



THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE



ANNUAL REPORT
2010



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The Economic and Social Research Institute was founded in 1960, as The Economic Research Institute, with the assistance of a grant from the Ford Foundation of New York. In 1966 the Institute assumed responsibility for social research and extended its title to The Economic and Social Research Institute.

The mission of the ESRI is to produce research that contributes to understanding economic and social change in the new international context and that informs public policymaking and civil society in Ireland. The Institute's research has been a vital constituent in national debates on economic and social issues for 50 years. Its primary goal is to develop and implement a sustainable research agenda that matches closely the current economic and social challenges facing Ireland.

The Institute is a not-for-profit organisation with charitable status, registered as a company limited by guarantee. The ESRI is governed by a Council consisting of up to 12 members, in addition to the President and the Director. Members of the Council are appointed from amongst the general members of the Institute, broadly representing the social partners, Government Departments, State Agencies, universities and other research institutes. The Institute receives an annual grant-in-aid from the Irish Government, which covers approximately 25 per cent of total expenditure (average over 3 years). The remainder of the Institute's income comes from funded research programmes, commissioned research projects, EU and Irish research grants, sponsorship of Institute activities by Irish business, and membership subscriptions.

The ESRI's most important resource is its research staff, whose high levels of expertise allow them to work to international standards of excellence. The results of the Institute's research have been included in hundreds of reports published by the ESRI, including the *Quarterly Economic Commentary* and the *Medium-Term Review of the Irish Economy*, as well as in numerous books and articles in academic journals, published in Ireland and abroad.

Further information is available at www.esri.ie



The Council is the Institute's overall governing body and acts as its Board of Directors. In association with the Director and staff, it develops the Institute's programme of research. It meets quarterly.

The Council

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Annual Report

for the year ended 31 December 2010

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1. INTRODUCTION

In 2010, the ESRI celebrated its 50th year. To mark the anniversary President McAleese hosted a reception, for ESRI staff and Council members, at Áras an Uachtaráin in January. A presentation was made to the Minister for Finance on the anniversary of the Institute's incorporation in June and an ESRI Alumni database was set up. A series of public conferences, attended by large numbers of academics and policy makers, showcased major research projects. They covered:

- Environmental Policy and Protection,
- Poverty and Deprivation, Equality and Discrimination,
- Budget Perspectives,
- Resource Allocation, Financing and Sustainability in Health Care,
- Economic Policy Lessons from Ireland's Experience of Globalisation,
- Social Inclusion Policy,
- Higher Education Policy.

The anniversary year was marked by two Geary Lectures, delivered by distinguished ESRI alumni. Professor Richard Breen, now at the Department of Sociology at Yale University, presented a lecture entitled *Social Mobility and Equality of Opportunity*, while Professor Canice Prendergast, now at the Booth School of Business at University of Chicago, presented a lecture entitled *Is Pay-For-Performance Effective?*

Over the fifty years since its establishment, the Institute's contribution to providing evidence for policy has expanded greatly, as has its engagement with the Irish and European policy communities. ESRI now contributes research to each of Ireland's three strategic policy goals - economic growth, social progress and environmental sustainability.

In addition to producing reports to inform policy, many ESRI researchers engage directly in providing expertise to national groups engaged in policy development and problem solving. During 2010 the Institute made an exceptional contribution to policy development in Ireland's health and social care policy by direct engagement with the Expert Group in this area and by the preparation of two substantive volumes of research evidence from nine different jurisdictions covering resource allocation, financing and sustainability.

Examples of other areas where ESRI researchers contributed to national policy in 2010 are:

- the Mortgage Arrears and Personal Debt Group,
- the Central Bank Commission,
- the HSE Committee on Public/Private Mix in Consultant Contracts,
- the Higher Education Authority.

In addition, ESRI researchers contributed to various international groups in 2010 including:

- the US Expert Group on Climate Change Economics,
- the Northern Ireland Economic Advisory Group,
- UK's OFWAT Future Regulation Advisory Panel,
- OECD's SOPMI Network on Migration.

The ESRI's founders committed the Institute to research excellence. The ESRI's world class reputation was validated in 2010 through a peer review [by a team of international and national experts] of its research, data-analysis and survey activities. Their report, which is published on the ESRI website, also pointed to the need to develop and consolidate some research programmes and to seek additional sources of funding to allow the Institute to continue to produce high-quality independent research.

During 2010, ESRI researchers published 59 journal articles and 11 book chapters, 38 reports and three economic commentaries. In addition 30 working papers were released along with 14 research bulletins [published in the *Quarterly Economic Commentary*]. An overview of ESRI research in 2010 is provided in Section 2 and further details on the Institute's activities in 2010 are published on the website in its annual *Review of Research*. Section 3 summarises current survey and data analysis activities and Section 4 lists staff members at year end.

The ESRI took a major step in developing its relationship with the Higher Education Sector with the formation of a strategic alliance with Trinity College Dublin. A Memorandum of Understanding was signed in July 2010 giving both parties greater potential to engage in collaborative research projects and programmes. This agreement provides an excellent opportunity for Institute researchers to engage with a wider set of other academic disciplines.

The Council oversees the strategic direction of the Institute and ensures that its research is appropriate to current economic and social issues. Within that strategic direction, the actual research carried out in any year reflects significantly the ability of the Institute to tender successfully for projects commissioned by Departments and Agencies and to have research proposals accepted for (part) funding by national and international agencies. The Institute also receives funding to support independent research from research funding bodies, international agencies and philanthropy bodies.

The Council wishes to acknowledge the contribution of those who support the Institute's research programmes. Through the funding of these programmes, and with internal reorganisation, the Institute has been able to cope with cuts in its core funding over the past three years. In light of the challenges faced, the financial outturn for 2010 was a major achievement. The Council recognises that the years ahead will be equally demanding and is committed to ensuring that the Institute continues to deliver research that can provide an evidential basis for policy development and evaluation.

Finally, the Council extends its thanks for their continued support to the individuals and companies that are subscribing members of the ESRI. It also wishes to thank the Institute's staff for its commitment to ensuring the continued relevance and quality of its research, despite the difficulties presented by the current economic climate. Research to inform good policy making as well as research to support greater innovation are key to Ireland's economic recovery.

Mary Finan
Chairman

Frances Ruane
Director

2. OVERVIEW OF ESRI RESEARCH PROGRAMMES

(I) ECONOMIC GROWTH

There are now two programmes of research in this area: *Macroeconomics* and *Internationalisation and Competitiveness* (previously International Economics and Technology, Innovation and Productivity).

Macroeconomics

Over the course of 2010 research was carried out on two broad themes:

(a) The macroeconomic effects of the crisis on the Irish economy and possible paths to recovery. The results of this research were published in the *Quarterly Economic Commentaries* and in a study entitled *Recovery Scenarios for Ireland: an Update*. The monthly Economic Sentiment Survey provided data for the Consumer Sentiment Index and the Savings Index.

(b) The implications of integration in the EU economy. Research included a study on the effects on the EU economy of the increased migration resulting from EU enlargement, and a study of how the housing markets in Ireland and Spain were affected by EMU membership. This latter study drew conclusions on the appropriate use of fiscal policy. In addition the preliminary results of work on the EU banking sector and recovery in the EU economy was released. As part of the EUROFRAME consortium, the ESRI published forecasts for the Euro zone economy in December 2010.¹

Internationalisation and Competitiveness

This programme explores the links between international integration and technological change and their effects on productivity, competitiveness and economic growth. In 2010 research focused on five themes:

(i) *Economic Growth in Open Economies*. This research, funded under the **EU RTD 6th Framework Programme**, examined the effect of human capital on the growth of industries intensive in information and communications technologies (ICT). The econometric analysis identifies the importance of a high and growing human capital stock to the growth of value added, productivity and employment in these industries.

(ii) *Internationalisation of Services, Productivity and Growth*. This research, part-funded under the **EU RTD 7th Framework Programme**, shows that larger firms, domestic exporters and firms closer to the global technology frontier were more likely to engage in R&D and innovation and to enjoy

¹ A major feature of the work of the ESRI on macroeconomics continues to be the development of economic models, which are used to help understand how the Irish economy behaves. They are used both for macroeconomic analysis and for exploring how macroeconomic developments may affect other aspects of the economy such as energy demand, environmental impact, skills needs and housing demand. A brief guide to the Hermes model can be found at: http://www.esri.ie/UserFiles/publications/20100120130121/MTR09_APP%201.pdf

success. Co-operation with suppliers was positively associated with all innovation types, as was co-operation with universities. Knowledge flows from customers and government were positively linked to product innovation.

(iii) *Foreign Direct Investment and Productivity Spillovers in the Irish Services Sector*. The results of this research, funded by a grant from the **Irish Research Council for the Humanities and Social Sciences** (IRCHSS), suggest that foreign direct investment increases the productivity of domestic firms in some sectors whereas in others it creates a more uncertain business environment.

(iv) *The Economic Impact of Information and Communication Technologies*. Research on this theme, funded by the **European Commission's Institute for Prospective Technological Studies**, brought together the key findings and policy messages from research on the knowledge economy, economic transformations and ICT in the EU. Key policy lessons identified included: the importance of a systemic and coordinated policy approach to innovation and the importance of fostering knowledge-spillovers and linkages between foreign and domestic firms. This research suggests that an EU-wide "one-size-fits all" approach may not be best due to non-linear regional dynamics.

(v) *International Linkages, Innovation and Productivity*. This research, supported by funding from the IRCHSS, shows that globalised firms [foreign-owned or domestic exporters] are most likely to invest in innovation and to have successful innovations (product, process, and/or organisational).

(II) SOCIAL PROGRESS

There are three programmes of research under Social Progress: *Equality, Social Inclusion and Health*.

Equality

Research on Equality investigates inequalities in opportunities and in outcomes, exploring the processes that lead to inequality, and the role of public policies in underpinning or reducing inequalities.

In 2010 research was commissioned by **The Integration Centre** to develop a monitor to measure the integration of immigrants in Ireland, and publish an annual monitoring report on integration. These indicators will allow researchers to assess economic, political and social equality of immigrants in Ireland. The first annual report reviewed the main trends in migration, integration policy and national indicators for employment, education, social inclusion and active citizenship.

The integration of immigrants was also examined in a cross-national European project entitled *Causes and Consequences of Early Socio-cultural Integration Processes among New Immigrants in Europe (SCIP)*, funded under the **NORFACE** programme. The Irish component, undertaken jointly with TCD, studied the socio-cultural integration trajectories of new immigrants.

Research results from the Programme on Equality and Discrimination, funded by the **Equality Authority**, were showcased at an EU-funded conference Making Equality Count: Irish and International Approaches to Measuring Equality and Discrimination which was held in Dublin in June 2010 and published in book form in November 2010.

Research also included a study, commissioned by the **Crisis Pregnancy Agency** and the **Equality Authority**, of women's experiences in the workplace during and after pregnancy. This analysed legal cases relating to Pregnancy Discrimination based on the caseloads of the Equality Tribunal, and the Labour Court over a nine year period.

Social Inclusion

During 2010, researchers were involved in three major studies for the **Social Inclusion Division** at the **Department of Community, Equality and Gaeltacht Affairs**:

(i) A report, tracking the level and distribution of poverty in Ireland over the period of labour market expansion and increased welfare spending, described trends for all households and separately for children, those of working age and older people.

(ii) A study, based on a special module of the EU Survey of Income and Living Conditions (SILC) carried out in 2008, examined the extent to which households have access to mainstream financial services such as a bank current account, credit and insurance, and the nature and causes of household over-indebtedness in Ireland at the end of the economic boom and onset of recession.

(iii) A study, *Social Portrait of People with Disabilities*, incorporated results from the National Disability Survey and the Quarterly National Household Survey to provide a comprehensive statistical picture of the social and economic position of people with disabilities.

Research on *The impact of the "new economy" on the labour market, inequality, poverty and well-being in Ireland*, funded by the **Irish Research Council for the Humanities and Social Sciences (IRCHSS)**, was carried out in collaboration with UCD researchers.

Work was also completed on a series of EU level projects as part of the **EU EQUALSOC Network** and on studies on increasing inequalities in income, wealth and education (with partners in UCD and across Europe), and a European project on minimum income.

Health

During the course of 2009-2010, a team of ESRI health economists provided research support to the Expert Group on Resource Allocation and Financing in Health Care, which was chaired by the Director. Associated research on *The Sustainability of Irish Health Expenditure* analysed trends in Irish public health expenditure, both over time and in comparative context, focusing particularly on public expenditure on pharmaceuticals.

A study on the *Cost of Stroke in Ireland*, commissioned by the **Irish Heart Foundation** and involving ESRI and the Royal College of Surgeons in Ireland, examined the patterns of direct and indirect costs of treating and caring for stroke patients in Ireland in 2007.

Research on *Potential and Actual Utilization of Public and Private In-patient Beds in Irish Acute Public Hospitals* examined the impact of the public/private mix on in-patient bed utilization in Irish acute public hospitals. It found that, despite policies designed to limit private practice in Irish acute public hospitals, some hospitals have apparently been able to overcome restrictions.

A study of *Equity in Irish Health Care Financing: Measurement Issues* examined how international methods for measuring equity in health care financing underestimate the complexity of the Irish health care financing structures.

Research on the *Fall in Rates of Cardiovascular Mortality* in Ireland found it could be largely attributed to changes in prescribing patterns following the implementation of the cardiovascular health strategy and the introduction of the medical card for over 70s. Related research on changes in perinatal mortality rates showed a decline over the past two decades in the differences in rates across social classes.

Other research showed that the *Alcohol Consumption* contributes significantly to unintended pregnancy and the transmission of sexually transmitted infections (STIs). The study also showed that an individual's expectations about how they behave when drinking alcohol influence their behaviour over and above the effect of alcohol itself.

A study of *Parents' Perspectives on Parenting Styles and Disciplining Children*, commissioned by the **Department of Health and Children** found that most parents used a range of disciplinary strategies, with most using inductive strategies (such as reasoning with the child). About one quarter of parents interviewed had used physical punishment in the previous year.

The **European Foundation for the Improvement of Living and Working Conditions** commissioned the Institute to research the relationship between living conditions, social exclusion and mental well-being, using data for 31 European countries.

The ESRI provided survey design consultancy on a number of national projects including the second round of the Irish Contraception and Crisis Pregnancy Survey.

(III) ECONOMIC GROWTH AND SOCIAL PROGRESS

There are five programmes of research in this area: *Education; Labour Market; Demography and Migration; Social Cohesion and Quality of Life; and Taxation, Welfare and Pensions.*

Education

Research from the Post-Primary Longitudinal Study (PPLS), funded by the **National Council for Curriculum and Assessment (NCCA)** and the **Department of Education and Skills (DES)** provided new insights into the complex processes shaping early school leaving in Ireland and also explored the transition to senior cycle and preparation for the Leaving Certificate exam.

A study of students taking the *Leaving Certificate Applied (LCA)* Programme, commissioned by the **NCCA**, examined the characteristics of young people who participated in the LCA programme approximately one decade after its introduction and provide an important evidence base for policy development underway in this area.

Research on primary school design, commissioned by the **DES**, assessed how primary school buildings can be used to enhance the learning process. Other research on primary education funded under the **EU FP7** project *Religious Education in a Multicultural Society (REMC)*, explored the communication of religious and secular beliefs and values through the education system and the family.

The ESRI completed the first wave of a study of fourth-class primary school students, in partnership with an external fieldwork agency. This is part of a study of school effectiveness funded under the **EUROCORES** programme.

Research commissioned by the **Higher Education Authority (HEA)** highlighted the role of school experiences in shaping higher education entry for young people, alongside issues around information and advice and financial constraints. Related research on the *Costs of Participation in Higher Education*, also funded by the **HEA**, explored the overall costs of attending college for students, placing a particular focus on the experiences of diverse groups with low rates of participation in higher education. Further **HEA** commissioned research focused attention on the factors influencing student progression and retention, and demonstrated the importance of taking account of differences in the composition of student intake in assessing institutional effectiveness.

Labour Market

Research on the labour market in 2010 focussed mainly on three themes: unemployment and activation: the workplace; matching skills and jobs.

Following the publication of *National Profiling of the Unemployed in Ireland* in 2009, the **Department of Social Protection** in 2010 began implementing a national system of profiling and

case management of unemployed clients, with technical assistance from the ESRI research team.² A follow-on project that involves combining the profiling data with administrative records of the National Employment Action Programme (NEAP) is evaluating the impact of activation measures to assist unemployed individuals re-enter the workforce. These research projects provide policymakers with essential information to inform the allocation and targeting of effective and appropriate programmes.

In 2010 work was completed on two workplace studies for the **National Centre for Partnership and Performance**, based on surveys conducted in 2009.³ The research addressed questions such as: What is the impact of recession on the workplace and employees? Has the way work is organised changed? Have workplaces adopted 'high performance' workplace practices, such as the devolution of decision making to employees, training and skill development, and working co-operatively in new ways (iii) What are the workplace practices and employee characteristics that are associated with openness to innovation and actual innovation?

Work continued on a major comparative international study on matching skills and jobs, in collaboration with researchers from Swansea University and Flinders University, Adelaide, on behalf of the **European Centre for the Development of Vocational Training (Cedefop)**. An extended literature and data review sought to identify the main findings of the international literature, the central questions that remained unanswered and the data constraints to effective future research. Further research utilised multiple waves of the European Working Conditions Survey to assess the extent to which skill mismatch and skill obsolescence was more prevalent among older workers and the degree to which differential impacts were observed with respect to key labour market variables such as earnings, job satisfaction, fear of job-loss and health.

Demography and Migration

The Institute's work on migration strongly reflects the changed economic circumstances. Research, funded in part by the **OECD**, showed how severe the recession has been on immigrants, in terms of employment losses. Research funded by the **Irish Research Council for the Humanities and the Social Sciences (IRCHSS)** explored the issue of return migration and the wage advantages enjoyed by Irish workers with foreign experience in the local labour market. Given the resumption in migratory outflows, the finding of such a wage advantage is particularly important.

EMN Ireland, the Irish national contact point of the **European Migration Network (EMN)**, is based at the Institute. EMN Ireland published four reports in 2010 covering:

- (i) migration and asylum trends and policy development in Ireland in 2009;
- (ii) assisted voluntary return of non-EU nationals, including comparative information on forced return and on the assisted return scheme offered to nationals of EU12 countries;

² Profiling is a state-of-the-art statistically-based system for the early identification, at the time they first become unemployed, of those with a high probability of becoming long-term unemployed. It allows for a ranking of jobseeker claimants according to their likelihood of long-term unemployment, and provides the capacity to target resources towards those who most need, and can benefit from, activation measures.

³ The results of these surveys can be compared with those of a similar study in 2003 when the economy was booming.

- (iii) legal statuses in Ireland in respect of international protection subject to European law, and those that arise solely from Irish domestic law;
- (iv) Ireland's approach to satisfying labour market demand through migration in the period 2004 – 2010.

The ESRI, which is responsible for the Irish reports to SOPEMI, the **OECD Continuous Reporting System on Migration**, produced a further report based on 2009 data.

Work began in 2010 on a EU funded study on immigrants and welfare receipt across Europe, being done in partnership with the German research institute, IZA.

ESRI research on demography will be facilitated in the coming years through the development of closer ties with *The Irish Longitudinal Study on Ageing (TILDA)* in **Trinity College**, with an Institute researcher taking over as principal investigator within the economics domain of the study.⁴

Social Cohesion and Quality of Life

ESRI research on quality of life during 2010 explored the various domains of quality of life (health, family/relationships, work, economic) and the relationship between those domains. Social cohesion research during 2010 focused on the issue of social participation, in particular participation in sport.

During 2010 the **Irish Sports Council funded** a number of studies on participation in sport and sports policy. In addition to monitoring participation in sport and exercise (based on an annual sample of nearly 10,000 people) at a national level, several local area studies were commissioned, e.g., by **Dublin City Council**. In addition, the “Sportfolio” project combined data sources to compile profiles of the most popular sport and exercise activities in Ireland.

Researchers contributed to the design of a module for the fifth **European Social Survey 2010 (ESS)** on *Work, Family and Well-being*. The module examines the implications of economic recession for family, work and well-being, including issues such as changes in the quality of work and their impact on work-family conflict, work pressure, and social integration. Data for up to 26 European countries will be available for analysis in 2011.

In conjunction with the School of Applied Social Sciences in UCD, the ESRI undertook a major study on changing family structures and fertility patterns in Ireland, funded by the **Family Support Agency (FSA)**. Access to the 2006 Census Research Microdata file allowed a more detailed analysis of family change in Ireland than has been possible to date. A follow-on study will examine the extent to which partnerships are formed within and across social groups, the changing role of cohabitation, the possible causes of recent trends in fertility, and the primary living arrangements of children following marital breakdown.

⁴ Professor Alan Barrett is on a two-year secondment to TCD.

Taxation, Welfare and Pensions

Research in 2010 focused on the tax and welfare response to the economic crisis, including property taxation, the universal social charge and the distributive impact of policy responses. The *SWITCH* tax-benefit model, funded by the **Department of Finance** and the **Department of Social Protection**, was used extensively to explore policy options and analyse policy choices.⁵ The model was also used in the 'Review of Child Income Supports' completed by an interdepartmental group in December 2010. Analysts in the two Departments were trained and supported in using the model.

Work on the modelling of pension policies continued, under a programme co-funded by the **European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities**. The work is being undertaken in collaboration with researchers at the National Institute of Economic and Social Research (NIESR). The aim of the project is to adapt and calibrate the model developed at NIESR in order to analyse Irish policy issues.

A new project, updating the integrated network of tax-benefit models known as EUROMOD was initiated, funded by the **European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities**. The skills of the Irish team are being used to allow a streamlined model of the Irish tax-benefit system to be constructed using data released by Eurostat from EU SILC. This will allow comparative work on tax and welfare issues to be undertaken by Irish and international researchers.

⁵ The *SWITCH* model was used in the preparation of Budget 2011, with analyses from the model supplied as part of the Budget 2011 documentation.

(IV) ECONOMIC GROWTH AND ENVIRONMENTAL SUSTAINABILITY

The four programmes of research are: *Energy; Environment and Natural Resources; Transport and Infrastructure; and Competition and Regulation.*

Energy

A major feature of the work of the Energy Policy Research Centre (EPRC) has been the development of key research infrastructure in the form of economic models for research. These models are used as the basic tool in much of the work undertaken by the EPRC. Research during 2010 explored a wide range of issues.

In relation to energy demand, micro data from the Census of Industrial Production were used to estimate elasticities of substitution between the inputs (capital, labour, energy) of manufacturing firms, to assess the likely response of manufacturing sector firms' energy use to changing prices and activity levels. This work helps assess the sectoral demand for fuels and will look in the future at the implications of a carbon tax.

Other research looked at the determinants of electricity prices in Ireland and Great Britain, focusing on the extent to which they reflected long run marginal cost and the appropriateness of retail prices in the different markets.

Work commenced on modelling the effects of increased investment in renewable electricity on investment incentives for other forms of generation. Related to this, work on the economic implication of options to replace Moneypoint in 2025 is also under way in addition to work on the REFIT scheme.

The ESRI worked with **Sustainable Energy Agency Ireland** and other bodies in preparing official energy projections in Autumn 2010. The ESRI produced independent forecasts for energy and the environment in the *Energy and Environment Review*. The ISus model has been developed to include a sub model of car ownership and utilization, which represents a significant advance on the model used heretofore for forecasting energy demand. This revised model will be available for future forecasting exercises.

An energy model (*NiEMO*) has been developed to forecast energy demand in Northern Ireland. It can also be used to examine the effects of some policy changes, in a similar manner to which the existing suite of models is used for Ireland.⁶

Other research includes a review of the regulatory and related issues that are likely to arise as Ireland becomes part of the internal market in electricity through greater interconnection, and a major study of the costs and benefits of smart meters (in collaboration with the **Commission for Energy Regulation (CER)** and assisted by **ESB, BGÉ** and others).

⁶ However, data and resource limitations mean that it is much less developed than *Idem-Hermes-ISus*.

Environment and Natural Resources

Research in 2010 focused on four areas:

- (i) extending and improving our forecasting model for emissions to air, water and solid waste (*ISus*);
- (ii) adding additional categories to our environmental accounts, including more detail on solid waste emissions and a range of persistent organic pollutants;
- (iii) examining corporate expenditures on environmental protection in Ireland;
- (iv) climate policy.

Significant work was carried out on the follow-on study to the development of the *ISus* sustainable development model for the **Environmental Protection Agency (EPA)**, *Towards Green Net National Accounts*.⁷ Research also explored the valuation of environmental emissions and the integration of these valuations into the model. The set of environmental accounts was extended to include a range of persistent organic pollutants and a more detailed set of solid waste categories and dispositions.⁸

A study on municipal waste was completed in 2010 for **Dublin City Council**. Building on the research for that study, a submission was prepared in response to the Department of the Environment, Heritage and Local Government's *Draft Statement of Waste Policy*.

Using the Census of Industrial Production, the first industry-wide examination of Irish firms' expenditures on environmental protection was carried out, including both current and capital spending. With the same dataset, work was undertaken on how energy inputs relate to industrial companies' productivity in Ireland.

In the climate policy area, a diverse set of research questions were addressed, including further work on the determinants of vegetarianism in the UK and Ireland, a method for estimating historical landfill quantities when modelling methane emissions and the potential effects of climate change on civil conflict.

Transport and Infrastructure

Research in 2010 analysed a range of issues, including the determinants of commuting behaviour and the scale and impact of infrastructure investments.

Research on commuting showed that income and previous car ownership were the strongest determinants and that the joint car ownership/mode choice decision depended significantly on the availability of rail, the home-work locations, travel costs, and individual characteristics.

Models of the car stock, its composition and use were developed and used to analyse changes to the taxation regime pertaining to car purchases, ownership and fuel. Research showed that reform

⁷ Developments to the model included improved modelling of private car stock and housing stock, estimation of direct household emissions for several substances and the regional decomposition of emission forecasts.

⁸ The model was used to prepare an *Energy and Environment Review* for Ireland, which was published in December 2010.

of the vehicle registration and motor tax regime has led to a dramatic shift from petrol to diesel cars, with the tax burden shifting from car ownership to car use. This has resulted in a major loss of revenue to the Exchequer.

Analysis of Metro North, applying two alternative methods to the conventional cost-benefit analysis, found that these methods gave conflicting results regarding the net benefit of going ahead with this project. Further study of this project is indicated.

Research constructing regional government accounts computed regional gross fixed capital formation by broad investment type. This showed that while Dublin receives a significant proportion of public infrastructure investment, in *per capita* terms the level of investment is not disproportional.

Other research explored the history of the LUAS project, the reasons for not connecting the two lines and the feasibility of alternative links between the lines, as well as progress on integrated ticketing (highlighting the exceptionally long delay in introducing this). Finally, an analysis of the significant cuts to the public capital programme showed that the cuts appear to have been differentiated broadly on the basis of potential economic impacts of the expenditure.

Competition and Regulation

Research on competition and regulation concentrates on energy, the environment and electronic communications. It also explores a number of cross-sectoral issues, e.g., the governance of regulators and the sale of state assets.

A study is underway on the impact and implications of the possible creation of an internal European Union electricity market and a submission has been made in response to the Commission for Energy Regulation's *Proposed on a Roadmap for Deregulation* of price control of retail electricity.

Funding from **Commission for Communications Regulation (ComReg)** has facilitated a new programme of research in communications. This programme will address four broad research topics:

- (i) modelling the market for broadband services;
- (ii) economic and social aspects of broadband availability and adoption;
- (iii) the effects of electronic communications services on company performance;
- (iv) the implications of behavioural economics for economic regulation and consumer protection.

Research was completed on the timing and determinants of local residential broadband adoption in Ireland and on the effects of computer and internet use on educational outcomes of primary school children. Work was also completed on a report, for the **UK Communications Consumer Panel**, on behavioural economics and vulnerable consumers.

In relation to wider cross cutting issues, a review was undertaken of the October 2009 *Government Statement on Economic Regulation*, which marks a significant change in the governance of the regulators in energy, transport, telecommunications and aviation. In contrast to some jurisdictions, state-owned assets are still of substantial importance in Ireland. A submission was made to the *Review Group of State Assets and Liabilities* as to appropriate public policy towards the sale of such assets in troubled economic times.

Finally, research continued to monitor the economic analysis presented in Irish court decisions in competition cases, including a study of the Panda Waste case in which the High Court concluded that the practice of using competitive tendering as the model to collect household waste was a breach of competition law.

3. ESRI SURVEY AND DATA ANALYSIS

The ESRI's survey work is focused on Children and its data analysis work on Health.

Growing up in Ireland: Research continued on the major seven-year national longitudinal study of children throughout 2010. The study is funded by the **Department of Health and Children** through the **Office of the Minister for Children and Youth Affairs** in association with the **Department of Social Protection** and the **Central Statistics Office**.⁹

Following a Pilot and Dress Rehearsal, the main fieldwork for the Infant Cohort (at 3 years) began in December.¹⁰ The first results from the Infant Cohort were launched at the second annual ***Growing Up in Ireland*** research conference in November 2010.

Pilot work was also carried out with the 8,500 children in the older cohort who, with their families, were initially interviewed when they were nine years of age. These children and their families will be re-interviewed at 13 years of age in 2011.

Anonymised data from the 9-year cohort is now available to researchers via the Irish Social Science Data Archive¹¹ and several training workshops on the use of the archived data have been held.

Health Data: The ESRI manages and develops two national data bases, collecting health information from administrative records under funding from the **Health Service Executive (HSE):** the Hospital In-Patient Enquiry (HIPE) and the National Perinatal Information System (NPRS). The HIPE Data Reporter facilitates direct access to HIPE data via the internet, and intensive collaboration with several of the HSE clinical care teams [who are planning to use the HIPE and NPRS systems within the respective programmes] began in 2010.

Training in the HIPE system, and particularly clinical coding and data analysis are provided to these teams on request. Increasingly clinical coding training for large numbers of hospital and HSE staff is provided remotely using WebEx facilities available through the new HIPE Portal which has been developed within the Institute.

⁹ It is being led jointly by the ESRI and Trinity College, Dublin in collaboration with a consortium of researchers from other national and international universities and research institutions.

¹⁰ The families of the 11,000 children interviewed when the infants were nine months will be surveyed.

¹¹ <http://www.ucd.ie/issda/data/growingupinireland/>

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