

10 YEAR RETROSPECTIVE

2014 will mark a decade of ESRC funding for CMPO. Over this time CMPO has become an indispensable voice in the policy-making world. In education, healthcare, and welfare reform, CMPO researchers are amongst the most powerful analysts and commentators. The Director, **Simon Burgess**, takes a look at how the Centre has become the first port of call for analysis and insight on the fundamental issues underlying public service reform.

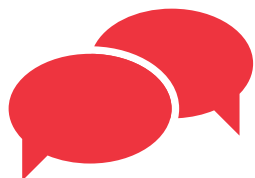


“In education, health, social security and in many other areas of public service reform, CMPO delivers timely, applied, research that has a direct relevance to current policies. Without it, the debate around them would be far poorer, the decisions taken less good.”

Nicholas Timmins, Public Policy Editor, Financial Times

STATS

OVER 200
DISCUSSION
PAPERS
PUBLISHED ON
OUR WEBSITE



OVER 70
CONFERENCES



Research: motivations, markets, ownership

CMPO's research is built on approaching public service reform in a new way. Rather than starting with each separate service 'silo' and thinking about the issues specific to it, our research focusses on the common underlying economic forces. We emphasise the role of markets and information, the role of incentives and motivations, and the role of ownership. We have found the perspective from these cross-service themes to be very fruitful, informing our research on one public service from insights and experiences from another. Running through the work is also a concern for social justice and how public services affect inequality and social mobility.

It is impossible to summarise all the findings from the 206 discussion papers we have published on our website since September 2004, but some of the main themes from our research are clear. Motivations matter, markets matter and ownership matters. The provision of education and healthcare are subject to the same fundamental economic forces as the provision of accountancy and haircuts; in all cases, analysis needs to take account of the particular market structure and a rich set of potential individual motivations.

We have shown that one of the traditional economic motivators – money – does influence behaviour in these services. Pay levels are important to nurses, and the variation in relative pay across the country drives important differences in the quality of hospital care. Performance pay influences the performance of teachers, raising the attainment of their pupils. We have also explored other motivations that are often attributed to public service workers. CMPO

provided the first evidence that 'donated labour' (working longer hours than are contractually required) was higher among non-profit organisations in public service delivery, arising due to the sorting of individuals with pro-social motivations into these organisations.

The 'market' for the delivery of public services matters crucially, even if there does not appear to be a market at all. We can illustrate this in schools and hospitals.

School choice does not appear to raise standards in England, and the reason for this is to be found deep in the market structure. We have shown that choice is feasible for most parents, that performance tables do identify high-performing schools, and that parents do value those schools. The problem lies in the incentives that the market provides to schools to respond to demand.

In terms of hospitals, a pair of CMPO papers shows the key role of information in determining the market outcome. Competition between hospitals was introduced twice: the first time with no information on hospital quality, and the second time with rich quality data and with fixed prices. Our research showed that in the first instance, competition increased hospital mortality, and in the second instance it decreased it.

Ownership also matters. Early in the life of CMPO we focussed on the transition from public to private ownership of the public utilities, and we have continued to analyse those markets since. Private delivery of public services has often been contentious, and equally often misunderstood, and we have provided a lot of the insight into when private delivery works and when it fails, the pros and cons of private finance, whether

“CMPO have an impressive track record of producing high quality, policy relevant research that pushes the boundaries of our understanding...Their work forms a substantial and vital part of the evidence base informing policy in the Department for Education. They continue to be a key partner in delivering the innovative evidence we need to make more effective and value-for-money policy.”

Carole Willis, Director of Research and Analysis, Department for Education



“Charities are increasingly focused on demonstrating their effectiveness and the new Capacity Building Cluster at Bristol will play an important role in helping charities do this.”

Martin Brookes, Chief Executive of New Philanthropy Capital



“It is probably fair to say that CMPO has had more influence on public service reform than any other research group with which I have had dealings in both my policy and academic capacities. Both public policy and academic scholarship have benefited enormously from the existence of CMPO.”

Professor Julian Le Grand, LSE; seconded to No 10 Downing Street as Senior Policy Adviser to the Prime Minister, 2003 – 2005.

not-for-profit might be better, and the relative value for money of different models. More recently, CMPO has been at the forefront of analysing the increasing role of the voluntary sector in providing public services. This is the start of a key new trend in public service reform and we aim to provide the evidence on its impact.

CMPO research is informed by an emphasis on outcomes for disadvantaged families and communities. This is exemplified by the major contributions the Centre has made to the analysis of intergenerational mobility, and the importance of the ‘early years’ for the emergence of lifetime inequalities. The transition from school to work is another key moment and we have produced a lot of evidence on the scarring effect of youth unemployment, and the consequent lessons for youth unemployment policy.

One particularly noteworthy aspect of our empirical research has been our path-breaking work using large-scale administrative data, for example education and healthcare records. This is now a major focus of national funding and activity, but CMPO began this work ten years ago and it remains a major focus of our publications.

Dissemination: telling the world

While producing strong and interesting research is a necessity, it is only the start. Using our evidence to make an impact – to change the world – is part of the ethos of CMPO, and was so before ‘impact’ changed from just a word to a metric. There are many specific high-level examples of impact from CMPO members (Burgess on education; Gregg on welfare; Grout on private finance of public services; Propper on healthcare;

Smith on charitable giving). But the greater achievement is that this is now an integral part of what CMPO does. This is one of the reasons that young researchers want to join the Centre.

We are an academic research centre, so naturally respect and interest from scientific peers is a key gauge of achievement. CMPO has delivered this, publishing papers in the profession’s leading journals and being asked to speak at the leading conferences.

Building on that, we have invested a great deal of our time in communicating the findings of our research very broadly, adding our views to the always-lively debate on public services. One primary channel for this is the magazine you are reading, the long-standing *Research in Public Policy*, which reaches 1400 desks in Whitehall and the media.

The Centre has always been innovative in setting up new channels of communication: we were among the very first UK research centres to set up a podcast series (now numbering over 50 interviews), and more recently we launched a Youtube channel and a blog.

The blog has now been viewed about 38,000 times and illustrates the strength, relevance and diversity of CMPO’s research: the top five most-viewed posts are: *‘What are free schools for?’*; *‘Who fails wins – the impact of failing an Ofsted inspection’*; *‘Who gets the best jobs? The economics evidence’*; *‘The Health Bill, the NHS and the facts’*; and *‘Disability Benefits Claims’*.

Sometimes all that is needed is to contribute a few facts to the public debate. This seemingly modest ambition can have powerful consequences in a world where opinion and intuition often rule, detached from reality. We believe that this is an

STATS

147 ARTICLES
IN RESEARCH IN
PUBLIC POLICY



OVER 110,000
HITS ON 56
PODCASTS





“CMPO is at the leading edge of applying academic thinking, discipline and evidence to real policy issues. From welfare to education, I have found them to be one of the best places to find new ideas, discover errors in old ones, and operationalise theory. Their influence is already clear across a range of public policy, through their ability to be both relevant and rigorous.”

James Purnell, Secretary of State for Work and Pensions, 2008-2009

important role for an ESRC research centre, and CMPO has done its fair share of slaying myths with facts. Examples include: the low levels of charitable giving relative to the great hopes for it embodied in the ‘Big Society’; the very highly skewed access to jobs in the professions for those from private school relative to state schools; the impressive educational attainment of ethnic minorities, and the realisation that white boys were a major problematic group; the low levels of exercise taken by the British despite all the publicity about obesity and the beneficial role of physical activity; and the feasibility of school choice and hospital choice.

Last, but definitely not least, is the CMPO website. This has seen three major re-designs over the last ten years, driven by corporate requirements from the University of Bristol or the ESRC, as well as by changes in tastes and technology. While the design has changed, it has always grown, and now has a remarkable depth and richness of content. All of our publications are there, all of the papers and presentations from all of the conferences, all of the events and interviews and projects, all free to access. The depth of material is a very graphic illustration of the amount of knowledge that ten years of ESRC funding can generate.

People: training the next generation

One of CMPO’s greatest achievements has been the cadre of young people we have trained to become the next generation of sophisticated quantitative researchers. Over our history as a Centre, more than 70 young people have passed through CMPO, many going on to work as academic researchers, in the policy world, or in economic consultancy.

This is a very strong contribution to the UK’s research capacity in a priority area. It also attests to the ‘draw’ of working in a research-intensive and policy-focussed centre like CMPO. In the policy world, CMPO alumni have worked in HM Treasury, Cabinet Office, Department for Work and Pensions, the Department for Education, and the Department of Health; others have held visiting positions at the Sage Foundation in New York, and at Harvard; yet others now work at the IFS, the National Foundation for Educational Research, and Cambridge Econometrics among others.

CMPO could not run with researchers alone. We have been lucky enough to have benefited from the most able, determined and imaginative administrators. Just like the research assistants, many are attracted to work in a fast-paced and innovative organisation that is clearly making a difference to the world.

Broader scientific contributions

One of the things that a Centre with long-term funding can do is to make broader scientific contributions that complement its core remit. CMPO members have done this in many ways, raising significant additional funding for the work of the Centre. We won funding for an ESRC Capacity Building Cluster in third sector provision of public services; as well as enabling more research, this facilitated useful links between academics and the voluntary sector, and, as the name implies, started to build capacity within the sector itself. With a small amount of seed-corn funding, we set up in 2006 a user group for administrative data in education, which has become an important

asset for the education research community as well as for the Department for Education, and can be seen as a precursor to the very major funding now going in to supporting the use of administrative data in research. We won an ESRC Large Grant to study inequalities in childhood using the ALSPAC dataset, a major programme of research including researchers in many disciplines and many institutions which substantially advanced our understanding of the genesis of inequality. We won funding from the Department for Education for a Centre for Understanding Behaviour Change, also a multidisciplinary centre, which added the emerging insights of behavioural science to economic analysis to inform and improve policy on schools.

Looking forward

Over the next five years we hope to address a lot of new issues. Some are whole new fields for CMPO, such as the market for higher education, described elsewhere in this edition. Some are new questions arising in our core fields. What happens when services are contracted out to not-for-profit organisations? What is the inter-play between government funding for such services and voluntary contributions? Crudely, are they substitutes or complements? We hope to describe for the first time the mix of local provision of public services, and see how it relates to community characteristics such as inequality. We will also consider how new models of choice and competition for public services work and evaluate the provision of information for choice.

Other developments include new methodologies and new people. We will give increasing emphasis to the use of randomised control trials in field experiments, and also lab experiments. These hold great promise in understanding “what works”, enabling us to robustly identify the causal impact of particular policies. CMPO has already been active in field experiments in charitable giving and education, and we hope to progress rapidly from this start.

While the centre of gravity of CMPO will remain in Bristol, we are building new links that strongly complement our programme. These include Professor Michèle Belot in Edinburgh, an expert in lab and field experiments in health and education, and Professor Abigail Payne from McMaster who is a leading international figure in not-for-profit organisations.

Shiny new technology always appeals as the answer to service delivery problems, and undoubtedly it can help (when done well). In the field of public service reform too, there are many possibilities such as remote diagnosis tools in healthcare, or apps and websites for school choice. But the underlying issues of human motivations and the rules and structure of markets will always be relevant, and will themselves influence how useful the new technology is. In ten years we have transformed the understanding of public service reform in the UK, but there are always new questions to answer. There’s more to do.

Professor Simon Burgess is Director of CMPO.

STATS

38,000 VIEWS OF
100 BLOG POSTS



100+ HIGH-
LEVEL POLICY
BRIEFINGS
AND ADVICE



4,000
SANDWICHES
CONSUMED
AT LUNCHTIME
WORKSHOPS

