is also available on the secure data service that most UK Higher Education Institutions now have.

Funding models, research performance and the effects of the UK National Science System.

This research will look at the role of funding agencies entrusted with managing funds on behalf of the government. The project aims to map existing data sources for analysing funding structures and their effects with a view to identify synergies and gaps in the evidence.

Mobility patterns of researchers across the OECD

The Department has made a contribution to an OECD research project on Knowledge Transfer Embedded in People, predominantly to consider the use of bibliometric data to study mobility patterns of researchers across the OECD.

III. Stimulate enterprise and trade to drive the rebalancing and private sector growth we want to see

The Government is committed to helping existing enterprises and creating the conditions to enable businesses to start-up and grow. Any economic recovery is going to be driven by business, and we need to ensure they receive the support they require and remove the barriers they face, including making sure British businesses are able to benefit and harness the potential from growing markets abroad.

6) Boost enterprise and make this the decade of the entrepreneur

We need to help small and medium-sized businesses start and thrive through better business support, providing services at both the national and regional level and removing market barriers to entry. Businesses tell us they continue to face difficulty in accessing finance and the Government aims to improve the flow of credit to SMEs. The Government's vision is for everyone to have the opportunity, aspiration and motivation to use their talent and initiative to be enterprising and have an increased proportion of people starting a business.

Mid-sized businesses

As part of the Government's Growth Review, BIS has been looking at the contribution to the economy of the population of firms that have grown beyond the size of smaller firms, but have not yet reached the size of the largest firms. These are referred to as Mid-sized Businesses (MSBs)⁷.

BIS has carried out in-house analyses and also commissioned new research from a number of organisations on MSBs:

⁷ The Mid-sized Businesses Growth Review uses a definition based on turnover, £25m-£500m per year. £25m is the upper bound of the SME turnover definition, whilst £500m was chosen as a cut-off point for these 'smaller' large firms. Note however, that the Companies' Act SME definition requires that two out of three characteristics are met – turnover (less than £25m), employees (less than 250), and gross assets (less than £12.5m). Therefore there is likely to be some overlap with SMEs in the MSB population that we are looking at in this analysis. BIS estimates that over half of MSBs also have fewer than 250 employees.

- BIS and Aston demographic analysis of MSBs

In separate studies, BIS and Aston University have investigated a number of demographic characteristics of MSBs and compared them to those of smaller and larger enterprises. BIS have used the Inter-departmental Business register (IDBR) and Aston University has used the ONS's Business Structures Database (BSD), a longitudinal version of the IDBR.

a) BIS analysis from the Inter-departmental Business register (IDBR) broken down by a range of MSB and non-MSB turnover size categories (2010 or 2011), includes:

- Count of enterprises broken down by industry, region and limited to the 'private sector'
- Employment and turnover broken down by region and industry

b) Aston University analysis of the ONS Business Structure Database (BSD) for private-sector enterprises broken down by a range of MSB turnover size categories (1997-2010), includes:

- Enterprise counts and turnover broken down by enterprise size, industry sectors and at 2 digit SIC
- Distribution of turnover per employee

- Aston University analysis II

In investigating MSB growth performance, there were 2 areas of the research commissioned by BIS:

a) Aston University analysis of growth and survival of MSBs

Aston University used the BSD to examine growth of private-sector MSBs between 1997 and 2010, including looking at:

- Job creation and destruction
- Birth of enterprises and their survival as MSBs
- Survival and destination by turnover size-band of MSBs.

b) Aston University analysis of growth and business characteristics of MSBs, incorporating both data-linking methodologies and regression analysis

Aston University investigated a number of growth and business characteristics of MSBs by matching firm-level records from ONS's Business Structures Database (BSD) with the FAME database. The analysis builds on the

strengths of both of these sources by using firm-level identifiers to match records from each dataset and then merge them.

The Aston analysis for the growth of MSBs in terms of business characteristics, includes results on:

- The matching rate
- Export intensity
- Family ownership
- The extent of UK ownership of overseas subsidiaries and foreign ownership of UK MSBs
- Financial performance such as return on capital, shareholder funds

- MSB Evidence from Case studies

As a key part of the new evidence base on MSBs, BIS commissioned a qualitative study on Mid-Sized Business Growth and this was carried out by Middlesex University Business School.

Using a case study approach, the aim of the research was to better understand:

- the factors influencing the growth plans and potential of mid-sized businesses (MSBs)
- the factors affecting management strategies
- decisions about the scale and future direction of investment

- ONS analysis of capital expenditure data using the Annual Business Survey (ABS).

- NIESR analysis of international comparisons

On behalf of BIS, NIESR undertook an analysis, comparing the characteristics of Mid-sized Businesses (MSB) in the UK with a selected number of European countries (France, Germany, Finland and Sweden). The selection of countries was informed by a desire to capture some of those countries that have performed comparatively well during and before the current economic crisis. Further countries may be added at a later stage.

Business Barometers 2011/ 12

The SME Business Barometer uses the Small Business Survey database to periodically re-interview 500 of the SME employers. This survey provides reliable and up-to-date trend data on SME performance and the factors that affect this. The reports are widely used to inform policy development and are published on the BIS website and available for use by external researchers.

Growth ambition

This project is being undertaken jointly with Scottish Enterprise, Invest NI and the Welsh Assembly Government. Scottish Enterprise are managing this project which is designed to explore the relationship between growth ambitions and subsequent performance and whether and how policy might be used to increase ambition, and hence growth, in SMEs.

The effects of work organisation on business performance

Research is being undertaken jointly with UKCES and is designed to identify policy options for promoting the adoption of High Performance Work Systems (HPWS). The UK Commission defines HPWS as 'a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance'. Existing evidence shows that HPWS enhance the discretionary effort employees put into their work and enables them to fully utilise the skills that they possess, thereby increasing firm productivity and performance.

Job Creation and Destruction update

This research provides an update and analysis of job creation and destruction over the ten years up to 2010 and documents the increasing importance of SMEs to the UK economy. The Report has been published on the BIS website and is available for use by external researchers.

Evaluation of the Enterprise Finance Guarantee (EFG)

The evaluation of EFG will determine whether the scheme is having an impact and whether it provides value for money. The evaluation will be similar to the 2009 evaluation of the Small Firms Loan Guarantee (SFLG), with a phone survey of EFG recipients and a comparison group of other sources of finance. This would allow an examination of impacts on business growth, whilst controlling for other (recessionary) factors.

Business Improvement Programme

The department is delivering major reforms to the way Government provides information and advice to small businesses. To help assess the impact of these changes and to maximise their effectiveness the Department will be commissioning a number of research projects. This will include an early assessment of the Business Link Helpline and research to enhance its understanding of the provision of business mentoring.

Scoping Research to Explore Developing an SME Growth Segmentation Model

This project aims to draw on behavioural economic theory and review existing evidence to explore factors driving SME growth-related behaviours. It will begin to develop a segmentation model of business behaviours and

characteristics to help us to better understand the SME population and lay the foundations to test policy options for generating growth in SMEs.

SMEs and large businesses

This project is designed to analyse: (a) how businesses transition from medium to large and (b) how SMEs interact with large businesses; particularly how these relationships affect SME growth. Findings from both these strands of research are likely to be highly policy relevant.

7) Stimulate exports and inward investment

The UK, as an open economy, is well positioned to take advantage of the potential benefits from free trade and open investment. To do this we must understand the barriers British businesses face in exporting and how these can be overcome. This will support UK Trade & Investment's work in focussing on generating high-value inward investment and strengthening the capability of UK exporters.

Research on Free Trade Agreements

This research will seek to inform the UK's negotiations and policy line with the European Union about the overall EU position on negotiating Free Trade Agreements with third countries. The project may also extend to multilateral and plurilateral negotiations, depending on the future and direction of Doha and subsequent events.

The UK's approach to the EU's negotiation of free trade agreements (FTAs) has to be based on a sound evidence base. Whilst much analysis is available from external sources, especially the Impact Assessments prepared for the Commission, we supplement these, where appropriate, with additional research. This typically is focussed on potential impacts on the UK - on welfare, employment, trade and other key economic variables as well as the potential opportunities for UK business - potential tariff savings and identifying the areas where there may be greatest potential for growth. We also identify the areas facing the greatest challenges from increased competition. The research is a mixture of in-house work, largely drawing on stylised facts, and occasionally commissioning some external academics to run general equilibrium models to estimate the macro economic impacts of potential FTAs.

Europe, Trade and International Directorate Internal Research Programme

The trade policy team within BIS is completing a series of analytical papers to support the Trade and Investment White Paper published in Feb 2011. There are 18 papers in total covering a wide range of topical trade policy issues which feature in the White Paper. They are intended to give a brief introduction to the available economic issues, analysis and evidence on each topic in an accessible form. The papers can be found at:

<http://www.bis.gov.uk/policies/trade-policy-unit>

IV. Remove Government as an obstacle to growth while ensuring responsible corporate behaviour.

The Government is committed to removing and simplifying burdensome regulation to business, making sure government is not an obstacle but a partner to realise growth. Growth must be achieved in a sustainable and responsible way, ensuring corporate behaviour and the protecting and empowering of both workers and consumers.

8) Create a positive business environment

The Government's aim is to create a positive business environment that supports long term investment and sustainable growth, with more flexible and efficient labour markets, whilst reducing the regulatory burdens on business, through initiatives such as the Red Tape Challenge and the One In One Out.

To support investment, the Government wants the UK to have a world class corporate governance framework, providing transparency and accountability to shareholders and directors.

Innovation is a key driver for growth and strengthening the intellectual property framework will facilitate innovation. We wish to improve the UK's international approach to Intellectual Property, enhancing the international intellectual property system and facilitate worldwide innovation. Enhancing the framework can be one contribution to entrepreneurialism, economic growth and social and commercial innovation.

Creating more flexible labour markets

Work-Life Balance (WLB) Survey of employees

This research will monitor employer provision of work-life balance (WLB) practices and policies and employee awareness of, demand for, and take-up of WLB initiatives. The project will also monitor working hours, overtime and on-call working. The outputs of this research will feed into policy evaluation and the impact assessment cycle, providing evidence to future policy changes or the amendment of regulations. This data will also be available on the UK data archive for use by external researchers.

Understanding employers' behaviours (work life balance) – qualitative study

This research will consist of qualitative interviews with employers who have experience of requests for flexible working and/or experience of employees taking maternity and paternity leave. The aim is to get detailed qualitative information regarding the operation of flexible employment legislation and practices within businesses. This will enable evaluations of past and proposed

legislation to be more robust as well as improving current impact assessments in this area.

Costs and benefits of flexible working

The research will review the evidence on costs and benefits to business of adopting work-life balance working practices, provide a summary of quantitative evidence on this, and also review evidence on the influence of legislation on the provision and take-up of WLB practices.

Feasibility study of Survey of Employment Tribunal Applications (SETA) - options for a reduced cost design

The feasibility study will include a user consultation and a review of the methodology used in producing SETA. This should establish whether there is a need for another edition of SETA and if so how it can be delivered to give the best value for money.

Business survey on perceptions of employment regulation

This work will provide a baseline measure on business perceptions of regulation - whether they effect employment, what contributes to the development of these perceptions and what part of the regulatory regime causes most difficulty.

The Maternity and Paternity Rights Survey

The survey will provide information on take-up of maternity and paternity rights, benefits and return to work rates for mothers and measure the impact of the 2007 reforms. This data will also be available on the UK data archive for use by external researchers.

Workplace Employment Relations Survey (WERS)

This is the sixth WERS conducted. The survey aims are to: i) map workplace employment relations in Britain and changes over time; ii) inform employment relations policy development, and stimulate and inform debate and practice; and iii) provide a comprehensive and statistically reliable dataset on British workplace employment relations, which is publicly available and easily accessible to users.

Business Impacts on Promoting Equality and Diversity

In cooperation with the Government Equalities Office, the research will be undertaken by an academic to review the evidence base and address identified gaps on the business impacts on promoting equality and diversity. The project is not intended to look at the impact of new equalities legislation, but will examine the impacts of diversity more generally.

Labour Market Analysis Internal Research Programme

Within BIS, the labour market team will undertake research to provide evidence to the Low Pay Commission on the National Minimum Wage.

Low Pay Commission also undertakes and publishes research in many of these areas. This can be accessed from:

http://www.lowpay.gov.uk/lowpay/rep_research_index.shtml

Reducing regulatory burden on businesses

Literature Review on the Impact of Regulations on Growth

This will be a comprehensive literature review exploring the links between regulations and economic growth; incorporating new developments in academic research and empirical analysis. The project aims to provide a useful overview of existing research on the fundamental aspect of BRE work: to help guide the design of regulatory frameworks that maximise economic growth.

Insurance in Regulatory Regimes

Research will evaluate whether it is suitable and efficient to introduce insurance based regulatory frameworks as a way of resolving the market failures in current mandatory regulations. This would provide future support and guidance in implementing market based insurance frameworks in order to achieve regulatory aims.

Business Perception of Regulatory Burdens

This work will explore the reasons for discrepancies between business perception of regulation and the objective reality. By understanding the reasons for misconceptions of regulatory burden in the business community, we would thereby help guide work that aims to reduce information failure.

Regulatory Mapping (Red Tape Challenge Evaluation)

The project will construct qualitative maps of regulatory burdens faced by a selection of businesses. This will help develop understanding of the regulatory burden that most affects business in order to help support and guide deregulation agenda. Furthermore, it would enable the commissioning of future comparative mapping work that would be used as an evaluation of the Red Tape Challenge.

The Quality of Estimates of Business Benefits from Deregulation

This work will explore the quality of ex-ante estimates of Impact Assessments for deregulation, and identify reasons for inaccuracies. This would improve understanding of how deregulation affects costs to business in practice and identify any systematic reasons why businesses may not take full advantage of deregulatory measures.

Improving corporate governance

CASS Business School research into impact of UK Mergers and Acquisitions. (M&A)

The research will aim to establish more up to date evidence on the impact of M&A including short and long term shareholder benefits, the economic impacts and evidence of which M&As are more or less beneficial.

CASS Business School/Financial Reporting Council (FRC) company ownership project

BIS is part of the steering group for a research project initiated by CASS Business School and the Financial Reporting Council to investigate changes over time in the share ownership of the UK's listed companies. The project will make use of a unique data set compiled by a private company RDS Junction to investigate changes in beneficial ownership of the UK's largest companies looking at both sectoral and geographic ownership splits. The data set is compiled from publically available information on beneficial share ownership that arises because of provisions in the Companies Act and will give us a much better understanding of who currently owns UK companies (pension funds, individuals, sovereign wealth funds, etc) and how this position has changed over the last few years.

Support for Kay Review of equity markets

The research will explore short-termism, the functioning of equity markets and high-frequency trading, supporting the Kay Review. The research will involve contact with key academics along with the officials from the Bank of England and the Financial Services Authority.

Executive Pay and relationship to company performance

The supporting evidence paper, produced with key academics, will call for evidence on executive pay and the relationship to company performance.

Enhancing the Intellectual Property (IP) framework

Evaluating criminal and civil IP enforcement policy

This research will look to develop methods for evaluating criminal and civil IP enforcement policy (covering copyright, designs and trademarks), to give an accepted approach to assess enforcement costs against the effects on rights owners, on consumers and on the wider economy.

IP and business growth

Following on from the data linking work done in 2010/11⁸, this research will relate to the use of all types of IP rights (IPR) to business performance⁹. This will be used to understand the use of IPR ‘bundles’ by business, and relate them to work on potential for business growth being done by NESTA and BIS. The analysis will be developed to inform the business outreach services offered to SMEs by the IPO, to identify how to focus effort on firms which are most likely to innovate successfully and grow. This work will look at industries, and at a range of business characteristics.

Patent policy

Research will look into updating work carried out with United States Patent & Trademark Office on the costs associated with patent backlogs and improving the methodology for defining ‘backlogs’.

The costs will be assessed in terms of economic activity associated with patents (pending or granted) which may not meet the full tests of validity, but which deter other firms from exploiting market opportunities. The research will explore the possibility of influencing firm behaviour in the UK and other markets.

Research will also be undertaken to follow up on the Hargreaves Review’s¹⁰ recommendation on patent thickets – “a dense web of overlapping intellectual property rights that a company must hack its way through in order to actually commercialize new technology”¹¹ and whether they pose a problem in the UK – as well as work on firms’ patent renewal behaviour.

⁸ The data is held in the ONS Virtual Micro-data Laboratory. This work linked ONS data on firms from the Inter Departmental Business Registry (and therefore the wider ONS database) to IP rights data on patents, trade marks and design, and Community Innovation Survey. It was then linked to the Oxford Firm Level Intellectual Property Data Base (OFLIP) and the FAME database.

⁹ See: Christine Greenhalgh, Mark Rogers, Philipp Schautschick, Vania Sena. 2011. “Trade Mark Incentives”. *IPO Economics Paper* 2011/1, <http://www.ipo.gov.uk/ipresearch-tmincentives-full-201107.pdf> on trade marks; Shikeb Farooqui, Peter Goodridge, Jonathan Haskel. 2011. “The Role of Intellectual Property Rights in the UK Market Sector”. *IPO Economics Paper* 2011/2 <http://www.ipo.gov.uk/ipresearch-iprights-full-201107.pdf> for the use of intangibles and IPRs in the economy; and Philipp Schautschick. 2011. “Matching Patents & Trade Marks to Business Data at the Firm Level”. *IPO Economics Paper* 2011/10 - Forthcoming at <http://www.ipo.gov.uk/pro-ipresearch.htm> for the data-matching.

¹⁰ Ian Hargreaves. 2011. *Digital Opportunity: A review of intellectual property and growth*. An independent review for the UK government. London: Intellectual Property Office, <http://www.ipo.gov.uk/ipreview-finalreport.pdf>

¹¹ Carl Shapiro. 2001. “Navigating the Patent Thicket: Cross Licenses, Patent Pools, and Standard-Setting.” Page 120 in Adam Jaffe et al. 2001. *Innovation Policy and the Economy*. Cambridge, MA: National Bureau of Economic Research.

Trade Mark Policy

Following on from previous work on the potential links between trade marking and business performance, projects have been commissioned on the impact of multiple trade mark registrations, whether there is a sectoral problem, and whether applicants behaviours change on an annual basis

Work is also underway on the impact of lookalike products on innovation and whether they influence profitability and consumer welfare.

Macro impact of single market initiatives involving IP

The research will integrate macro-economic and firm level analysis to further improve estimates (published in the Hargreaves Impact Assessments) of the effects on productivity and growth from moves to reduce barriers caused by fragmented EU patent and copyright markets.

IP International Policy

There is work with UKTI through the Annual Business Survey to understand what IP support UK exporters need in foreign markets deemed a priority, which is done in connection with the IPO setting up a network of IP attaches at embassies in those markets. There is also work underway to analyse the types of IPR technical support to emerging markets (which is part of the UK's TRIPS obligations) and what is most likely to meet local needs in terms of IPR capability¹².

Knowledge Transfer

Following on the 2010 work on university – industry knowledge transfer, this research will focus on business characteristics for successful exploitation of university generated IP.

Digital Copyright Exchange (DCE)

As part of the Digital Copyright Exchange recommended by Hargreaves, the IPO is considering evidence needed to assess:

- The transaction cost reduction and the impact on competition;
- Opportunities the DCE will give to content originators / rights holders;
- Opportunities for products and service innovation by content users;
- Incentives for existing rights marketing bodies to participate;
- Impact on industry participants.

¹² Roya Ghafele with Jakob Engel and Tom Pengelly. 2011. Analysing the Impact of IP Technical Assistance. IPO Research paper, forthcoming at <http://www.ipo.gov.uk/pro-ipresearch.htm>

Orphan Works:

Building on earlier Orphan Works, we will need further analysis to assess the volume of content affected and the impact on creators and users, along with the determinants of, and likely level for, licence charges for orphan works to operate a system which is effective and fair.

Widening of Copyright Exceptions

The impact assessments included in the Hargreaves review will need further work to help policy design, and strengthen evidence. Main elements of additional work should include:

- Developing methodology to cover both economic and social impacts of exceptions, linking social impacts to government work on social wellbeing;
- Developing the Strategic Advisory Board on IP Policy's work on consumer attitudes and behaviour in digital markets to inform analysis; and
- Quantified analysis with better data on private copying, parody and archiving.

Collecting Society code of conduct:

The Hargreaves Review provides evidence that collecting societies - natural monopoly firms which collect license fees for the use of copyright material - charge commissions from 3% to 21% of costs for similar activity in different markets, suggesting there is some industry inefficiency.¹³ The review recommended codes of conduct to improve efficiency and services. To aid policy design it would be beneficial to explore:

- The legal and economic effects of codes / regulation of collecting societies in other EU markets; and
- Relationship between elements of a code, governance of societies and possible impacts on competition.

Design Follow up:

Work on design which was published in September 2011 which helped our understanding of design rights and their impact¹⁴. Work has been

¹³ Hargreaves Review Team, 2011, "Supporting Document EE: Economic Impact of Recommendations," page 19, <http://www.ipo.gov.uk/ipreview-doc-ee.pdf>

¹⁴ Part 1: Jonathan Haskel and Annarosa Pesole. 2011. "Design services, design rights and design life lengths in the UK" <http://www.ipo.gov.uk/ipresearch-designsreport1-201109.pdf>;
Part 2: Elif Bascavusoglu-Moreau and Bruce S. Tether. 2011. "Registered Designs & Business Performance – Exploring the Link". <http://www.ipo.gov.uk/ipresearch-designsreport2-201109.pdf>
Part 3: James Moultrie, Finbarr Livesey. 2011. "Design right case studies". <http://www.ipo.gov.uk/ipresearch-designsreport3-201109.pdf>

commissioned to evaluate the cost of design right enforcement and to build a map of design activity in the UK, its international reach in terms of exports /imports of design services, offshore manufacture of UK designs and the impact of the methods adopted by firms to protect designs in international markets. This will help inform decisions on developing the best strategy for IPO to adopt in reforming the UK design right regime.

Impact of IPO opinions:

Hargreaves recommends that IPO should have the power to issue opinions on IP issues to reduce uncertainty caused by changing technology, or by clashes between legal systems. Evidence should be gathered for an impact assessment of this proposal, drawing out the impact of greater certainty on innovative firms.

9) Protect and empower consumers

The Government has an objective to strengthen consumer protection, especially for the most vulnerable. By offering greater transparency and harnessing insights from behavioral economics and social psychology the Government aims to promote more responsible behaviour from both corporations and consumers.

Misrepresentation & duress

The research will look into simplification of the law on misrepresentation and duress.

Total cost of credit cap

The research will look at the economic and social impact of a total cost of credit cap. Spend is split between 2011/12 and 2012/13 with the majority in the 1st year. The objective is to assess whether it is desirable and feasible to constrain the total cost of credit. Whilst some of the data collected will be confidential and cannot therefore be shared, efforts will be made to make analysis and data widely available and to encourage other researchers to engage with this subject

YouGov Debt Track Survey

The purpose of this survey is to collect information about levels of debt. Results will be shared as widely as is feasible.

Analysis of debt track survey

Analysis of YouGov Debt Track Survey data relating to credit and debt and will help inform development of policy related to consumer credit. Results will be shared wherever possible.

Wealth & Assets Survey

This survey will help understand determinants of financial difficulty at both household and individual level. Results will be made available to external researchers.

Alternative dispute resolution

This will be a feasibility study including creating a model for future dispute resolution between buyers and sellers of services.

MiData

Midata is a voluntary programme the Government is undertaking with industry, which over time will give consumers increasing access to their personal data in a portable, electronic format. Individuals will then be able to use this data to gain insights into their own behaviour, make more informed choices about products and services, and manage their lives more efficiently.

Research will be undertaken to assist in establishing the midata database. Further research will be conducted on how to make the most effective use of the data.

Consumer Bill of Rights

Research will inform appraisal work for wide-ranging major reforms of consumer legislation. The objective of the legislation is to provide a clearer and more coherent legal underpinning of consumer rights

Consumer Empowerment and Growth

This research will examine the relationship between consumer empowerment and economic growth. This project is at an early stage of development. It links with MiData and other information based services to assess how helping consumers to be better informed can generate efficiencies which improve productivity and thereby boost growth prospects.

Framework Contract

This research will provide additional analytical resource to strengthen Impact Assessments. This contract is due to be advertised in early 2012.

5. Forward Look

To ensure research is undertaken in a strategic way the Department aims to identify evidence gaps and future research priorities in advance. Below are some of the projects the Department will undertake in the financial year 2012-13.

Small Business Survey 2012

The Department's Small Business Survey provides the most robust and detailed data available on characteristics of SMEs, their performance and the factors that affect this. The survey is an essential component of the evidence base on SMEs and enterprise and is widely used to inform policy development. A strategic review of the survey is being conducted prior to fieldwork in summer 2012 to maximise its usefulness in the light of changing conditions and policy objectives.

Long term economic impact of business support programmes

The research will investigate the potential for evaluating the long term impacts of businesses support programmes.

Corporate Governance future research priorities

Research will explore:

- Corporate governance themes, particularly short-termism/functioning of equity markets and executive pay.
- The economic value of company accounts and audit.

Longitudinal Destinations of Leavers from Higher Education (LDLHE)

This study will track destinations after 3½ years of 2008-09 Higher Education leavers. The project will be jointly funded with the Higher Education Funding Council for England (HEFCE) and the Devolved Administrations and Funding Councils.

This would be the third LDLHE, and will provide a picture of the destinations of those who graduated into the most severe phase of the recent recession. It will be a key source of data on labour market outcomes and earnings information which will underpin and update calculation on the benefits and returns to Higher Education (HE).

Economic value of public domain works

The study will explore the economic value of public domain works, to develop a stronger, more structured approach to copyright exceptions and a better economic measure of value added form work not covered by copyright. This will be commissioned in 2012.

6. Publication of research

It is Departmental policy for all research projects commissioned or undertaken by BIS to be published on the Economic and Social Research page of the BIS website¹⁵. The Economics Papers series and the Research Papers series are the main publication vehicles for economic research and social research respectively. Research reports can also be found via links on the webpages of the applicable policy area.

For further information about a specific piece of research, please contact christopher.bryant@bis.gsi.gov.uk

¹⁵ <http://www.bis.gov.uk/analysis/economics/bis-research>

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