



Research for new economic policies

Agreed Programme of Work (Period from March 2014 to August 2015)

**Nevin Economic Research Institute
Annual General Meeting
26 March 2014**

1 NERI Mission and working methods

The Nevin Economic Research Institute, with offices in Dublin and Belfast, is a research organisation which, at its core, has a vision of the achievement of a better, fairer society. It aims, through the provision of world-class research and analysis, to contribute towards the construction of alternative perspectives and possibilities that will lead to the creation of an economy that works for society. It is supported by a number of unions affiliated to the Irish Congress of Trade Unions. The Institute is currently (March 2014) staffed by six economists and has an annual budget of just under €500,000. While five of the Institute's staff is located in the Dublin offices of NERI and one in Belfast, it is intended that all six staff will be assigned to research work covering both parts of the island of Ireland – reflecting the all-island mandate of the NERI.

The remit of the Institute is to:

- advance knowledge and understanding of economics and the social sciences, with particular reference to the economic and social conditions in or affecting the island of Ireland;
- undertake, to the benefit of the public, research and analysis on the impact of economic policy development and its effects towards the attainment of a more equitable and just society;
- publish and promote research findings in order to advance awareness and comprehension of economic theory;
- undertake activities to ensure a broad dissemination of the research and analysis; and
- provide education, training and capacity building programmes to increase understanding of economic and social science policy among the general public.

The Institute through its Director is accountable to the Chair of the Institute's Governing Council in regard to organisational and financial affairs. The Council is composed of representatives of all the sponsoring unions. The research work programme of the Institute is developed by the Director and staff of the Institute in consultation with the Chair and the Governing Council. Work published in the name of the Institute is the sole responsibility of the Director of the Institute. A Research Peer Review Panel assists in reviewing published material from the standpoint of methodological standards and quality of publications.

The Institute's research programme includes:

- A Quarterly Economic Observer (QEO) which provides regular commentary on the economy of Ireland - north and south.
- A Quarterly Economic Facts (QEF) publication providing facts on key economic and socio-economic indicators for Ireland - north and south.
- A General Research Series which will publish peer reviewed economic research from NERI researchers.
- A NERI Working Paper Series providing an outlet for on-going research.
- An NERI Research Seminar Series which provides a forum for researches, from NERI and elsewhere, to present on-going or completed research on relevant public policy topics.
- Contributions by NERI staff to research publications and journals, research conferences and policy discussions.

2 Work carried out since 2011

Summarise in one paragraph from NERI/2014/GC03

3 High-Level Goals for March 2014-August 2015

(i) Data Infrastructure and Model Development

Underpinning NERI research is a strong empirical model that enables researchers to examine the likely impacts of various policy interventions and real-world scenarios on outcomes of interest – output, income, employment, unemployment, debt, public finances, living standards/wage and inequality. The development of a comprehensive, policy-relevant and theoretically-based set of models remains a key objective of the Institute:

A **NERI Microeconomic model** for the Republic of Ireland using appropriate micro-data sets. The model will serve, in its first phase, as a basis for examining and simulating policy options and changes to wages, incomes, taxation and social welfare policies.

A **NERI Macroeconomic model** for each part of the island of Ireland using appropriate macro-data sets. The model will serve, in its first phase, as a basis for examining and simulating policy options and changes to wages, government spending and taxation and other key macro-economic variables.

(ii) Research analysis

Drawing on official data sources and the work of the NERI models referred to above the Institute will continue to publish, on a regular basis, General Research Series, Working Papers and the regular Quarterly Economic Observer and Quarterly Economic Facts.

(iii) Research commentary, communications and capacity building

Drawing on published NERI research the Institute will continue to raise the profile of its research as well as facilitate consideration of various ongoing research work as part of its regular NERI Working Paper seminar series North and South. NERI will provide information, commentary and policy advice, where appropriate through its website and through engagement with various media by staff of the Institute. Staff will also continue to contribute to research publications and journals, research conferences and policy discussions.

4 Detailed overview of Data Infrastructure

Micro-Model

The aim of the micro-model is to build a model which will allow the NERI to study ROI's income distribution and within it the nature and distribution of earnings, welfare payments and taxation. A model will also allow an examination of the impacts of various policy changes on the income distribution and on defined populations (individuals, households, socio-economic groups, spatial areas). Such examinations would feed into the development of policy positions and the examination of the impact of policy decisions (for example Budgetary changes to taxes, wages and social welfare before and after a Budget). A number of NERI staff in

Dublin are officers of national statistics by agreement with the Central Statistics Office. This gives us access to micro-data sets – EU-SILC, QNHS, EHECS and HBS.

Phase 1 of the Micro-Model (ROI) to be completed by Q1/2014

Phase 1, above, will enable NERI to model basic changes to tax rates, tax credits and tax bands as well as social welfare rates.

Phase 2 of the Micro-Model (ROI) to be completed by Q3/2014

Phase 2 of the Micro-Model development will enlarge the analysis to include more complex policy simulations arising from budgetary changes. The aim is to be able to replicate, and go beyond, similar probing by the ESRI/DSP 'Switch Model'.

Macro-Model

Phase 1 of the Macro-Model (ROI) to be completed by Q2/2014

Phase 1 aims to establish a pilot set of inter-locking spreadsheets covering key areas of the macro-economy: Output, Expenditure, Income, Public Finances and Labour market. It will be able to simulate policy shocks, aggregate level wage increases, different assumptions on world trade.

Phase 2 of the Macro-Model (ROI) to be completed by Q4/2014

Phase 2 will complete the work and establish a regular, repeatable and robust model to enable macro-economic analysis.

Phase 1 of the Macro-Model (NI) to be completed by Q2/2015.

Building on the experience of the NERI Macro-Model (ROI) the work will be extended to Northern Ireland where a pilot set of spreadsheets will be put in place by the end of Q2/2015.

5 Major Thematic Areas

The research effort and output of the Institute will be organised around the following five major themes:

- A. Labour market developments and outlook – wages, jobs and pensions
- B. Investment in key economic and social infrastructure
- C. Enterprise policy
- D. Macro-economic outlook and fiscal options
- E. Options for the reform of banking

6 Detailed Plans and Timeline by Major Thematic Areas

A. Labour market developments and outlook in Northern Ireland and the Republic.

- NERI Working Paper on the Labour Market with reference to Joint Labour Committees in ROI Q1/2014
- Other NERI Working Papers arising from work of 'Labour Market Futures Group' including thematic overviews of the Labour Market in ROI. Completion of initial

phase with 2 further NERI Working papers in each quarter - Q2/2014, Q3/2014, Q4/2014, Q1/2015, Q2/2015. This research will encompass economic research analysis in topics such as bargaining, precarious work, working hours, employment structure, sub-group analysis, pension coverage.

- Spring 2014 QEO with special focus on low pay in Northern Ireland Q1/2014
- Living Wage / minimum income standard research (ROI) Q1/2014
- NERI Working Paper on Low Pay NI Q2/2014
- Extension of Living Wage research to NI in Q3&Q4/2014
- Analysis of youth employment/unemployment in NI in Q1&Q2/2015 (possible focus on young workforce in NI in QEO Spring 2015?)

B. Investment in key economic and social infrastructure

- NERI Working Paper on Investment in ROI – updating previous work and outlining policy options for an investment stimulus in 2014-2015. Particular attention to funding models and sources.

C. Enterprise Policy

- NERI Working Paper on enterprise policy in ROI Q1/2015
- NERI Working Paper on enterprise policy in NI Q3/2014

D. Macro-economic outlook and fiscal options in the Republic of Ireland

- NERI Working paper on Higher education ROI Q1/2014
- A number of NERI Working Papers on Taxation, Social Welfare, Labour Market activation and Public Expenditure as inputs or complements to the NERI work on Budget 2015 Q2&Q3/2014.
- NERI Working paper on Health ROI Q4/2014

E. Options for the reform of banking

- Working Paper on Banks ROI (Q4/2014)

7 Research Commentary and other Activities and Outputs

Continuing Professional Development

- Participation by NERI staff in continuing professional development including, where appropriate, training, peer reviews, mentoring and collaborative work inside and outside the Institute. It is intended to establish stronger links with similar Institutes or trade union think-tanks abroad.

Quarterly Research Series

- Quarterly Economic Observer Spring 2014

- Quarterly Economic Facts Spring 2014
- Quarterly Economic Observer Summer 2014
- Quarterly Economic Facts Summer 2014
- Quarterly Economic Observer Autumn 2014
- Quarterly Economic Facts Autumn 2014
- Quarterly Economic Observer Winter 2014
- Quarterly Economic Facts Winter 2014
- Quarterly Economic Observer Spring 2015
- Quarterly Economic Facts Spring 2015
- Quarterly Economic Observer Summer 2015
- Quarterly Economic Facts Summer 2015

NERI InBrief Research Series

- 1-2 editions of the NERI Research inBrief series per month

Research Roundtables

- Occasional roundtables on emerging research open to other economists or Trade Union colleagues.

NERI Seminar Series

- 15 research seminars, 4 of these will be in Northern Ireland. At these seminars papers will be presented by NERI staff and other economists on public policy issues.

Annual Donal Nevin Lecture

- May 2014 (Banking)
- May 2015 (TBC)

Other Research outputs

- Presentation by NERI staff of research papers at Trade Union, research, academic, civil society, conferences

NERI website/social media

- Continue to develop and update the NERI website and NERI social media platforms

Service inputs to ICTU and supporting unions

- Periodic or one-off briefing and input at meetings of Congress, affiliate unions of Congress as well as economic input to Congress documents and union journals.

Media

- Interaction with the media on NERI research and its implications.
- Contributions to various union publications.

NERI input to the development of training material on political economy for a Trade Union Worker College

- Initial discussions and course outline by Q4/2014