ESRI
Informed policy for a better Ireland

Research Strategy
2019–2023

ESRI

ECONOMIC & SOCIAL
RESEARCH INSTITUTE

Contents

Preface

The purpose of this document is to set out how the ESRI will fulfil its mission over the next five years. In the following pages, we reflect on developments within the Institute in recent years and consider the socio-economic and other contexts in which the ESRI undertakes its work. Against that background, we go on to specify the vision, mission, goals and values of the Institute and the strategic actions to be taken as we aim to achieve those goals.

The Institute's Strategy 2013 to 2018 was drafted at a time when the bailout programme was in operation and the unemployment rate was over 14 per cent. By contrast, at the outset of 2019, Ireland is enjoying considerable economic success. However, Ireland also faces a range of social and other challenges, some of which are legacies of the recessionary period. Rates of poverty have declined since the depths of the economic crisis but were still higher in 2016 compared to 2008. The level of new housing supply remains below the estimated requirement, thereby leading to homelessness and increased rents and house prices. Constrained capacity remains a feature of our healthcare system. Emissions of greenhouse gases continue to grow in spite of commitments on containment.

> **It is clear that there continues to be a need for a strong evidence base to guide policy. We will only anticipate and address the economic, social and environmental problems of our time by first ensuring that we have a clear understanding of those problems and the processes underlying them.**

In addition to these challenges, Ireland faces significant threats to its economic performance. Brexit is perhaps the most immediate threat but it is not the only one. International proposals on corporation tax and the rise of protectionist rhetoric and practice could both be damaging to Ireland's economic model. More generally, we need to move away from cycles of high growth followed by deep recession to a path of sustainable rates of economic growth.

Given these and other challenges, it is clear that there continues to be a need for a strong evidence base to guide policy. We will only anticipate and address the economic, social and environmental problems of our time by first ensuring that we have a clear understanding of those problems and the processes underlying them.

Through the actions outlined in this Strategy, we aim to ensure that the Institute will continue to provide high-quality research to inform policymaking in Ireland. Having conducted a high-level peer review of the Institute in 2016, we have drawn on the insights provided by a large group of external stakeholders through that process. We have also sought views from all staff members. The Council of the Institute has deliberated on the Strategy at Council meetings and through its Business and Operations Sub-Committee. Finally, we would like to acknowledge the advice and assistance provided by Pat Gibbons, Jefferson Smurfit Professor of Strategic Management at the UCD Smurfit Business School.

The Council looks forward to monitoring progress under the Strategy over the next five years. We are very much aware of the skills, capacities and commitment of ESRI staff, and so the Council is confident of success in delivering on the goals set out below.

Padraig McManus and Alan Barrett

1. Introduction

The Economic Research Institute[1] was established in 1960 by a group of senior academics and public servants, led by Dr T.K. Whitaker. He identified the need for independent research to support policymaking in Ireland. Almost 60 years later, the Institute's importance in providing authoritative research to inform public policy is widely recognised.

This public-good role is supported by an annual grant-in-aid from the Department of Public Expenditure and Reform. The grant has accounted for approximately 25 per cent of the Institute's income over the lifetime of the last Research Strategy. Most of the rest of the funds needed to sustain the research of the ESRI come from research programmes in partnership with government agencies and departments, research projects commissioned mostly by public bodies and competitive research grants. Membership subscriptions also contribute to the Institute's income.

As is the case for all organisations in the modern world, the ESRI operates in an environment of constant change. Hence, it is necessary to review periodically our role and how we go about fulfilling that role. In this document, we present our latest Research Strategy, which sets out the strategic actions that will be taken in the coming years so that the ESRI will continue to provide authoritative research to inform public policy.

The Strategy is structured as follows. In Section 2, we review the progress that was made under the previous Research Strategy 2014–2018. In Section 3, we continue the inward-looking perspective and assess where the ESRI stands in late 2018 in terms of strengths and challenges. In Section 4, our perspective changes and we assess the socio-economic and other contexts that will determine the ESRI research agenda in the coming years.

Section 5 sees us turning to the core elements of the Research Strategy. We set out our vision, mission, goals and values, each of which has been amended since our earlier strategy. In Section 6, we present our research areas and the topics that we expect to research in the coming years. In Section 7, we specify the strategic actions that will be taken in the years to 2023. We conclude in Section 8 with remarks on oversight of the strategy and broader issues of governance.

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1 Social research was added to the remit in 1966 following a review of the initial years of the ERI's operation.

2. Research Strategy 2014–2018

This Research Strategy 2019–2023 builds on the progress made under earlier strategies. Hence, it is useful to reflect on what was achieved under the Research Strategy 2014–2018.

The 2014–2018 Strategy was drafted in late 2013 when Ireland was still operating under the Troika's bailout programme. Against this background, it is unsurprising that funding was a dominant theme in that Strategy and it is pleasing to be able to report on success in meeting this challenge. A specific strategic action was the securing of new funding sources. By establishing a range of new research programmes with various government agencies and departments, we have been able to replace income lost through reductions in the grant-in-aid and from the loss of our single largest project – the Hospital In-Patient Enquiry (HIPE) system – following its incorporation into the HSE.

Under 'Research Areas', the 2014–2018 Strategy sought the development of work programmes and research infrastructure. New programmes were initiated in areas such as environmental economics and population ageing. In addition, Brexit provided the impetus for the development of a body of research on that critical issue. Work on behavioural economics within the Institute expanded significantly, increasing from a single researcher in 2013 to a team of eight in 2018. As regards research infrastructure, the Institute's unrivalled role in macroeconomic modelling was reinforced through the development of the COSMO model as a replacement for the HERMES model. We also continued the successful delivery of the Growing Up in Ireland (GUI) study, one of Ireland's largest and most complex data-collection exercises in the social sciences.

The 2014–2018 Strategy identified the need to increase the visibility and impact of our research output. Additional resources were allocated which supported the development of existing and new channels of communication, including the expansion of our social media presence, the redesign of our website and the greater use of infographics and other visual branding. We have invested in communications training for staff, including individual coaching as required for specific report launches. We have also taken advantage of new routes for the direct communication of our work to policymakers. For example, the establishment of the National Economic Dialogue in 2015 and the Oireachtas Committee on Budgetary Oversight in 2017 provided new fora in which ESRI researchers have presented research findings.

Finally, under 'Human Resources', the 2014–2018 Strategy set out actions on training in the areas of management and leadership and in succession planning for key roles. During the Strategy period, a bespoke management development programme was designed and delivered in-house to staff with people management responsibility. In addition, the Director, Heads and Deputy Heads of Division all attended executive leadership programmes. We implemented succession plans for a number of senior roles during the strategy period, including those of Director; Head of Taxation, Welfare and Pensions; and Head of Growing Up in Ireland. More generally, we responded to the funding challenges by adapting our research staffing strategy and altering the balance of senior and junior researchers.

3. Where the ESRI Stands Currently

The objective of this Strategy is to ensure that the ESRI is well placed to contribute to the evidence base for good policy decisions. Later, we will look ahead and set out the strategic actions that we will take, but first we will assess where the ESRI stands currently.

It is useful to begin this assessment by quoting the Peer Review Report from 2016:

> **Overall the Panel was impressed with the scope and quality of the work conducted by the ESRI and its impact on policy and setting the research agenda in Ireland. The ESRI occupies a unique and important place in Ireland's economic and social research and policymaking ecosystem. It has a strong reputation for credible, objective, independent research of an excellent academic standard and of strong policy relevance. Its work is a point of reference in many public policy debates and has an influential impact on policymakers' deliberations. (pp. 6–7)**

Some key words in this quote capture the essence of the ESRI's work and role. We are described as being 'unique' in the policymaking ecosystem. While there are many agencies and individuals seeking to input into policy formation in Ireland, few if any produce research that is seen as 'independent', of 'an excellent academic standard' and with 'strong policy relevance'.

The Peer Review Report went on to note that:

> **The Panel was particularly impressed by the evident collegiality, teamwork, flexibility, enthusiasm, commitment and professionalism of ESRI staff. (p. 7)**

In providing this observation the Panel was touching on the culture within the ESRI; that is, the tacit rules and understandings which can shape behaviours in ways that can be more influential than stated strategy. The Panel clearly detected a positive culture, and this needs to be preserved.

While the positive tone of these assessments was welcome, we are conscious of the need to maintain and enhance our position in a context of constant change and new challenges.

One challenge relates to funding. Like all public sector organisations, the ESRI experienced cuts to its funding during the crisis years. We have generally succeeded in replacing lost funding through new sources, largely new multi-annual research programmes with a range of government departments and agencies. However, the challenge for us is to maintain these programmes and to ensure that new funding streams are developed to replace programmes that are ending or paused as some funders reassess research priorities.

Another challenge relates to the research process, specifically the need for researchers to maintain the highest international standards in their work as scientific fields are constantly evolving. What makes ESRI work distinctive from other agencies in Ireland is that we apply the theoretical grounding and high-level techniques that characterise academic research, but with a stronger policy orientation than is typical for academic output.

Hence, there is a need for ESRI researchers to be constantly updated on theoretical and methodological developments in order to maintain the credibility and integrity of the research.

The final challenge that we will discuss here is ensuring that the results of ESRI research are communicated effectively to policymakers and a wider audience. Due to the growth of communication routes arising from social media and a greater number of individuals and agencies providing commentary and analysis, there is a greater need for a more proactive approach to the communication of both (a) the results of ESRI research and (b) the quality of the analysis underpinning those results.

"There is an ongoing need to promote the value of high-quality, independent analysis in policy formation."

More broadly, while the importance of evidence for policy is often asserted, it is not always clear that this is applied in practice, so there is an ongoing need to promote the value of high-quality, independent analysis in policy formation.

4. The Evolving Context

Given the ESRI's outward-looking role of providing authoritative research to inform public policy, it is important to reflect on the evolving external context. These economic, social and political contexts determine our research agenda and our capacity to undertake research through the funding that is provided to us. It is important for us to be mindful of both technological and environmental trends, as these also determine the setting in which our work is undertaken.

In spite of the well-known difficulties in measuring economic activity in Ireland, we can say that the Irish economy is growing strongly and that the recovery since the Great Recession has been remarkable. While this recovery is clearly to be welcomed, there remains a host of both economic and social challenges facing Ireland.

Looking firstly at the challenges that arise from outside of Ireland, Brexit stands out as the strongest threat to the country's economic performance. Through research conducted by the ESRI and others, we understand both the potential scale of the impact of a hard Brexit and also the sectors and regions that are most vulnerable. Whatever form it takes, Brexit is likely to have many impacts on Ireland and hence will have a large effect on the Institute's research agenda.

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In addition to Brexit, recent moves by the US on trade tariffs have opened the possibility of a round of tariff increases with potential negative impacts on world trade. This would increase the trade-related challenge for Irish firms in addition to any Brexit-related new challenge. International discussions on corporation tax point to the possibility of changes that might hamper Ireland's long-standing policy in this area. Recent fears over the financial stability of Italy served as a reminder of ongoing fragilities in international financial markets. Finally, the slowdown in productivity growth in many OECD economies is a huge concern because increases in living standards are ultimately determined by increases in productivity.

Looking at challenges that are more domestic in origin, we begin with the issue of child poverty. According to the CSO, almost 20 per cent of children were at risk of poverty in 2016. This figure is troubling in itself, but ESRI research using GUI data has shown that the long-run impacts of childhood poverty are many and lead to a significant curtailment of the life chances for those affected.

Constrained capacity remains a feature of Ireland's health system. Output of housing remains below estimates of the amount needed to satisfy housing need. Like all European countries, Ireland's population is ageing, with far-reaching potential consequences in areas such as public expenditure on healthcare and pensions but also in areas such as the labour market as the workforce ages.

The political context can be viewed along international and national lines also. The Brexit referendum in the UK, the election of Donald Trump in the US and the rise of more extreme and more populist parties in countries such as Germany, Austria and Italy have all pointed to a changing political landscape. It is not possible here to discuss at length the causes of this change, but globalisation, migration and increased inequality and economic insecurity have been identified as factors. In Ireland's most recent election, the period of austerity was the dominant theme and the populist and extremist waves that were evident elsewhere were not as

apparent. However, from a research perspective it is important to understand how factors such as inequality and insecurity are evolving in Ireland and how trends, perceived or actual, impact on the political system.

The environmental challenge that tends to attract most attention is climate change and the link to greenhouse gas (GHG) emissions. For Ireland, the latest figures show ongoing increases in GHG emissions and the fact that targets for 2020 will be missed. The scale of the task in reaching 2030 targets is becoming more apparent and there is a growing awareness of the need for broad-based measures if targets are to be met.

Technological developments are likely to impact on ESRI research in two ways – through what we study and through how we study. Increased automation, the greater use of artificial intelligence and the rise of the 'gig economy' are frequently discussed, and many assertions are made regarding their future impacts. The actual extent of the impacts cannot be predicted with any certainty, but it seems clear that the world of work will change. This is something that the Institute will need to understand.

As regards 'how' we do our work, the increasing prevalence of 'big data' and expanded computing capacity opens up the possibility of different approaches to analysing economic and social issues and could even be viewed as potentially disruptive technologies. ESRI researchers have generally developed their research expertise through the use of more traditional forms of research data, such as data generated through sample surveys. 'Big data' and the greater use of administrative sources of data may present new challenges, and opportunities, for ESRI researchers and might also lead to a new set of agencies undertaking research. Data-related technological developments are also linked to the new regulations on data protection, most notably the General Data Protection Regulation (GDPR) introduced in May 2018. As collectors and users of data, ESRI researchers now operate within these structures, with implications for accessing and storing data.

5. Vision, Mission, Values and Goals

Vision

Our vision is that the ESRI is the leading source of independent, high-quality socio-economic research in support of **informed policy for a better Ireland.**

Mission

Our mission is to produce economic and social research on key issues facing Ireland and to communicate research results to **inform public policymaking and civil society.**

Values

Our work and our relationships with stakeholders will be underpinned by the values of **independence, objectivity, integrity and high ethical standards**.

Independence will continue to be embedded in our work through the commitment to publish research irrespective of the findings or the sources of funding.

The values of **collegiality, equality of opportunity and respect** will define our work environment.

Goals

In pursuing our mission, we set ourselves the **goals** of:

Goal 01 | **Research excellence and relevance**

Goal 02 | **Effective communications**

Goal 03 | **Policy impact**

6. Research Agenda

Reflecting on the changing socio-economic and other contexts, both national and international, the Institute will organise its research agenda into 11 themes with associated sub-topics.

While this is a useful way of presenting the agenda, it should be understood that the research process within the ESRI is very much team-oriented. Results, methods and data from one area are often applied in other areas and researchers work across areas, thereby enriching our research. Collaborations across the economics and sociology disciplines have been a particularly positive and a unique feature of ESRI work.

Behavioural research

Understanding individual behaviour in the context of private markets and interactions with public agencies; informing regulators; experimental design.

Competitiveness, trade and FDI

The future of FDI; Ireland and the EU; innovation, productivity and competitiveness particularly in domestically owned firms; trade and expansion in existing and new markets.

Education

Schools and learning; special education needs; higher education; inequalities in access and outcomes; ICT in education.

Energy, environment and infrastructure

Climate change and Ireland's targets; renewable energy; consumer actions; broadband and the digital economy.

Growing Up in Ireland

Outcomes for children and young people in multiple domains such as health and education; linking early life conditions to later life outcomes.

Health and quality of life

Healthcare demand and capacity modelling (HIPPOCRATES); design of healthcare systems; inequalities in access and in outcomes; wellbeing.

Labour markets and skills

The future of work, including automation, robotics and artificial intelligence; human capital development (education and training); wage determination and the consequences for living standards and competitiveness; working conditions.

Macroeconomics

Brexit, including implications for trade, supply chains, consumer prices, FDI, energy and migration; housing supply and housing costs; banking; debt – public and private; the role of SMEs in economic growth; regional development; Ireland's economic model; macroeconomic modelling (Cosmo); forecasting.

Migration, integration and demography

Immigrant integration; ageing and longevity; demographic modelling and projections.

Social inclusion and equality

Poverty, inequality and insecurity – levels, causes and impacts; discrimination and human rights.

Taxation, welfare and pensions

Tax and welfare – balancing costs, revenue, equity and incentives; pensions policy in an ageing population; tax/ benefit modelling (SWITCH).

7. Strategic Priorities

In order to pursue the goals of research excellence and relevance, effective communications and policy impact, we will take actions under the following six headings: Research, Funding, Dissemination and Communications, Growing Up in Ireland, Human Resources and Business Process.

1. Research	Actions under this broad heading are set out under the following sub-categories: (a) excellence, (b) relevance and (c) impact.
2. Funding	
3. Dissemination and Communications	
4. Growing Up in Ireland	
5. Human Resources	
6. Business Process	

Excellence

Rigorously apply our internal and external review processes; strengthen the culture of continuous professional development; facilitate research collaborations and visits (inward and outward), especially with international colleagues and with colleagues in TCD under our strategic alliance; facilitate participation in international research networks and conferences; leverage the complementary skills across the Institute, particularly across the disciplines of economics and sociology, to enrich our research; utilise the suite of analytical models developed in the Institute to the fullest extent; maintain access to high-quality data, including those provided by the CSO, while adhering to all data protection requirements.

Relevance

Continuously review emerging issues for Ireland in the policy and academic spheres, nationally and internationally, with a view to proposing new programmes and projects (specific topics that we aim to develop in collaboration with funding partners include longevity and the changing nature of work).

Impact

Strengthen our interaction with policymakers through research programme steering committees; increase the number and quality of conferences and workshops; expand ESRI participation on commissions, review groups and other policy bodies; expand collaboration with policymakers in research programmes; facilitate and encourage staff exchanges with policymaking bodies and presentation of research findings at national policy fora; produce wide-ranging books periodically that provide systemic analyses of policy issues.

1. **Research**	Actions on funding are structured around our funding streams and are aimed at achieving financial sustainability[2] in the medium term.
2. Funding	

Grant-in-aid

Continue to make the case for an increased grant-in-aid to fund work that will not be funded through other sources – examples include demography and aspects of sociological research.

Research programmes

Maintain existing programmes by delivering excellent research and proposing new ideas for impactful research; seek new programmes by identifying topics, needs and under-utilised data.

Research projects

Improve our capacity and capabilities to respond to calls for tender with strong, cost-effective proposals and with well-balanced teams in terms of levels of seniority, disciplines and other skills.

Research grants

Improve our capacity to win grants from agencies such as IRC and HRB; develop international links so we are better placed to apply for H2020 grants and other EU funding.

New funding sources

Develop our potential offering to private sector sources, subject to maintaining our independence and commitment to publication; undertake more work related to Northern Ireland; seek more collaborations with current partners in the EU and with new partners.

3. Dissemination and Communications

4. Growing Up in Ireland

5. Human Resources

6. Business Process

2 Sustainability here implies running surpluses whereby ongoing capital requirements can be met from current revenues, in addition to day-to-day expenditure.

1.	Research
2.	Funding
3.	**Dissemination and Communications**
4.	Growing Up in Ireland
5.	Human Resources
6.	Business Process

The outlets through which we publish our research (dissemination) and the proactive communication of research results are both critical in terms of the goals set above.

Dissemination

Continue to publish in a wide range of outlets to ensure that our goals such as academic excellence and policy impact are achieved (publishing in peer-reviewed journals remains critically important in ensuring research excellence; publishing policy papers and short, easily accessible policy notes remains key for the widespread engagement with our research).

Communicating research

In addition to related actions under research/policy impact above, continue the development and wider use of existing communications channels and develop new platforms such as podcasts and videos; increase the use of opinion pieces in the media; support continuous professional development with respect to communication skills; promote the greater use of social media at an Institute level and by individual researchers; develop a larger pool of spokespersons in the media.

Communicating the value of independent, high-quality analysis and evidence and the ESRI's role in that context

Renewed emphasis on what sets ESRI research apart when communicating research results.

1. Research

2. Funding

3. Dissemination and Communications

4. Growing Up in Ireland

5. Human Resources

6. Business Process

At the time of writing, the Department of Children and Youth Affairs is considering the parameters for the next stage of the project, due to commence in 2020. For the purposes of this strategy, we will assume that the roles played by the ESRI and TCD in GUI continue into the next stage. The proposed actions are aimed at ensuring the maximum usage of the data and the continued collection of high-quality data.

Data usage within the Institute
Set a goal of having research funding of €250,000 per annum in place by the end of 2019; towards that end, engage with government departments and agencies on research possibilities of interest to them, especially as the older cohort moves into early adulthood; seek international collaborators in grant applications and projects.

Data usage beyond the Institute
Raise the profile of GUI data generally through engagement with new groups such as principals, teachers and healthcare staff; look to provide modules on GUI on master's degree courses; generate more awareness of the data among a broader set of academic disciplines.

High-quality data collection
Minimise sample attrition by engaging with respondents and families on a more regular basis through various routes (birthday cards, notification of results, etc.); explore different data collection routes such as web-based responding, activity and food diaries, bio-samples; develop data linkage possibilities.

1. Research

2. Funding

3. Dissemination and Communications

4. Growing Up in Ireland

5. Human Resources

6. Business Process

The excellence of our people is recognised as the most important factor in delivering outcomes that are highly valued by stakeholders. Human resource actions to support the goals, values and culture of the Institute are:

Recruitment

Implement best practice recruitment processes that result in the attraction of a wide international talent pool and the selection of excellent candidates.

Career support and skills development

Invest in continuous professional development for staff at all career stages.

Performance management

Develop our performance management and development system so it becomes an ongoing process as opposed to an annual review.

Wellbeing

Ensure high levels of wellbeing through routes such as appropriate workloads, programmes on stress management and the promotion of work–life balance.

Employee engagement

Implement action plans to address the results of the employee engagement survey.

1. Research	Successful delivery on all the earlier actions requires that the business processes within the ESRI are in line with best practice.
2. Funding	
3. Dissemination and Communications	
4. Growing Up in Ireland	
5. Human Resources	
6. Business Process	

Governance

Ensure that the Institute adheres to the highest standards of corporate and public sector governance/compliance.

Project management

Implement an integrated project management and reporting system that will facilitate the monitoring of research activity and assist in the allocation of resources.

Risk

Update the overall Institute risk register and further develop the risk monitoring procedures to ensure more regular review of risk registers.

Business continuity planning

Further develop the disaster recovery procedures to reduce the risk associated with a major outage or disaster.

Data protection

Develop the system to record and monitor data-processing activities in the Institute in the context of GDPR.

IT

Enable the development of the IT department and infrastructure so that it supports delivery of services end to end, and is able to respond effectively to the rapidly evolving technology landscape.

8. Conclusion

As with all strategies, success is only achieved when (a) implementation is prioritised and (b) the culture of the organisation reinforces the goals and values as set out above. The Council delegates the day-to-day implementation of this Strategy to the Director and the Management Committee of the Institute and expects that the alignment between culture, goals and values will be maintained. However, the Council will maintain an active oversight role with respect to both implementation and culture.

This role involves two strands. Firstly, the Management Committee will prepare a report twice yearly for a sub-committee of the Council, the Business and Operations (B&O) Committee, outlining progress under the six areas of strategic actions. The Management Committee will also report on initiatives related to culture such as induction programmes and broader staff engagement. In turn the B&O Committee will report to the Council. Secondly, the relevance of the Institute's research agenda will be constantly under review by the Council, in consultation with the researchers. References have been made earlier to the evolving nature of the socio-economic context in which the ESRI operates. This is true across the five-year periods of this and earlier strategies but also within those five-year periods. The Council is eager to ensure that it plays a positive role in ensuring that the Institute's research is focused on key emerging and current issues.

More generally, the Council will strive to ensure that it continues to fulfil its other governance functions as effectively as possible, including its role in assessing risk and in overseeing the implementation of actions to mitigate risk. While financial sustainability is clearly among the risks that need to be monitored, we are also conscious of other risks such as those relating to independence and research quality. We know from the peer review of 2016 that the ESRI's strong reputation is founded on belief in the independence and academic quality of the research. Hence, protecting those features is key to the long-term success of the ESRI.

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