



**UKRI Policy Fellowships 2023: Fellowship Opportunity Description**

**Fellowship Title:** HM Treasury – Macroeconomic modelling and Fiscal Sustainability Economics Fellowship

**Host Organisation:** HM Treasury <https://www.gov.uk/government/organisations/hm-treasury>

**Host Team:** Fiscal Statistics and Policy, Model Unit (Economics)

**Summary:** “Opportunity to build a macroeconomic model to improve the government’s understanding about the interaction between fiscal policy and the economy and the impact on fiscal sustainability”

**Fellowship Theme:** *Creating Opportunities, Improving Outcomes. Please see the full call text ‘What We Are Looking For’ for a detailed summary of the research themes targeted in this call.*

**Policy Topic:** Fiscal Sustainability

**Research Council:** ESRC

**Academic Discipline/s:** Economics

**Research Career Stage:** Early or mid-career researchers

**Fellowship Structure**

**Inception Phase:**

**Estimated Start Date:** October 2023. *Exact date to be confirmed by the host depending on onboarding and security clearance requirements*

**Duration:** 3 months

**FTE:** 0.4 FTE

**Main Placement Phase:**

**Duration:** 12 months

**FTE:** 0.6-1 FTE

**Knowledge Exchange Phase:**

**Duration:** 3 months

**FTE:** 0.4 FTE

**Work Arrangements**

**Location Requirements:** London or Darlington. Eligible T&S costs are supported in the main UKRI grant. Please see full call text and guidance for more details.

**Hybrid Working:** At least 50% of time in the office.

**Security Clearance:** Counter Terrorism Checks (expected 10 weeks). We would expect the successful applicant to start the security clearance application process, with support from the host team, as soon as their Fellowship has been confirmed by ESRC. Ideally the security clearance process would be completed before the inception phase begins; however, some initial inception work can begin before the security clearance is complete (albeit with restrictions on access to the HMT office without additional clearance/pass and sensitive material).

## **Fellowship Opportunity Description**

This role will give the Fellow exposure to the centre of economic analysis within HM Treasury, working at the interface of economic modelling/academia and policy making. The role is purposefully kept open for the Fellow to scope out clear tasks in conjunction with policy and economists in government based on policy needs and the Fellow's interests/skills, but ultimately the Fellow will work to maximise the impact and influence of economic modelling on fiscal policy.

The aim of the work will be to conduct research answering policy relevant questions around fiscal sustainability. These questions can be chosen and refined with input from the Fellow, but examples include:

- What is the dynamic impact of fiscal policy on the macroeconomy and how does this affect growth and fiscal sustainability in the medium and long term?
- What are factors that determine the optimal set of fiscal rules for achieving different macroeconomic outcomes?
- What are the factors and risks that impact the UK's Fiscal Space and access to debt markets?
- How should fiscal policy insure households against widescale risks (COVID, energy crises)? What is the role of fiscal (and monetary) policy at different points in the economic cycle? (e.g. are Job Support Schemes like the Coronavirus Job Retention Scheme optimal for the macroeconomy and fiscal position?)
- What is the role of tax policy in affecting economic growth and fiscal sustainability?
- Improving HMT's understanding of fiscal reaction functions, fiscal multipliers or automatic stabilisers.

Examples of research activities could include:

- Identifying areas to develop or extend HM Treasury's modelling capacity. Developing existing or building new macroeconomic models (e.g. Overlapping Generations model).
- Using existing or new models to conduct analysis to build understanding of the impact of fiscal policy on the macroeconomy and fiscal sustainability.
- A cross-cutting review of how the latest economic findings in academia feed through to fiscal policy advice, developing solutions for improving this.
- Helping the department to build better links between economic academic community and policy making on fiscal sustainability, such as through establishing a formal expert steering group on fiscal sustainability and identifying how this could best feed into policy.
- Teaching colleagues how to use and develop models in the future to have a lasting impact.

The Fellow will benefit from:

- the opportunity to influence policy thinking and analysis in this area
- Experience of Government ways of working and how policy is made to help target research more effectively
- Proximity to and experience of key debates in macroeconomic policymaking
- Building a network of official contacts in analytical and policy teams in HMT and other Government Departments to influence policy with their future academic work

## **Person Specification**

Applications will be assessed against the following opportunity-specific requirements in addition to the generic eligibility and call criteria.

### **Essential Criteria:**

- Strong background in macroeconomics and fiscal policy
- Good applied economic skills, including skills in econometrics, secondary data analysis and ability to synthesise evidence
- Ability to code and develop macroeconomic models
- Ability to communicate complex models and findings to an intelligent but non-expert audience

### **Desirable Criteria:**

- Experience (and interest in) influencing and providing advice to policy makers.
- Experience of forming and influencing relationships with key stakeholders, both internal and external.
- Experience teaching others to understand and use macroeconomic models.