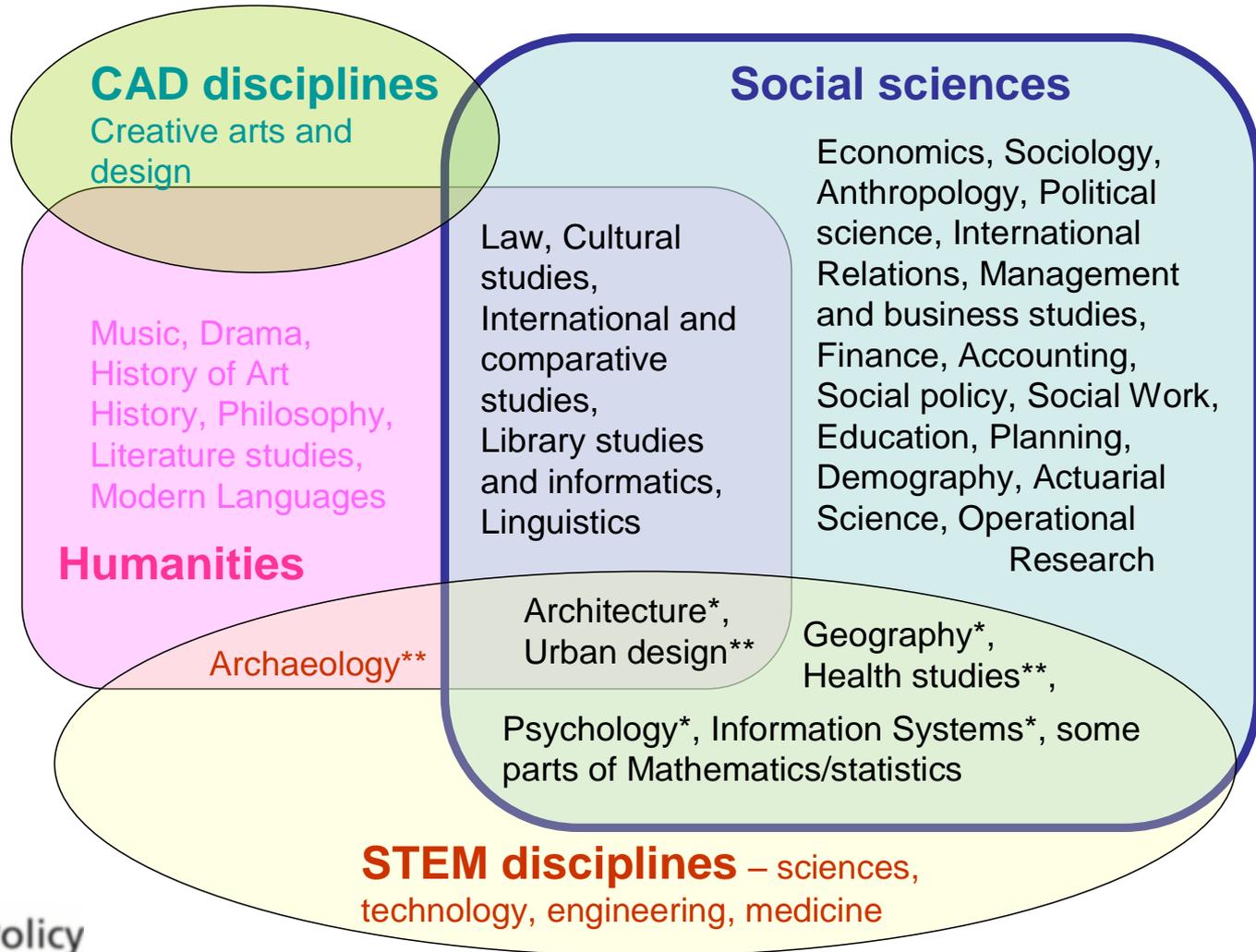


The Economic Impacts of the Social Sciences

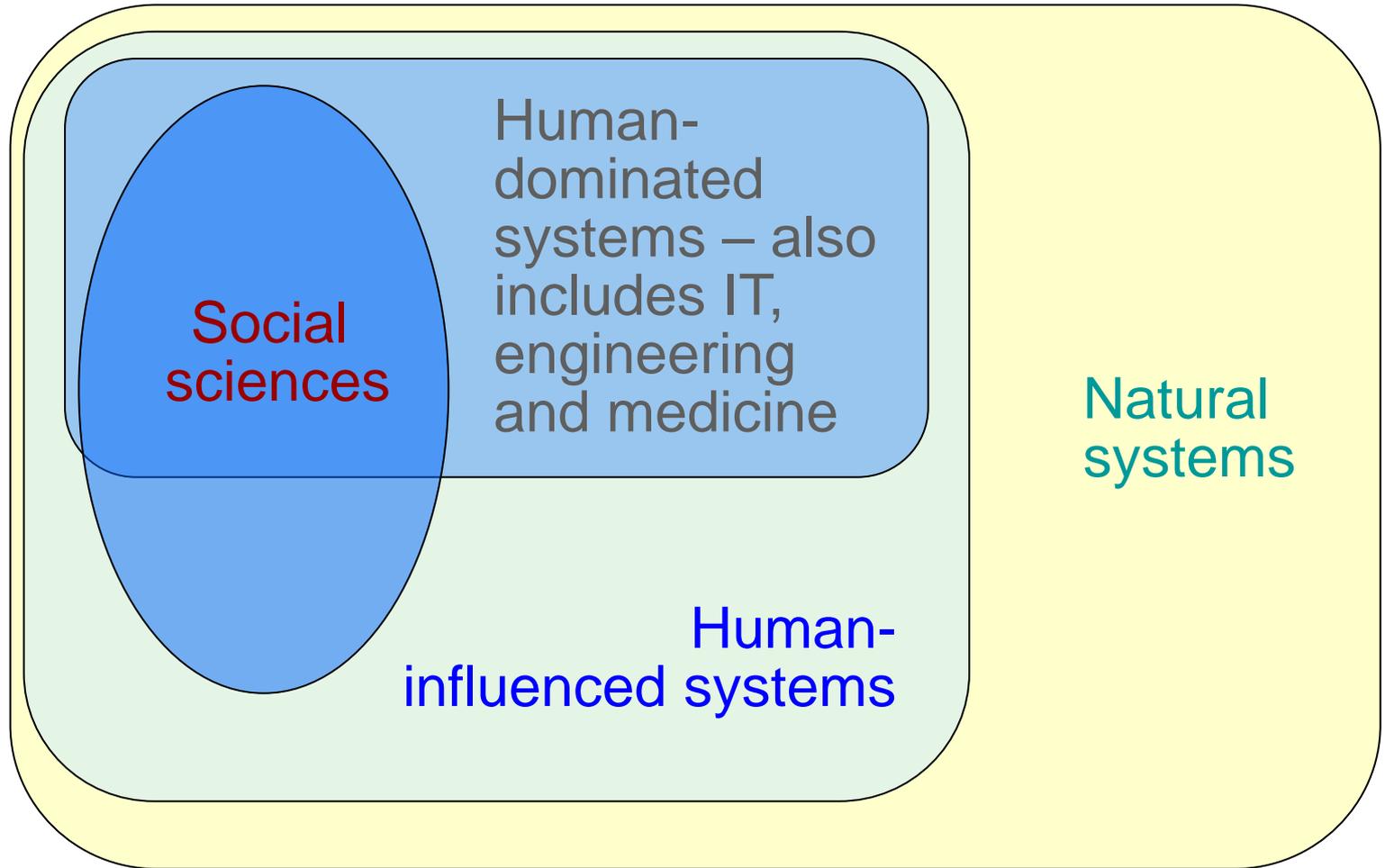
Patrick Dunleavy

LSE Impact of Social Sciences project
<http://blogs.lse.ac.uk/impactofsocialsciences/>

What are the social sciences? Conventional answer



The social sciences in a human-shaped global environment



Disjunctures in assessing the role of the Social Sciences

- Past estimates of university value-added have been overly aggregate. Social sciences c. 33% of sector.
- The social sciences work in a more collective way than STEM disciplines – research does not often create competitive advantage for individual firms (or governments)
- Existing methods for charting impacts and innovations are poorly attuned to the social sciences' role
- This is a significant problem in advanced industrial societies, with predominantly tertiary sector employment, like the UK. Especially since modern digital and economic changes focus on:
 - ‘servitizing’ products; and
 - commodifying and ‘productizing’ services

Economic impacts of the spending of UK social science departments, 2010-11

	£ billion
Value added in social science departments (direct)	2.7
Value added elsewhere in the economy ('indirect')	0.5
Value added stimulated by spending from wages ('induced')	1.6
Total UK value added	4.8

Source: estimation work by Cambridge Econometrics

Developing estimates of the Social Sciences' economic benefits

- Social sciences outputs are rarely embodied in products or codified knowledge – instead the benefits of research need to be mediated by experienced researchers
- Trained post-grad staff are directly employed by the final users of research or intermediaries (e.g. consultancies)
- So we seek to estimate what final users pay for research mediation in social sciences
- We use the Labour Force survey to derive relevant staff numbers; make conservative estimates of % such staff engaged in mediating research; and triangulate from different angles
- Some gaps (e.g. local government), so these are conservative estimates

Estimates of spending on research-mediation (as a measure of the benefits of social science research)

		£ billion
GOVERNMENT	Relevant in-house staff	6.2
	Staff overheads (40%)	2.5
	Bought-in consultancy	0.5
FINANCE:	Relevant in-house staff	7.0
	Staff overheads (40%)	2.8
OTHER SECTORS:		
	Bought-in consultancy	0.5
TOTAL estimated economic benefits		19.4

Note: 'Government' includes education (but not teachers) and health care

Source: estimation work by Cambridge Econometrics

Conclusions

- The UK social sciences are a £2.7 billion industry
- They generate additional GVA of £2.1 billion via ‘indirect’ and ‘induced’ (multiplier) effects
- The finance sector spends estimated £9.8 billion on in-house staff handling social science research mediation
- Government (including health and education, but not teachers) spends estimated £8.7 billion on in-house staff handling social science research mediation
- Government and other business sectors spend an estimated £1 billion on consultancy mediating social science research (split evenly across the two sectors)
- Mediating social science research is worth major UK industries spending £19.4 billion