



**Government
Economic
Service**

Government Economic Service 2020 Strategy

SEPTEMBER 2016

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Foreword



I am pleased to introduce the Government Economic Service (GES) 2020 Strategy. It presents a clear plan to build on the successes of the past and to deliver the GES' central aim of making sure that policy is informed by the best possible economic analysis delivered by the best possible economists.

I am incredibly proud of the work of economists in government. We have proven ourselves to be relevant, rigorous, and respected. We have been at the heart of many major policy decisions over the past few decades and consistently deliver high-quality and influential economic analysis.

As an institution, the GES has also come to be recognised at home and abroad as a highly effective body of professional economists. Our continued ability to attract the best and brightest and our increasingly strong external and international partnerships are testament to this.

In this Strategy we set out a plan of action to strengthen the economics profession across government. It emphasises our aim to deepen our engagement with our stakeholders outside government, and confirms our commitment to continually developing our members to help them become effective economists and civil servants at all levels. We also reaffirm our commitment to having a diverse workforce, in which economists from all backgrounds thrive and succeed.

This Strategy also rightly places an emphasis on seeking out areas where economists should combine efforts with the other analytical professions. I have always been struck by what we can achieve when the analytical professions work together to face common challenges.

The next few years will be a challenging period for economists, especially as the UK shapes its new relationship with the European Union. These challenges will require us to work flexibly across organisational boundaries and quickly develop expertise in new areas such as international trade, regulation, environmental, and agricultural economics to name but a few. Yet there will be many opportunities for economists and other analysts to ensure all policy decisions are taken with the strongest possible analytical underpinning, and to display the critical role we have in policymaking. I have no doubt that the GES will rise to the occasion as it has consistently done in the past.

Dave Ramsden

Head of the Government Economic Service
Chief Economic Adviser to HM Treasury

Executive Summary

In the 52 years since the Government Economic Service (GES) was founded our economists have been producing high-quality and high-impact economic analysis and advice, and economists have become an essential part of policymaking. This Strategy reconfirms our central aim to **champion economics in government, to ensure that policy is informed by the best possible economic analysis delivered by the best possible economists.**

The next few years will present challenges for government economists. These are not only in light of the decision for the UK to leave the EU, but also a continuing need to achieve more with less, working more flexibly across disciplines, and deepening and broadening our expertise. Yet there are also significant opportunities for economists to demonstrate the pivotal role we have in policymaking.

In this Strategy we set out a plan for the GES to meet these challenges and become even more successful by 2020 and beyond. To achieve this, we will encourage a more outward-facing, engaged and diverse profession which consistently delivers impactful and well-communicated economic analysis. We will continue to take the lead in developing our members to make them more effective, successful and influential economists and leaders in the civil service.

A summary of the key priorities of the Strategy is shown on the next page and will be reviewed annually. They are grouped under three themes:

1. **Impact:** *maximising the impact of our work*
2. **Networks:** *strengthening our networks inside and outside of government*
3. **Engagement:** *deepen engagement with our membership and stakeholders*

Each of these three themes runs through the five areas for action shown in the diagram below.



The delivery of this Strategy depends on the active involvement of economists from all parts of the GES, and GES members at all levels will be given the opportunity to take leading roles in shaping the future of their profession.

Executive Summary: Key Priorities

Theme	Commitment	Will be led by:	Deliver by:
Impact	<p>Even stronger economics capability: Expand existing development offer to cover the latest developments in economics and grow expertise in key new areas.</p> <p>Data Analytics: Develop a comprehensive data science curriculum with other analytical professions.</p>	All analytical professions	Incremental delivery from 2016
	<p>Building capability in the policy profession: Work with other analytical professions to build capability in understanding, interpreting and using analysis within the policy profession.</p>	All analytical professions	Ongoing
	<p>Developing talent at every grade to help economists deliver impact and succeed:</p> <ul style="list-style-type: none"> • <u>Assistant Economists:</u> Comprehensive induction, support for progression • <u>Economic Advisers:</u> Leadership support, and helping economists to develop within grade. • <u>Senior Civil Service:</u> Mentoring and networking 	GES Members	Incremental delivery from 2016
Networks	<p>Strengthened relationships with partner organisations: Reciprocal secondments, joint events, and closer working with key partners at home and abroad to increase the impact of economics inside and outside of government.</p>	GESR Team GES Board	Ongoing, start late 2016
	<p>Networks to deepen knowledge: Build on previous successes and create more networks to encourage the growth of specialist knowledge across the GES.</p>	GES Members	Incremental delivery from 2017
	<p>Strengthened regional networks: Central support to help member-run groups improve the GES offer across the UK</p>	GES Members	Early 2017
	<p>Targeting universities and schools: Coordination and support for visits by GES volunteers, particularly targeted at improving diversity.</p>	GESR Team GES Members	Early 2017
Engagement	<p>Communications: Redouble efforts to promote the GES externally with innovative use of all channels. Re-focus internal communications to create a more engaged membership.</p>	GESR Team GES Members	Incremental delivery from 2016
	<p>Increased visibility of Chief Economists: more opportunities for Chief Economists to promote their departments across the GES, the Civil Service and externally.</p>	GES Board	

Introduction: A renewed vision for the GES

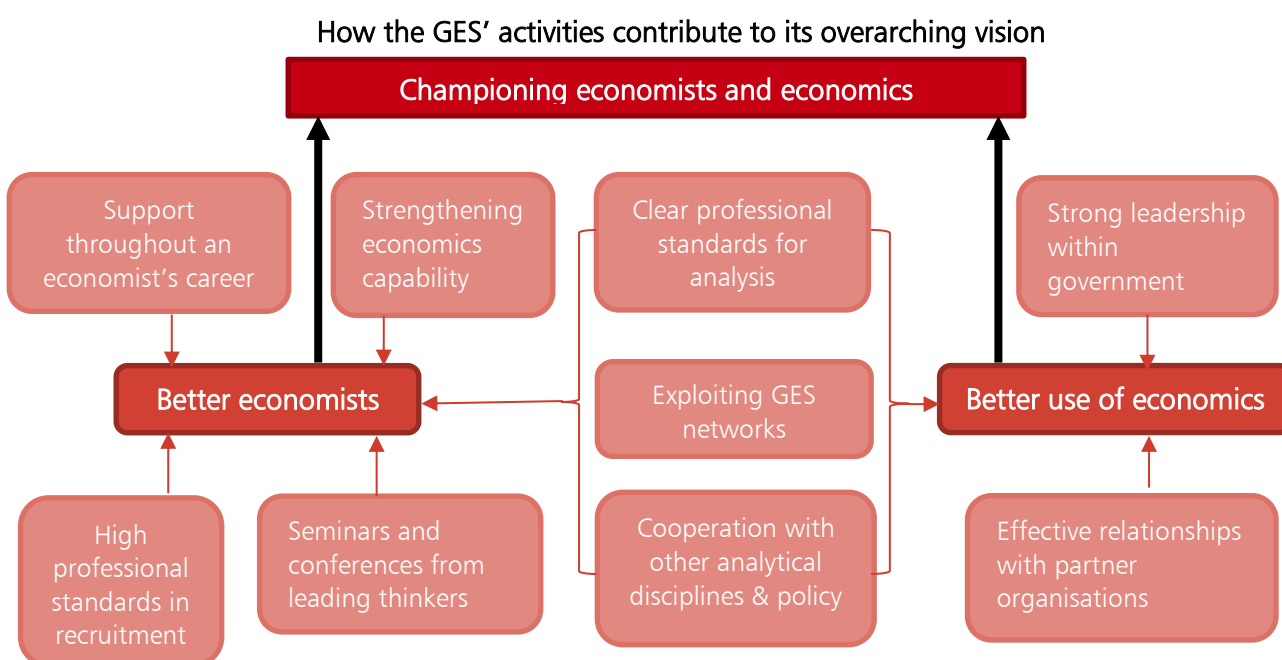
Since its foundation in 1964, Government Economic Service (GES) economists have proved themselves to be relevant, rigorous and respected. We are involved in decision-making across the entire breadth of government. Our ability to explain, predict and propose solutions has seen economists and economics firmly embedded as an essential part of government.

This Strategy reaffirms our aim to champion economists and economists in government, so that policy is informed by the best possible economic analysis delivered by the best possible economists.

The next few years will present significant challenges as well as opportunities for economists in government. The central purpose of this Strategy is to strengthen the economics profession in government. To do this we will encourage an even more outward-facing, influential and diverse profession with a strong economics capability that consistently delivers well-communicated and impactful analysis. The various priorities will be grouped under three main themes:

1. **Impact:** *maximising the impact of our work*
2. **Networks:** *strengthening our networks inside and outside of government*
3. **Engagement:** *deepen engagement with our membership and stakeholders*

The Strategy is also fully aligned to wider civil service reform, particularly given the emphasis on achieving more with less, better use of technology, and a strong commitment to a diverse workforce.



The impact of economists in government

Economics, which is fundamentally about the allocation of scarce resources, will by its very nature have a pivotal role in government, and economists are closely involved in shaping government policy. We achieve this by focusing not only on the analytical rigour of our work but also its communication, timeliness and relevance; as well as close working with other analysts and policy colleagues, to ensure it influences and informs policy decisions.

A recent example of where economists have made a significant impact is the work of the Public Sector Efficiency Group¹, which has not only significantly improved our understanding of efficiency in the

¹ For more information see this article on the Civil Service blog: quarterly.blog.gov.uk/2016/01/25/improving-public-sector-efficiency-to-deliver-a-smarter-state/

public sector, but has also been highly influential in setting out a clear framework within which to analyse the efficiency of public services.

Some other examples include the analysis of the labour market impacts of Universal Credit² (winner of the 2015 John Hoy Memorial Award for the best piece of economic analysis in government), the successful cross-government effort to embed the analysis of natural capital and environmental concerns into policymaking, and the analysis of Scottish Independence and UK membership of the EU. Dave Ramsden's lecture on '50 years of the GES' at King's College London illustrates the many areas in which economists have been pivotal in UK policymaking³.

Our work as economists is often the product of close collaboration between analysts of all specialisms (typically Statisticians, Social Researchers and Operational Researchers). An economist's comparative advantage lies in the approach to questions of government policy: a well-developed understanding of incentives, and an instinctive awareness of the trade-offs inherent in any decision, be they opportunity cost or the balance between economic efficiency and equity.

How the GES is organised

An essentially federal institution, GES members are employed, paid and managed entirely by their departments, agencies or devolved administrations. Reflecting this set-up, each organisation's Chief Economist or Head of Profession for Economics is the leader for the GES within their organisation. This federal structure serves economists well, as it balances the benefits of having a link to a wider professional community with ensuring that economists are fully integrated into their organisations.

Central GES functions are funded out of an annual charge per individual member and are carried out by the Government Economic and Social Research Team based in HM Treasury, who are answerable to the Head of the GES and the GES Board of Government Chief Economists.

As such, while the GES can express a common position on professional standards, or methodology for economic analysis, it does not take a collective position on questions of government policy. For example, GES members provided economic analysis to support the policies of their Governments on both sides of the Scottish Independence referendum in 2014, with the GES as a body taking no formal position on the issue.

The deployment model for economists varies widely across our member organisations, each adopting a model best suited to its need: some have pure economist roles, other more general analyst roles, others have more mixed policy-analyst roles. Yet whatever type of role a GES economist is in, they actively influence policy and decision making through their work.

Strategic areas for action

The actions that this Strategy proposes are grouped around the three main themes of Impact, Networks and Engagement. These run through the five areas shown in the diagram to the right, which the rest of the document will explore.



² DWP publication: [gov.uk/government/publications/universal-credit-estimating-the-early-labour-market-impacts-updated-analysis](https://www.gov.uk/government/publications/universal-credit-estimating-the-early-labour-market-impacts-updated-analysis)

³ Dave Ramsden speech '50 years of the GES'. Transcript available at: <https://www.kcl.ac.uk/sspp/policy-institute/news/assets/Ramsden-transcript-270415.pdf>

Professional Skills

GES economists consistently produce impactful and high-quality analysis, as evidenced by various major published economic reports alongside routine analysis such as impact assessments. To maintain this we need ensure that we have the right skills to meet the challenges of next few years.

Theme	Priority	Will be led by:	Deliver by:
Impact	<p>Even stronger economics capability: Expand existing development offer to cover the latest developments in economics and grow expertise in key new areas.</p> <p>Data Analytics: Develop a comprehensive data science curriculum with other analytical professions</p>	All analytical professions	Incremental delivery from 2016
Networks	<p>Networks to deepen knowledge: Build on previous successes and create more networks to encourage the growth of specialist knowledge across the GES.</p>	GES Members	Incremental delivery from 2017

Strengthening and broadening our economics capability

We aim to ensure that all GES members have access to **high-quality development opportunities in skills and knowledge which are widely used across government**, with departments and individual members to take the lead in developing more specialist knowledge. A non-exhaustive list of what this would comprise of includes: communicating economic analysis to non-analysts; economic appraisal and evaluation; applied microeconomics, econometrics and macroeconomics. An emphasis will also be placed on rigorous quality assurance, as set out in the Aqua Book and the 2013 Macpherson review of quality assurance in analytical models. The GES events programme will also continue to bring in experts at the cutting edge of economics and from a variety of viewpoints, to encourage an even more curious and questioning profession.

There are also several areas which will become increasingly important over the next few years, with the focus on the UK's new relationship with the EU. The GES' capabilities in international, trade, regulation, environmental and agricultural economics will all need to be strengthened. Much of this will be led within departments, but the GES will be proactive in working with them and ensuring that we are able to quickly develop expertise and knowledge is able to be shared across government.

GES Networks to develop expertise

Recent experience with cross-government analytical groups such as the Public Sector Efficiency Group, has proven the benefits of collaboration on issues of shared interest. We will encourage the growth of 'GES Networks' based around an area of cross-cutting economic analysis. Examples could include agent-based modelling, labour economics, or design of payment by results policies. They will facilitate peer to peer learning, deepen expertise, and contribute to important cross-government projects. They will also provide a critical mass for economists to help each other develop infrequently needed skills which are nevertheless essential that the GES maintains an in-house capability.

Data analytics

One of the most important developments in the analytical world over the past few years has been the significant expansion of available data. This presents huge opportunities for all analysts, reflected by the call in the recently published Independent Review of Economic Statistics for more innovative use of data in economic statistics, and the establishment of a data science campus by the ONS. To ensure that economists are equipped with the right skills to take advantage of these opportunities, the **GES will work with the other analytical professions to provide a clear plan of action to develop data science skills in government**. This is likely to take the form of a comprehensive data science curriculum, building on the work started by the Statistics and Operational Research professions.

Building Strategic Relationships

The GES aims to become an even more outward-facing body that plays an active role in the wider economics profession, raising the profile of economists in government and tapping into expertise outside of government to improve the quality of economic advice we provide.

Theme	Priority	Will be led by:	Deliver by:
Impact	Building capability in the policy profession: Work with other analytical professions to build capability in understanding, interpreting and using analysis within the policy profession.	All analytical professions	Ongoing
Networks	Strengthened relationships with partner organisations: Reciprocal secondments, joint events, and closer working with key partners at home and abroad to increase the impact of economics inside and outside of government	GESR Team GES Board	Ongoing, start late 2016

Building capability across the civil service

The GES will work with the other analytical professions to make sure that the **role of analysis in policymaking and economic concepts feature prominently in the Policy Profession curriculum**. The GES will actively shape the central policy profession offer, and economists in different departments will take the lead in influencing this within their organisations. The same approach will be taken with the Finance and Commercial professions, who also work increasingly closely with economists.

The wider economics profession

The GES will focus on building better links with stakeholders for the economics profession as a whole. Some of the challenges faced by economists in government, such as effectively communicating economics to non-specialists and maximising the impact of our work, are issues faced by the economics profession as a whole and would benefit from being addressed collaboratively. We will also continue to encourage individual member organisations to build relationships for their specific policy areas, which they are better placed to do.

The GES will build on our good working relationship with the **Society of Business Economists (SBE)**, and presents an ideal opportunity to foster closer links and knowledge sharing between economists in the private and public sectors in the UK. Starting in 2016, we will start a programme of deeper engagement between GES and SBE, starting with a series of joint seminars and networking events. Another organisation we aim to work closely with is the **Royal Economic Society (RES)**. We will explore how to work with the RES to promote the study and understanding of economics in public debate, and how government and academic economists can use common forums to discuss economic policy.

The GES, as the UK's largest recruiter of economists, is also uniquely well placed to **influence the teaching of economics in universities** so that economics students are given the opportunity to develop the skills needed to be a professional economist. Improving the 'supply chain' of economists will ultimately improve the quality of economic advice in government. We will work with networks such as the Conference Heads of University Departments of Economics (CHUDE) to achieve this, and encourage individual GES members to regularly engage with universities.

International partnerships

In 2016, the GES launched the first exchange programme between the GES and the **Indian Economic Service**. This initiative provides an unparalleled opportunity for our economists to learn from each other and bring new perspectives to economic analysis and build strong links with a strategic partner for the UK. This success provides impetus for the GES to build strategic partnerships in other countries, particularly those with similar institutions to the GES.

Stronger Community, Stronger Leadership

The delivery of this Strategy and the success of our external outreach depends on having an active and engaged membership. To achieve this the GES will use more effective communications and a visibly committed leadership to foster a stronger sense of an economist community that cuts across organisational boundaries in the civil service.

Theme	Priority	Will be led by:	Deliver by:
Networks	Strengthened regional networks: Central support to help member-run groups improve the GES offer across the UK	GES Members	Early 2017
Engagement	Communications: Redouble efforts to promote the GES externally via all channels. Re-focus internal communications to create a more engaged membership.	GES Members GESR Team	Ongoing, start late 2016
	Increased visibility of Chief Economists: more opportunities for Chief Economists to promote their organisations across the GES, the Civil Service and externally.	GES Board	

Raising the profile of GES leaders

We aim to raise the profile of GES Chief Economists by offering more channels for them to demonstrate leadership to our members and to promote the GES externally. This will give **Chief Economists the opportunity to promote the value of what their organisations' economists deliver**, raising the profile of their organisations and also the GES. The GES Board will also continue to be used as a forum to share and encourage the adoption of best practice among Chief Economists around the management and development of the economics profession in their organisations.

Making full use of the GES network

One of the main advantages of being a GES member is access to its vast network. For example, being able to identify and work with economists in other organisations working on similar policy issues (such as counterparts in UK and devolved administrations) can help improve the quality of our analysis. We aim to make it easier to take advantage of this and encourage the network's use.

There will also be increased central support for **regional GES groups**, with coordinators being given central GES support to take the lead on improving the GES offer in their regions. Alongside this, access to high-quality GES seminars programme, will be improved for those outside London, with live-streaming or recording of events being the default option.

We will also support the introduction of a **GES Alumni Network** to help us keep our links with the many excellent alumni we have, who often go on to senior positions in the private sector or elsewhere in the public sector.

Improved Communications

External communications: The **external GES website** (ges.gov.uk) will showcase the achievements of our members and the myriad of opportunities available in the GES, and provides a channel for Chief Economists to showcase the work of their economists. A larger presence on **social networks** will help raise the GES' profile outside of government, and play a vital role in our recruitment efforts.

Internal communications: We will regularly promote excellence via awards such as the annual **John Hoy Award** for the best piece of economic analysis and in our regular communications. We also continually improve internal communications to raise our members' engagement with the GES.

Developing Our Talent

The GES Board demonstrated its commitment to supporting economists at all stages of their career by creating a Talent Management and Engagement (TME) programme for GES members. By 2020 we aim to provide a clear and comprehensive offer to economists at all grades to help them progress in their careers, regardless of the paths they choose. The detailed plans will be outlined in separate internal communications, but this Strategy broadly sets out how it will develop.

Theme	Priority	Will be led by:	Deliver by:
Impact	<p>Developing talent at every grade to help economists deliver impact and succeed:</p> <ul style="list-style-type: none"> <u>Assistant Economists</u>: Comprehensive induction, support for progression <u>Economic Advisers</u>: Leadership support, and helping economists to develop within grade. <u>Senior Civil Service</u>: Mentoring and networking 	GES Members	Staged delivery from 2016

A clear offer for all stages and paths in an economist's career

Assistant Economists (AEs) are the main entry grade into the GES for graduate economists. Much of the focus of GES professional development activity is on new starters, and we will expand this to cover not only economics capability but also to help AEs progress in their careers as civil servants.

We will improve communications with new starters, with tailored advice at different stages of their career at this grade (such as comprehensive induction or support for promotion). We will also share best practice with departments about how best to manage their AE cohorts, and advise on the most effective ways to develop and retain talent, such as pairing AEs with senior mentors from the start of their careers. By 2020, AEs will have a substantial repository of knowledge and advice from the GES to help them succeed in their careers.

Economic Advisers (Grades 6 and 7) The Civil Service People Survey shows clear evidence of a **drop in engagement scores across almost all Departments for Grade 6 and 7 economists**, compared to higher scores for AEs and SCS. There are likely to be different reasons for this, but an underlying theme seems to be a lack of direction, support and advice in terms of career progression. The GES has a role to clarify the many paths for economists at these grades, including moving into less economics-focused roles, and to supplement existing career support at the departmental level.

By the start of 2018 we aim to have established a **Talent Management programme for EAs**, with incremental delivery from late 2016. This will involve support for newly promoted Grade 7s in areas such as leadership and management; advice, training or mentoring for 6s and 7s who want to develop within their current level, including moving into policy roles; help for Grade 6 economists seeking promotion to the Senior Civil Service.

An improvement in Grade 6 and 7 engagement scores in future staff surveys will be the key measure of success here.

SCS Economists Support will focus around providing a programme of masterclasses in leadership and opportunities for networking over the next few years, as well as active talent management to ensure to maximise the opportunities available for economists to reach senior roles in the civil service. We will also continue to run the well-received SCS mentoring programme which was created in 2015.

A Diverse Profession

The GES is strongly committed to having a diverse and representative membership. We need to be attracting talented economists from all parts of the population and ensuring that they are able to succeed in the GES. Having a diverse and highly capable membership is an essential part of building an effective and influential profession.

Theme	Priority	Will be led by:	Deliver by:
Networks	Targeting universities and schools: Coordination and support for visits by GES volunteers, particularly targeted at improving diversity.	GESR Team GES Members	Early 2017

Diversity of Assistant Economists

The summary statistics for the latest Assistant Economist cohorts show that the GES has a higher proportion of new entrants from a non-white background than the wider Fast Stream, and is slightly higher than the 13% of the UK population which is non-white, according to the 2011 Census. On gender, the GES lags the wider Fast Stream, but this does reflect the gender mix of economics students⁴.

Comparison of GES and whole Fast Stream applicants from 2016 Recruitment Round 1

	% NON-WHITE		% FEMALE		% HIGHER SOCIO-ECONOMIC STATUS ⁵	
	GES	Fast Stream	GES	Fast Stream	GES	Fast Stream
COMPLETED APPLICATIONS	32%	25%	32%	49%	81%	81%
SUCCESSFUL APPLICATIONS	19%	17%	32%	40%	87%	86%

With over 80% of applicants and successful candidates coming from a high socio-economic background, compared to just over half for the undergraduate population⁶ (comparable data specifically for economics undergraduates being unavailable), socio-economic diversity is a significant issue faced by the fast stream as a whole and will be a priority for the GES to address. The Fast Stream is reforming its processes to address this issue, and we will seek to ensure that the GES' interests are reflected in any changes.

We will also commit to undertaking several actions to **increase the diversity of future applicants:**

- **A coordinated plan for targeting universities and schools:** Informal feedback suggests that some of the most effective advertising is hearing from those currently doing the job. As such, we will coordinate GES volunteers to speak at universities and schools. Central support will be given in the form of speaking materials and recognition of volunteers' corporate contributions.
- **Focus on diversity in our external communications:** to attracting potential applicants, particularly via social media, we will ensure that we are making it clear that economists from a diverse range of backgrounds can and do thrive in the GES.

⁴ Royal Economic Society Women's Committee Survey: The Gender Balance of Academic Economics in the UK 2014. Accessible at:

http://www.res.org.uk/SpringboardWebApp/userfiles/res/file/Womens%20Committee/Biennial%20Report/Gender%20Survey%202014SurveyResults_final.pdf

⁵ This refers to the classifications, based on NS-SEC scores, used in the Bridge Report (2016) Appendix G:

<https://www.gov.uk/government/publications/socio-economic-diversity-in-the-fast-stream-the-bridge-report>

⁶ From Bridge Report, referenced above.

Diversity at higher grades

Diversity data for economists at Grades 7, 6 and SCS is limited. As such we do not have as clear picture as we would like. From the data we do have, it is evident that the gender balance for GES members becomes more skewed towards men at higher grades. Perhaps reflecting the economics profession as a whole, the GES has a significantly lower proportion of women at each grade than the civil service as a whole.

Proportion of grade which is female, 2015⁷

	TOTAL	ASSISTANT ECONOMISTS HEO/SEO	ECONOMIC ADVISERS G6/7	SCS
GES	35%	36%	35%	27%
CIVIL SERVICE	54%	47%	44%	39%

Diversity is at the heart of our Talent Management programme, which actively considers how we can best improve diversity through the grades. Central to this will be sharing the experiences of successful economists from a diverse range of backgrounds to make it clear to GES members that background, or working pattern, is no barrier to a fulfilling career in the GES.

We will also commit to supporting cross-analytical networking events for people interested in job-sharing or flexible working. This will open up opportunities for GES members who are exploring how they can progress their careers while taking advantage of the flexible working the civil service allows.

⁷Source: Internal GES membership data – snapshot at January 2015; ONS Civil Service Statistics 2015.