

# **Economics Working Group Proposition (January 2022) Paper 8.6**

## **1. Background**

The Agency is heavily committed to acting proportionately and basing its decisions on the best available evidence: economics has a key role to play in helping to develop the Agency's policy and regulatory responses.

The EWG will engender an interdisciplinary approach to ensuring economics is applied to improve understanding of the complex decision making in FSA research activities; and support FSA economists by keeping them up to date with empirical approaches and analytical methods, and network of other economists specialised in methods that can be applied in the area of food.

The establishment of the need for an EWG has come through expressions of demand within the Agency on a strategic, policy and operational level – particularly through the information requirements of regulatory impact assessments, risk assessments and economic evaluations. This demand has also expressed itself through the need for an economic steer on rapidly emerging issues and key areas of potential research interest, which include: the economics of digitisation, behavioural economics, international trade; emerging labour markets, environment / sustainability and the economics of wellbeing.

## **2. Objective/Potential scope**

The main objective of the working group will be to:

- consider what work in economics has already been done in relevant areas of food safety policy and identify evidence gaps that can be addressed by economic research;

- help identify external project(s) and/or programme(s), which may provide evidence in support of the Agency's strategic objectives;
- provide input to appraisal panels/ steering groups for specific projects or initiatives to ensure projects use appropriate economic techniques and analyses wherever applicable, before they are commissioned;
- provide advice and guidance on economic activities taking place under the management of the Analytics Unit;
- support developments in empirical approaches and analytical methods, including techniques that are being seen in other areas but have not yet been applied to food;
- ensure that FSA economists are aware of intellectual developments in Economics.

### **3. Potential impact**

The working group, in collaboration with FSA economists, will ensure that the economics applied in the FSA is state of the art, to support the development of a robust evidence base which underpins policy development; as well as enhancing our capacity in the application of regulatory and economic analysis to food regulation issues. The working group will also be an effective vehicle for establishing linkages with other organisations and experts where their expertise is beneficial to achieving FSA outcomes in new and cutting-edge areas of economic research.

### **4. Discussion**

The Committee is invited to discuss whether the Economics Working Group would be a good model to provide the advice required by the FSA.