

EIZ 2021: A FRAMEWORK FOR DEVELOPMENT

- Development Strategy of the Institute of Economics, Zagreb -

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Summary

EIZ 2021: A Framework for Development is a strategic document of the Institute of Economics, Zagreb defining goals of the Institute's long-term development and setting out guidelines for their achievement. The document refers to the ten-year period from 2011 to 2021 and outlines directions for development and development goals. The activities leading to their achievement are designed for the medium term, from 2011 to 2016.

In assessing its development possibilities and achievable goals, the Institute's current status served as the starting point. Special attention was given to major achievements in the period from 2005 to 2010, laying particular emphasis on the published research articles. The number of published articles has not grown over the years; however, the Institute's researchers have continuously increased the number of papers published in foreign scientific journals. The number of projects commissioned by international organizations and other foreign clients has increased as well. At national level the Institute has demonstrated a remarkable capacity for performing strategically important research for Croatian economy, especially for assessing the economic effects of accession to the European Union. Research results suggest significant and stable research capacities and an increasing capability for meeting strict international criteria of scientific research. There has also been an increase in researchers' participation in various teaching activities.

The following achievements are also singled out: improvement in publishing activities, gaining experience in the organization of international conferences, raising the level of competencies of research staff and employees in service departments and recognition in the media and among various target groups.

A more profound insight into the Institute's current state was gained through an employee survey. Researchers rank the Institute among leading Croatian scientific institutions in the field of economics; however, they see its international relevance as rather limited. According to the researchers, major limiting factors are insufficient financial means, limited access to databases, unused cooperation opportunities and low level of sharing information among researchers, as well as the lack of specialized skills and knowledge of certain analytical techniques. Researchers see the Institute's strengths primarily in significant research and non-negligible teaching potentials, good working conditions and established cooperation with public administration, business sector and academic community. They list insufficient motivation of researchers, inadequate organizational structure, insufficient cooperation and low level of sharing information among researchers as major weaknesses. Opportunities for development are mainly seen in increased research funding opportunities, whereas an increasingly competitive research and consultancy services market and institutional changes are seen as major threats.

The Institute's future development is defined by its mission, vision and values, as well as the expected changes in the environment that will affect the future needs for economic research. The Institute's mission is to carry out scientific and development research in the field of economics and provide specialized services of education and training as well as publishing and consulting services in view of increasing the level of information and knowledge of economic and other relevant policymakers, entrepreneurs and general public on socio-economic issues. Its vision is to become a recognized center of excellence in economic research in Southeast Europe in the upcoming ten-year period and reach academic standards comparable to the best European research institutes. In order to achieve this, the Institute will be guided by the following core values: quality of scientific work, independence and impartiality in scientific work, relevance, ethics, openness to the public and efficiency and rationality.

The defined vision resulted in the formulation of strategic goals for the following ten-year period. The Institute decided to use the identified strengths to the maximum extent and lay more emphasis on its core activities, making them comparable to the leading European research institutes, and focus its capacities on conducting applied economic research which will contribute to the economic development.

Accordingly, the Institute has identified three strategic goals: the main and two additional ones. The Institute's main strategic goal in the following ten-year period is **to be recognized as the leading Croatian research institute in the field of economics and the regional center of excellence in economic research**. The two additional strategic goals are **to strengthen relations with the business sector and proactively share the research findings by offering and conducting projects for national and international business entities, organizations and institutions and to enhance quality standards in its research activities and align its internal operational and organizational structure with this objective**.

Among the activities to be undertaken in order to achieve the Institute's strategic goals, the following are singled out: developing specialized areas of research, monitoring regional integration processes and offering projects to potential clients from the region and European Union, presenting research findings and transferring knowledge to policymakers, establishing EIZ Club, implementing a set of criteria required for scientific career advancement and implementing a performance-based system of assessing and rewarding the contribution of employees in service departments.

Since an inadequate organizational structure has been recognized as a limiting factor for research activities, the Institute has identified the following five research areas which will be the focus of its work: economic growth, economic policy and convergence; current economic trends, short-term forecasts and fiscal policy; regional economics, sustainability and governance; industrial economics, innovation and entrepreneurship; and labor market, human resources and social issues.

1 Introduction

EIZ 2021: A Framework for Development is a strategic document of the Institute of Economics, Zagreb defining goals of the Institute's long-term development and setting out guidelines for their achievement. The document refers to the ten-year period from 2011 to 2021. Given the long period, this document outlines only directions for development and development goals. The activities leading to their achievement are designed for the medium term, from 2011 to 2016.

The development of this document was inspired by the fact that the current development document of the Institute dates from 2004. After seven years it became outdated, not reflecting numerous institutional, economic and social changes that have happened in the meantime. In addition, changes in the status of public research institutes have been indicated by the announced change of the act regulating scientific activity, as well as the procedure of thematic evaluation of public scientific institutes. Therefore the Institute decided to prepare itself for these changes in a timely manner and establish future development directions as well as the goals it wants to achieve.

The work on this document lasted eight months. It started with the collection of data for the current state analysis and was continued by designing and conducting an employee survey and defining development goals, activities and performance indicators. At the beginning, the document was drawn up by a small working group, but was eventually discussed on a broader level, involving all employees.

While preparing this document, our aim was to include all members of the Institute's staff who would be affected by it and would implement it. It is of key importance that they understand and fully accept the document. The document was designed to guide us over the long-term, with no limiting effect whatsoever, therefore we deliberately made it flexible to remain current regardless of unpredictable circumstances that may arise during the period of its validity.

In the process of developing this document we were aware of the many challenges facing Croatia's economy and society, its immediate and broader environment. Therefore, we prepared this document with aim that the Institute of Economics, Zagreb, being a research organization, fulfills its social role in a correct and timely manner and helps respond to those challenges, thus contributing to Croatia's development and well-being of its citizens.

2 Status Report and Major Achievements

2.1 Historical Overview

The Institute of Economics, Zagreb was founded in 1939, on the grounds of the *Ordinance on the Establishment of the Institute of Economics of the Sava Banate*. Since its beginnings, the Institute has retained its status as a public institute primarily funded by the state budget. After World War II, the Institute faced a stand-still and its researchers were transferred to the Planning Commission. It was re-established in 1952.

The importance and reputation of the Institute began to steadily grow during the 1960s. In the 1970s it strengthened its standing as one of the leading research institutes in the field of economics in Yugoslavia. In the period 1986–1990, it led the project “Scientific Foundations of the Long-Term Development of the Socialist Republic of Croatia”, which included other major Croatian scientific institutions.

Croatia’s newly gained independence and the transformation of its socio-economic framework marked a new phase in the Institute’s development in which it successfully balances continued scientific research and an intensified focus on commercial projects, which are now won on an increasingly competitive market.

Since it was founded in 1939 up to 2004, the Institute had published 49,254 bibliographic units.

2.2 The Institute’s Current Status

The Institute of Economics, Zagreb is a public institute that conducts scientific and development research in the field of economics. Its major fields of research are macroeconomics, microeconomics, spatial economics, and socio-economic analysis.

In late 2010 the Institute had 61 employees, of which 37 researchers and 24 service department employees. The average age of researchers is 41, while the average age of employees in service departments is 45.

Currently the Institute's core research activities focus on the scientific programs and projects which have received support from the Ministry of Science, Education and Sports, following applications to calls for tenders by the Ministry.

Since 2006 the researchers and research assistants at the Institute have been working on the research program titled “Competitiveness and Sustainable Development of the Republic of Croatia in the Process of EU Accession”. All the Institute's researchers and research assistants are involved in this program, as well as ten external associates, of whom four are from abroad. The program encompasses five research projects:

- Socio-economic Aspects of Unemployment, Poverty and Social Exclusion;
- Innovation, Human Capital Investment and Growth of Competitiveness in Croatia;
- Restructuring and Competitiveness of Croatian Companies in the Process of EU Accession;
- Sustainable Development, Innovation and Regional Policy in Croatia;
- Macroeconomic Convergence in the Republic of Croatia during EU Accession.

The Ministry of Science, Education and Sports has decided to extend the financial support for all five projects until the end of 2011.

Research projects are commissioned from the Institute of Economics, Zagreb by various national and international business organizations and public institutions: ministries, state agencies and offices, local and regional government units, public and private companies, Croatian National Bank, World Bank, European Commission, various international organizations and other clients. In recent years, the number of projects commissioned by international clients has grown while local clients have commissioned fewer projects, but the overall amount of commissioned projects has remained stable.

Services provided by the Institute include: analyzing current economic trends, preparing macroeconomic forecasts, developing and applying methodologies, creating strategic documents, preparing background papers for economic policymakers and providing consultancy services.

In accordance with the Decree of the Minister of Science, Education and Sports, of 26th January 2006, the Institute was granted the authority to carry out part of the procedure of appointment into scientific positions in the area of social sciences – field of economics.

At the request of the National Science Council dated 27th March 2007, the Institute submitted a report for the evaluation of the Institute of Economics, Zagreb in May 2007.

Based on the Evaluation Committee report, the National Science Council submitted a proposal to the Minister of Science, Education and Sports on 17th September 2007 to issue an accreditation for the extension of the Institute's scientific organization status in the Register of scientific organizations of the Ministry of Science, Education and Sports.

On the basis of the National Science Council's proposal, on 24th October 2007 the Ministry of Science, Education and Sports issued the accreditation for the extension of the Institute's scientific organization status in the Register of scientific organizations, under the number 0002 in scientific area: social sciences.

2.3 Institutional Framework

The activity of the Institute of Economics, Zagreb is regulated by the Scientific Activity and Higher Education Act, Institutions Act, Ordinance on the Funding of Research Institutes and the Statute of the Institute.¹

Based on the provisions of the Institutions Act and Scientific Activity and Higher Education Act, today the Institute of Economics, Zagreb has the status of a public institute, the founder of which is the Republic of Croatia. The Institute is registered as an institution in the Court Register of the Commercial Court in Zagreb, and in the Register of Scientific Organizations of the Croatian Ministry of Science, Education and Sports.

According to the Scientific Activity and Higher Education Act, the Institute is required to implement scientific research programs of strategic interest to the Republic of Croatia and cooperate with universities in view of establishing scientific infrastructure of interest

¹ Scientific Activity and Higher Education Act, Official Gazette No. 123/2003, 198/2003, 105/2004, 174/2004, 46/2007, 45/2009; Institutions Act, Official Gazette No. 76/1993, Ordinance on the Funding of Research Institutes, Official Gazette No. 38/1997, 28/1999; the Statute of The Institute of Economics, Zagreb, June 2009.

to the overall system of scientific activity and higher education. The Act also prescribes the participation of research institutes in the process of higher education.

Ordinance on the Funding of Research Institutes allows the Institute to obtain funds from sources other than the state budget for performing its core activity (sources based on commercial contracts, contracts on cooperation, sources from foundations, various types of funds, grants and other sources in accordance with law). The Institute may establish a subsidiary or another legal person and acquire equity interest or shares in already established companies.

The Statute of the Institute defines the main task of the Institute - scientific and development research in the field of economics, based on the principles defined by the Scientific Activity and Higher Education Act, as follows: freedom and autonomy of creation, ethics of scientists, openness to the public, links to the system of education, international standards of quality, encouraging and respecting specific national content and protection of intellectual property.

Along with its core activity, the Institute may also engage in other activities, such as scientific and specialized training, provision of consulting services, organization and performance of scientific and teaching activities via scientific and professional conferences, seminars etc. and publishing of scientific and professional publications within the scope of the Institute's activity (books, periodicals, studies and other).

Apart from scientific research, the Institute can also offer services on intellectual services market.

2.4 Major Achievements from 2005 to 2010

2.4.1 Scientific Achievements

Publications

From 2005 to 2010 the Institute's staff has continuously increased the number of papers published in foreign scientific journals and regularly participated in international scientific conferences. Between 2006 and 2010 the Institute's staff had a total of 413 publications, of which 142 were articles in peer-reviewed journals, 169 were individual contributions to collected editions and serials, and seven were books.

In 2007 the Scientific Board of the Institute of Economics, Zagreb decided to introduce a cash award for publications in international scientific journals. The cash award is presented to a researcher or research assistant employed at the Institute of Economics, Zagreb, for a publication in an international scientific journal included in the Current Contents database, regardless of the field of research. The award has proven to be a useful incentive, as the number of articles by the Institute's researchers in international scientific journals has significantly grown since the award was introduced in 2007.

Research Projects

In the period from 2005 to 2010 the Institute of Economics, Zagreb concluded contracts for 192 projects, the annual number of projects being rather constant, amounting from 30 to 40 projects.

During this period projects for international organizations, foundations and foreign research organizations represented between $\frac{1}{3}$ and half of all projects conducted by the Institute. The

Institute established close and long-term cooperation with the organization Gesellschaft für Technische Zusammenarbeit (GTZ), various UN programs (UNDP, UNICEF, UNODC), the World Bank, foundations Friedrich Ebert Stiftung (FES), CERGE-EI etc.

Regarding EU programs aimed at research and development, the Institute participated as partner in EUREKA project: "E! 3865- LEX-INFO The Added Value of Public Information - Development and Implementation of the Legal Information System in Croatia" (2007 – 2008). The Institute is also involved in a project of European Science Foundation titled "Academic Patenting in Europe: Database sharing, Applications and Extensions (A.P.E.)" (2009 – 2013), in which it has a representative in the Management Committee. One of the researchers is an evaluation expert of the ESF research projects.

In 2007 the Institute joined the European COST program in the domain "Individuals, Societies, Cultures & Health". Scientific cooperation among European countries is running under the ISO604 Action "Science and Technology Research In a Knowledge-based Economy (STRIKE)". One of the researchers from the Institute is vice chair of the Action and member of the Management Committee. In 2009 the Institute joined another COST Action: IS0807 "Living in a Surveillance Society – LiSS", and has a representative in the Management Committee.

In the period from 2005 to 2010 the Institute's researchers carried out three scientific projects funded by the CERGE-EI Foundation under the Global Development Network program.

At national level, the Institute led a highly significant and comprehensive project, "The Expected Costs and Benefits of Croatia's Accession to the EU", commissioned by the Ministry of Foreign Affairs and European Integration, and based on the decision of the Croatian Government. The Institute also performed a large number of research projects being of strategic importance for the Republic of Croatia, including, among others, research pertaining to the textile industry, leather and footwear industry, chemical industry, manufacturing industry and retail.

The Institute also cooperates with international for-profit institutions and consulting firms (from the Netherlands, Ireland, Hungary etc.) through joint work on EU funded projects. These projects are mainly funded from pre-accession funds (CARDS, PHARE, INTERREG, and IPA). The Institute's researchers were engaged on projects as short-term or long-term experts.

A small number of projects were directly contracted with the European Commission's Directorate Generals (DGs).

Teaching Activities

Looking at the teaching cooperation statistically, between 2006 and 2010, a total of 24 researchers (which represents two thirds of the Institute's research staff) took part in teaching activities on undergraduate, graduate and post-graduate studies. The Institute's researchers take part in teaching activities on a number of different courses, either on a continuous or temporary basis. Most frequently the teaching activities were linked to undergraduate as well as specialist (graduate) courses, and less to doctoral programs.

Cooperation with Croatian and Foreign Research Organizations

In line with its strategic goals, the Institute continuously takes measures to strengthen the cooperation with international organizations and networks. In 2008 the Institute became

member of the European Urban Research Association (EURA) and joined the initiative for SEE economic institutes cooperation.

Cooperation with scientists and institutions from the region and abroad is also maintained through individual memberships of the researchers in various international associations and networks, according to their research interests (European Regional Science Association, European Urban Research Association, Regional Cooperation Council, Sarajevo, Project LINK, Centre for European Integration Strategies etc.). Some of the Institute's researchers are members of editorial boards and councils of international scientific journals.

The Institute concluded agreements on long-term scientific and teaching cooperation with the Faculty of Economics and Business in Zagreb in 2007, the Faculty of Economics in Skopje in 2009 and the Faculty of Economics in Podgorica in 2010. The Institute continued previously agreed cooperation with the Department of Economics, Illinois State University.

Recognition among Croatian and Foreign Researchers

Over the years, invited speakers at the Institute's workshops and lectures were many foreign colleagues, thus reflecting that cooperation has been developing in other ways as well, through, for example, international networking meetings under the COST program. During the past five years the Institute proved to be an attractive institution for foreign scientists conducting research in the area of economy, particularly for scientists from the U.S. who visited the Institute by means of one of the various Fulbright programs. An average of two to three foreign researchers visited the Institute annually. During their stay at the Institute, foreign researchers held seminars and were involved in joint research projects which regularly led to co-authored research papers.

2.4.2 Achievements in other Areas of Activity

The Institute's Publications

From 2005 to 2010 the Institute published or co-published 8 books, several of which were in English and have made their mark beyond Croatia. At the same time, the Institute has extensively improved the quality of its serial publications, which have consequently been included in several international bibliographic databases.

The Institute regularly publishes three serial publications. The journal *Privredna kretanja i ekonomska politika* (*Economic Trends and Economic Policy*) publishes research and professional papers relating to all fields of economics. Since it was launched in 1991 up to the end of 2010 a total of 124 issues have been published. The journal *Croatian Economic Survey* places special focus on comparative studies on the socio-economic conditions in post-socialist Central, Eastern and Southeastern European countries. Twelve issues have been published up to 2010 since the journal was launched in 1994. Papers published in the two journals are listed in the AEA (American Economic Association) indexes included in JEL on CD, e-JEL and EconLit as well as ABI/INFORM, EBSCO, International Bibliography of the Social Sciences (IBSS) and SCOPUS.

Croatian Economic Outlook Quarterly is a periodical published in English that provides an analysis of recent macroeconomic trends and gives a short-term forecast. A total of 44 issues have been published between 1999 (when the publication was launched) and October 2010. Its projections are referred in the Eastern Europe Consensus Forecasts and ISI Emerging Markets information service. *Croatian Economic Outlook Quarterly* is recognized by the local

business community, national and international financial institutions, international organizations and academic community as an unbiased and reliable source.

In 2007 the Institute of Economics, Zagreb launched the *EIZ Working Papers* series with the purpose of presenting initial results of research projects and other activities undertaken by the Institute's associates. Papers published in the *EIZ Working Papers* series are listed in the RePEc electronic database. Papers published in the *EIZ Working Papers* series have subsequently been published in international scientific journals such as *Post-Communist Economies*, *Eastern European Economics*, *Emerging Markets Finance and Trade*, *The Journal of Consumer Affairs*, and *Tourism Economics*.

Conferences, Round Tables and Similar Events

Since 2004 the Institute has been organizing international scientific conferences biennially. Since 2006 three international conferences have been held: "Social Policy and Regional Development" (2006), "Innovation, Competitiveness and Growth" (2008), and "Fiscal Policy in the Crisis and Beyond: Short-term Impacts and Long-term Implications" (2010).

The Institute presents the findings of selected research projects and hosts discussions on various topics as part of its program of public lectures called *Science Tuesday*. Occasionally, as part of its research projects the Institute also organizes workshops and seminars.

Raising the Level of Competencies

The Institute has recognized the crucial importance of knowledge, professional qualifications and motivation of employees in all aspects of its work. Therefore, the recruitment process of both research assistants and employees in service departments involves a rigorous testing procedure comprising several steps. As a result, the Institute has witnessed an improvement in the general level of competencies.

In addition, the Institute gives due attention to the employees' education and professional development in the country or abroad. On annual average, approximately nine researchers from the Institute go abroad on shorter study visits either to cooperate with fellow researchers on research projects or to write co-authored papers, or they go on longer study visits abroad to attend doctoral studies or specialized trainings. In the period from 2008 to 2010 the Institute organized three sets of courses in econometrics, with the total duration of 120 hours. Employees in service departments also occasionally attend seminars and other forms of education and acquire up-to-date knowledge and advanced skills according to the needs of their job positions.

Recognition in the Media and among Target Groups

The Institute upholds the popularization of science and the principle of open access to its research findings. The Institute has closely cooperated with various press and electronic media in the last five years. The Institute maintains cooperation by means of writing press releases and inviting the media to the events organized by the Institute. Researchers write columns and shorter texts and provide their expert opinions on current issues. The media show great interest in viewpoints and research results of the Institute. In order to permanently document the researchers' appearance in the media, the Institute launched a periodical publication *EIZ in media*, also available on the Institute's website.

Members of the media, fellow researchers, students and other stakeholders frequently visit the Institute's website www.eizg.hr. The website offers access to the Institute's publications and to an increasing number of project studies, as well as to the Institute's annual reports.

According to the site statistics, 50 thousands of visitors visit the Institute's website annually, the monthly rate varying from 3 to 5 thousands. In 2010 visitors opened 220 thousand pages within the Institute's website. The number of visits has been increasing, year by year. In 2010 the number of visits was 25 percent higher than in 2008. The Institute also issues electronic publication *EIZ e-News* containing news on the Institute's latest publications and activities; it is sent to more than thousand addresses in the country and abroad.

2.5 Assessment of the Current State according to the Employee Survey

Opinions and attitudes of research staff regarding the Institute and the work at the Institute were measured by means of an anonymous survey composed of 28 questions. Opinions and attitudes of employees in service departments were measured by a survey containing three questions. All employees responded to the survey. The survey covered questions regarding the researchers' satisfaction with the current research program and commercial projects, the need for a more active role of Institute bodies in obtaining commercial projects, the assessment of the importance of certain criteria when choosing commercial projects, the assessment of the importance of certain categories of commercial projects, the assessment of researchers' attitudes towards limiting factors in the research work and opinions on issues important for the future development of the Institute, the assessment of strengths, weaknesses, opportunities and threats. Employees in service departments were questioned on limiting factors and satisfaction with the work at the Institute.

Researchers are satisfied with the flexibility in the choice of research program, the number of published articles and the quality of their own research. They are less satisfied with access to data, the quality of cooperation with other institutions and funding opportunities for their research. They prefer larger number of projects with narrowly-defined topics and small teams. They are satisfied with earnings from commercial projects, synergy between commercial research and their own scientific work and infrastructure support they get at the Institute. They are less satisfied with the level of information on new tenders for commercial projects, the quality of cooperation among the researchers, the level of sharing information regarding the opportunities for involvement in commercial projects and the quality of cooperation with other institutions. Researchers express interest in working on European projects, although they believe that they do not have enough information on them. They hold that European research projects are important for the Institute.

Slightly more than a half of the total number of researchers think that the Institute should employ a business developer, a person who would provide assistance in obtaining projects of interest for the Institute, as well as in targeting potential clients interested in the Institute's existing services. Researchers hold that the director, heads of research departments and researchers themselves should assume a more active role in obtaining new commercial projects. Scientific contribution and interest for the topic are seen as the most important criteria in the choice of commercial projects, whereas earnings are seen as a less important criterion.

Researchers see major limiting factors in insufficient financial means, limited access to some databases, unused cooperation opportunities and low level of sharing information among researchers, as well as the lack of specialized skills and knowledge of certain analytical techniques.

Researchers prefer a high degree of freedom in publishing their research output, but they hold that papers should be published in high-quality publications. They also want freedom in choosing the field of their research, but they see the need for a more active involvement in the public dissemination of research results. They also consider they should appear more

often in the media. They support co-authorship and teaching as additional activities of researchers; however, they think that the Institute should primarily develop seminar programs. A large number of researchers want to be involved in the Institute's teaching activities and in the development of publications.

Researchers rank the Institute among leading Croatian scientific institutions in the field of economics (average rating being 4.2 on a scale of 1 to 5) and believe it deserves the status of a national center for science. However, the position and importance of the Institute abroad was rated 2.1. Researchers intend to work at the Institute over the long term. On the other hand, they are less satisfied with the existing system of research assistants and possibilities of specialized training. They see a potential for improvement in the area of internal communication, cooperation among researchers and maintaining the quality of work environment at the Institute.

Employees in service departments are satisfied with cooperation among colleagues within service departments, work environment and job security. They are less satisfied with their salaries, reward system, professional development opportunities and advancement possibilities. Low salary, as well as insufficient up-to-date knowledge and specialized skills are seen as limiting factors. A great majority intends to work at the Institute over the long term.

The Institute's researchers see their **strengths** in:

- significant research potential,
- teaching potential, particularly on the level of post-graduate studies and specialized training programs,
- longstanding tradition in scientific research,
- exceptionally well-equipped library of economic literature,
- general good working conditions and stimulating environment for professional development,
- well-organized publishing department,
- established cooperation with public administration and business sector,
- developed cooperation with scientific organizations and universities, and
- good cooperation with researchers from other fields of expertise and areas of science.

They list the following **weaknesses**:

- insufficient motivation of researchers,
- inadequate organizational structure,
- insufficient cooperation among the Institute's researchers,
- low level of sharing information among researchers regarding the areas and results of research,
- insufficient relations with the business sector, and
- low level of importance of the Institute outside of Croatia.

Researchers have identified the following **opportunities for development**:

- increased opportunities for international cooperation on scientific research projects and research funding as a result of accession to the European Union,
- open access to the region's consulting services market,
- increasing demand for high-quality commercial research, and
- willingness of the business sector to intensify cooperation.

Threats for the Institute are seen in:

- strong competition in international scientific research,
- competition of business consultants in terms of performing research projects for the business sector and public administration,
- extra-institutional competition of local business consultants in terms of performing research projects for the business sector and public administration,
- reduced funding from the state budget,
- institutional framework imposing bureaucratic procedures, and
- expected changes in the institutional environment.

3 Expected Changes in the Environment

During the development of this strategic document, the world economy was going through an episode of severe financial and economic crisis that also affected Croatian economy and brought to light many weaknesses of the existing Croatian model of development. Due to specific economic circumstances which will presumably have far-reaching consequences, but also because of the coinciding Croatia's accession to the European Union, it is expected that the changes in the environment in which the Institute of Economics, Zagreb acts as a public research institute will affect its further development.

These changes have been announced by the draft Act on Scientific Activity as well as by initiating the procedure of thematic evaluation of public scientific institutes, the outcome of which should be an assessment of rationality and efficiency of public institutes' work and a change in status of some of them.

Both the draft Act on Scientific Activity and the thematic evaluation of public scientific institutes indicate that in the future more attention will be given to a purposeful spending of public funds on science. This will impose further requirements in terms of quantity and academic standards of work. By developing this document the Institute has decided to define for itself these higher requirements and to prescribe ways of fulfilling them.

Moreover, the Institute is aware of the fact that standard public funding of scientific research will grow scarce in the future and that EU research programs and science foundations will appear as new funding opportunities, while interest of the business sector in independent socio-economic research will increase. Thus, this document anticipates a diversification of the sources of funding and a consequent shift from providing support mainly to economic policymakers towards providing scientific support to the business community and other entities as well.

In devising its strategy, the Institute's starting point have been the expected future needs of Croatian economy, public and state institutions and overall society for scientific research. Its aim is to satisfy those needs in the best possible way. Needs for research will be strongly marked by a variety of challenges which, due to their long-term nature, can already be anticipated, such as:

- Croatia's accession to the European Union and further integration of South-East Europe into the European Union,
- strengthening the competitiveness of Croatian companies as a prerequisite for survival in integrated European and global markets,
- creation of a new model of growth of Croatian economy and reducing external imbalances,
- a more rapid development towards a knowledge-based society,
- finding right solutions to low activity and employment rate of working-age population and enhancing the labor market flexibility,
- implementing structural reforms in various areas - from public administration to healthcare and pension systems,
- examining and mitigating negative socio-economic consequences of demographic changes, and
- taking into account the necessity of a balanced and sustainable development.

All these challenges will have an impact on the future work of the Institute of Economics, Zagreb. The Institute will aim at adapting its research competencies to these challenges and contributing to the understanding of and responding to them to the maximum extent.

4 Vision, Mission and Values

In the process of developing this document, we designed the mission, vision and core values which will guide the Institute in its activities, and ensure the achievement of strategic goals in the next ten-year period.

Vision

In the next ten years the Institute will become a recognized center of excellence in economic research in Southeast Europe and will reach academic standards comparable to the best European research institutes.

Mission

The Institute carries out scientific and development research in the field of economics and provides specialized services of education and training as well as publishing and consulting services in view of increasing the level of information and knowledge of economic and other relevant policymakers, entrepreneurs and the general public on socio-economic issues.

Values

The Institute will implement the strategy guided by the following core values:

- **Quality of scientific work** - In view of achieving the general strategic goals, the Institute of Economics, Zagreb will define and achieve high scientific standards leading to an improvement in the quality of work both in terms of publishing research papers and conducting project studies, thus making it comparable to public research institutes of the European Union in the field of economics.
- **Independence and impartiality in scientific work** – In order to preserve the tradition and maintain the reputation of Croatia’s leading research institution in the field of economics, the Institute will uphold the principle of independence and impartiality in its scientific work, implying that the views expressed in researchers’ studies and published papers should always be firmly based on the results of theoretical and empirical research.
- **Relevance** – The Institute will encourage and conduct applied research and thus contribute to the understanding of key challenges facing the Croatian economy and finding appropriate solutions.
- **Ethics** – While undertaking professional and public activities, the Institute’s researchers will follow moral principles, as well as those of professional ethics in accordance with the Code of Ethics of the Committee for ethics in science and higher education.
- **Openness to the public** – In order to raise the general level of understanding of economic and social problems, the Institute will present research results to the public, encourage and participate in public debate by providing research-based viewpoints and findings.
- **Efficiency and rationality** – In view of increasing the efficiency and rationality of work, the Institute will improve the quality management system, which includes monitoring and enhancement of internal procedures, from project management to human resources management and procurement of equipment and other research resources.

5 Strategic Goals

The Institute has defined its main strategic goal and two additional strategic goals which have been developed to help achieve the main strategic goal.

The Institute's main strategic goal in the long term, i.e., in the following ten-year period is

I To be recognized as the leading Croatian research institute in the field of economics and the regional center of excellence in economic research.

The two additional strategic goals are:

II To strengthen relations with the business sector and proactively share the research findings by offering and conducting projects for national and international business entities, organizations and institutions; and

III To enhance quality standards in its research activities and align its internal operational and organizational structure with this objective.

In addition to the strategic (general) goals, the Institute has also defined medium-term **specific goals**, to facilitate the achievement of the main goals. Each of the specific goals has its own subgoals, i.e., achievements which the Institute plans to accomplish in the next 3-5 year period on its path to achieving the specific and general development goals.

To achieve the main long-term development goal

I To be recognized as the leading Croatian research institute in the field of economics and the regional center of excellence in economic research

the Institute has defined two specific goals, with corresponding subgoals:

I.1 The Institute is focused on networking and cooperating on research projects with the national and international research community and institutions, it develops its operations and conducts its activities as an impartial and independent research organization.

In carrying out this specific goal, the Institute is expected to develop specialized areas of research, implement and strengthen high standards of quality in research activities, increase national and international research networking, and increase its involvement in national and international research projects.

I.2 The Institute is the center of expertise for assessing the economic and social impacts of EU accession and participation in globalization processes for Croatia and other countries in the region.

In order to achieve this goal, the Institute will increase the number of its projects focused on assessing the economic and social impacts of the accession of countries in the region to the EU.

To achieve the additional long-term development goal

II To strengthen relations with the business sector and proactively share the research findings by offering and conducting projects for national and international business entities, organizations and institutions

the Institute has defined three specific goals:

II.1 The Institute works closely with the national and international business community and organizations, offering them its intellectual services and sharing its research findings with them.

In achieving this goal, the Institute will intensify its cooperation with members of the national and international business community and will strengthen its cooperation with national and international institutions, NGOs and civil society organizations.

II.2 The Institute supports the cooperation of research institutions and the academic community with the business sector and state institutions.

As a result of achieving this goal, the Institute will have a recognizable impact on the cooperation between the academic and business communities and state institutions.

II.3 The Institute is a center of excellence and expertise in the preparation of strategic documents of nation-wide impact for the Croatian public administration.

The Institute will focus efforts on achieving that the findings of its scientific, applied and expert research are recognized as foundations on which government bodies base their strategic decisions.

To achieve the additional development goal

III To enhance quality standards in its research activities and align its internal operational and organizational structure with this objective

the Institute has defined five specific goals:

III.1 The level of expertise and research competencies of the Institute's researchers match those of international peer institutes.

The achievement of this specific goal requires continuous scientific and professional development of the Institute's research staff, as well as the implementation of an effective system of employee assessment and career development for the Institute's research staff.

III.2 The Institute's researchers carry out public functions in national and international institutions.

This specific goal means that in the medium term a systematic set of activities will be undertaken so that the Institute's researchers participate as much as possible in the work of national and international expert bodies in charge of scientific policy measures, and in the work of other national expert bodies in charge of implementing public policies.

III.3 The level of expertise and skills of employees in the Institute's service departments matches the competencies of service departments in the business sector and in international institutions.

This specific goal is planned to be achieved through the professional development of employees in service departments, and through the implementation of an effective system of assessing and rewarding their work.

III.4 The Institute is equipped with research infrastructure which enables it to be autonomous in its activities and impartial in its research, and which meets its needs as the country's leading research organization and center of excellence in the field of economic research.

To achieve this goal it is necessary to secure the required investments in research infrastructure and its regular maintenance.

III.5 The internal operational and organizational structure is in line with research standards and aligned with the needs of the Institute as the country's leading research organization and center of excellence in the field of economic research.

The subgoals to facilitate this goal include the development of a project-based organizational structure as the basis of research activity, and the implementation of a quality assurance system.

The achievement of each medium-term goal eliminates existing weaknesses and mitigates the potential negative effects of identified threats, particularly those related to:

- the development of certain specialized areas of research, identified as significant for the better positioning of the Institute both nationally and internationally,
- scientific and professional development of the Institute's research staff,
- applying for international research projects,
- securing the funding for economic research of strategic importance for the Republic of Croatia,
- developing better relations with the business sector,
- a systematic approach to presenting research findings to the public,
- sharing information, better communication and cooperation among the Institute's researchers,
- assessing and rewarding the contribution of staff in service departments, and
- increasing the competencies of staff in service departments.

6 Activities and Performance Indicators

For each strategic goal, the Institute has defined performance indicators, and for each specific goal, it has defined subgoals and a set of goal-oriented activities as well as their indicators of invested resources and achieved results. The performance indicators for strategic goals are quantitative in form, as much possible, and the indicators of invested resources and achieved results have also been defined in a quantitative way, to enable as accurate as possible an assessment of the Institute's success in implementing the development strategy.

A detailed overview of goals, activities and performance indicators can be found in Appendix 1 of this document.

This section outlines particular activities that will be introduced at the Institute. Their implementation will be based on specially prepared and carefully designed plans and they are expected to be launched in the short term. These activities include:

- **Developing specialized areas of research** – In preparing this document, the Institute has identified five specialized areas of research to focus its efforts on, which will define the Institute's future organizational structure. These specialized areas of research are covered in greater detail in section 7 of this document.
- **Monitoring regional integration processes and offering projects to potential clients from the region and EU** – In the past five-year period the Institute has developed substantial competencies in the area of assessing the economic impacts of Croatia's accession to the EU. The Institute will continue to develop such competencies and use them in examining the accession of neighboring SEE countries to the EU.
- **Presenting research findings and transferring knowledge to policymakers** – Over the years the Institute has built a wealth of knowledge which can be useful to policymakers in their decision making processes, so it is in the general interest to transfer that knowledge to policymakers, and relatedly, to promote the use of applied research findings in developing economic and other policy measures in Croatia.
- **Establishing EIZ Club** – The Institute is aware that there are large companies in Croatia that are interested in research of strategic importance for the country, and would be willing to participate in the funding of such research through membership fees. Accordingly, one of the activities aimed at diversifying the Institute's sources of funding, as well as building better networks with the business community, is establishing the EIZ Club.
- **Implementing a set of criteria required for scientific career advancement** – Unlike the existing practice, where job advancement for the Institute's researchers depends solely on advancement in academic degree, in the upcoming period the Institute will develop a set of criteria for scientific career advancement. The criteria will include a number of elements (besides the number of published papers), which is expected to further encourage researchers to take part in activities of common interest at the Institute and in other undertakings of the Institute.
- **Implementing a performance-based system of assessing and rewarding the contribution of employees in service departments** – A new reward system is likewise planned to be developed for employees in service departments, to motivate participation in activities aimed at improving the working conditions at the Institute.

7 Research Areas, Internal Organization and Human Resources Development

In the upcoming ten-year period the Institute will focus its potentials on the following five research areas:

- Economic growth, economic policy and convergence,
- Current economic trends, short-term forecasts and fiscal policy,
- Regional economics, sustainability and governance,
- Industrial economics, innovation and entrepreneurship,
- Labor market, human resources and social issues.

Within the area of **Economic growth, economic policy and convergence** the following topics will be covered in particular:

- Long-term economic growth,
- Sector analyses and policies,
- Macroeconomic convergence,
- Financial market,
- Institutional economics,
- International trade, competitiveness and foreign debt,
- Monetary policy and convergence,
- Macroeconomic statistics and national accounts.

The area of **Current economic trends, short-term forecasts and fiscal policy** will mainly cover research related to:

- Current economic trends,
- Short-term forecasts for Croatian economy,
- Business cycles and leading indicators,
- Monetary trends,
- Capital market and monetary market,
- Fiscal policy,
- Taxes and contributions.

Within the area of **Regional economics, sustainability and governance** researchers will primarily deal with the following topics:

- Local and regional economic analysis,
- Strategic planning and local and regional development,
- Socio-economic aspects of spatial planning,
- Ecological economics and environmental economics,
- Natural resource management, environmental economics and policy,
- Urban economics and policy,
- Insular economics.

Research topics in the framework of **Industrial economics, innovation and entrepreneurship** will particularly involve:

- Entrepreneurship, ownership and management,
- Industrial economics,
- Technology strategy and innovation management,
- New product development and marketing,
- Patenting and intellectual property,

- Development of economic entities, strategic and business planning and decision-making,
- Financial market and financial management,
- Corporate social responsibility and decision-making.

Socio-economic topics will be the focus of research in the area of **Labor market, human resources and social issues**, mostly including:

- Labor market trends and labor market policies,
- Working conditions, wage and income distribution policy,
- Labor costs and labor productivity,
- Consequences of demographic change and migration,
- Social capital and institutions,
- Human resources management and change management,
- Social security and social protection policy,
- Poverty and social exclusion.

The identified specialized research areas will lead to the reorganization of the Institute's research departments in terms of reducing their number, from twelve to five research departments. A smaller number of departments consisting of a larger number of researchers will ensure the necessary synergy through collaboration of researchers with complementary research interests and competencies.

However, reduction in the number of research departments will not narrow the Institute's scope of research. On the contrary, through a wider range of research topics the Institute will further diversify and enrich the scope of its research, and channel its efforts into creating capacities for researching topics that meet new needs and challenges facing the economy and society as a whole.

The task of research departments will primarily consist in:

- developing competencies of researchers to conduct research in specialized areas in accordance with the best research practice and of quality comparable to leading European research organizations,
- planning future employment needs within research areas in order to ensure necessary research capacity for relevant research topics and thus participate in the Institute's human resources development,
- participating in the identification of needs and procurement of research infrastructure for the development of specialized research areas (books, journals, databases, software etc.),
- developing appropriate research methods for particular research areas,
- systematic collection of publicly available data and conducting targeted field research in specialized research areas,
- defining and preparing publicly available output of certain research areas (databases, professional publications, guides, reports, manuals, etc.),
- applying for international and local tenders for research projects,
- developing offers of research projects on topics covered in specialized research areas,
- assessing whether researchers should take part in particular commercial research projects,
- preparing groundwork for the Institute's annual work plans and annual reports.

Research projects will still be carried out by project teams formed according to specific needs of every project, regardless of the internal organizational structure, i.e. research departments.

Appendices

Appendix 1 General and Specific Goals of the Institute, Goal-Oriented Activities and Performance Indicators

Appendix 2 Action Plan for 2011

Appendix 1 General and Specific Goals of the Institute, Goal-Oriented Activities and Performance Indicators

		To be recognized as the leading Croatian research institute and the regional center of excellence in economic research.	
General goal 1		<p style="text-align: center;">Performance indicators</p> <ul style="list-style-type: none"> • The average annual number of published papers per researcher in relevant scientific journals in the ten-year period to increase from 0.11 to 0.20. • The average annual number of the Institute's activities conducted in cooperation with partner institutions from the region related to international projects, conferences and publications in the ten-year period to increase from 5.8 to 12 activities. • The average annual participation of researchers in research projects and other activities related to developing strategic documents of national importance to increase from 0.6 months to 1.5 months. 	
Specific goal 1.1		The Institute is focused on networking and cooperating on projects with the national and international research community and institutions, it develops its operations and conducts its activities as an impartial and independent research organization.	
Subgoals	Activities	Indicators of invested resources	Indicators of achieved results
1.1.1 Developing specialized areas of research	<ul style="list-style-type: none"> • Developing the following specialized areas of research: economic growth, economic policy and convergence; current economic trends, short-term forecasts and fiscal policy; regional economics, sustainability and governance; industrial economics, innovation and entrepreneurship; labor market, human resources and social issues 	<ul style="list-style-type: none"> • Structure, number and time spent of researchers per year in the five-year period 	<ul style="list-style-type: none"> • Structure and number of projects, conferences, publications, lectures, consultations and public appearances per year in the five-year period

1.1.2	<p style="text-align: center;">Implementing high standards of quality in research activities</p>	<ul style="list-style-type: none"> • Publishing in scientific journals with high impact factors • Investing efforts to increase the international relevance of the Institute's publications • Encouraging public presentations of research findings, nationally and internationally, and knowledge transfer through teaching activities in postgraduate and doctoral programs as well as specialized seminars, workshops and lectures 	<ul style="list-style-type: none"> • Structure, number and time spent of researchers per year in the five-year period • Structure, number and time spent of researchers and professional staff per year in the five-year period • Structure, number and time spent of researchers and professional staff per year in the five-year period • Structure and dynamics of financial resources and sources of funding per year in the five-year period 	<ul style="list-style-type: none"> • Structure and number of published papers in relevant scientific journals in total and per researcher, per year in the five-year period • Structure and number of published papers in the Institute's publications per year in the five-year period • Degree of citation in international scientific citation databases per year in the five-year period • Structure and number of national and international public appearances, postgraduate and doctoral teaching activities, specialized seminars, workshops and lectures in total and per researcher, per year in the five-year period
1.1.3	<p style="text-align: center;">Increasing national and international research networking</p>	<ul style="list-style-type: none"> • Joining national and international research networks and associations in line with the research interests of the Institute 	<ul style="list-style-type: none"> • Structure, number and time spent of researchers and professional staff per year in the five-year period • Structure and dynamics of financial resources and sources of funding per year in the five-year period 	<ul style="list-style-type: none"> • Structure and number of national and international research networks and associations the Institute's researchers cooperate with, per year in the five-year period

1.1.4	Increasing involvement in national and international research projects	<ul style="list-style-type: none"> Applying and proposing new national and international research projects and other activities Intensifying national and international cooperation based on protocols, agreements and cooperation contracts 	<ul style="list-style-type: none"> Structure, number and time spent of researchers per year in the five-year period Structure and dynamics of financial resources and sources of funding per year in the five-year period 	<ul style="list-style-type: none"> Structure and number of national and international research project applications, protocols, agreements, contracts and other forms of cooperation per year in the five-year period
Specific goal 1.2				
The Institute is the center of expertise for assessing the economic and social impacts of EU accession and participation in globalization processes for Croatia and other countries in the region.				
Subgoals				
1.2.1	Increasing the number of projects focused on assessing the economic and social impacts of the accession of countries in the region to the EU	<ul style="list-style-type: none"> Project proposals to interested clients in the region and EU Assessing regional integration processes and preparing relevant studies 	<ul style="list-style-type: none"> Structure, number and time spent of researchers per project and study, per year in the five-year period Structure and dynamics of financial resources and sources of funding per project and study, per year in the five-year period 	<ul style="list-style-type: none"> Structure and number of project proposals, contracted and finalized projects and studies per year in the five-year period
To strengthen relations with the business sector and proactively share the research findings by offering and conducting research projects for national and international business entities, organizations and institutions.				
Performance indicators				
<ul style="list-style-type: none"> In addition to standard short-term projects, the number of long-term projects to increase to 20 percent in the ten-year period. Total research activity to result in an annual average revenue growth rate of 15 percent. Share of revenues from international scientific and expert research projects to increase to 40 percent of planned revenues in the ten-year period. 				
General goal 2				
The Institute works closely with the national and international business community and organizations, offering them its intellectual services and sharing its research findings with them.				
Specific goal 2.1				

Subgoals	Activities	Indicators of invested resources	Indicators of achieved results
<p data-bbox="296 1585 320 2063">2.1.1</p> <p data-bbox="360 1585 576 2063">Intensifying cooperation with members of the national and international business community</p>	<ul data-bbox="296 1084 855 1585" style="list-style-type: none"> Analyzing the intellectual services market and participating in national and international tenders Proactively offering exclusive and joint projects to members of the national and international business community Preparing project packages encompassing intellectual services tailored to the specific needs of potential national and international clients Assessing finalized projects through the individual and joint presentation, publishing and promotion of project results in research and expert studies, books or articles Establishing EIZ Club 	<ul data-bbox="296 620 687 1084" style="list-style-type: none"> Structure, number and time spent of researchers per project and activity, per year in the five-year period Structure and dynamics of financial resources and sources of funding per project and study, per year in the five-year period 	<ul data-bbox="296 181 703 620" style="list-style-type: none"> Structure and number of offered, contracted and finalized projects, project packages, market analyses, studies, books and articles per year in the five-year period Catalogue of project proposals for EIZ Club per year in the five-year period
<p data-bbox="871 1585 895 2063">2.1.2</p> <p data-bbox="935 1585 1150 2063">Strengthening and increasing cooperation with national and international institutions, NGOs and civil society organizations</p>	<ul data-bbox="871 1084 1270 1585" style="list-style-type: none"> Analyzing the intellectual services market and participating in national and international tenders Proactively offering exclusive and joint projects to national and international institutions, NGOs and civil society organizations Assessing finalized projects through the individual and joint presentation, publishing and promotion of project results in research and expert studies or articles 	<ul data-bbox="871 620 1182 1084" style="list-style-type: none"> Structure, number and time spent of researchers per project and activity, per year in the five-year period Structure and dynamics of financial resources and sources of funding per project and study, per year in the five-year period 	<ul data-bbox="871 181 1158 620" style="list-style-type: none"> Structure and number of offered and contracted projects, project packages, market analyses, studies, books and articles per year in the five-year period

The Institute supports the cooperation of research institutions and the academic community with the business sector and state institutions.			
Specific goal 2.2			
Subgoals	Activities	Indicators of invested resources	Indicators of achieved results
2.2.1 Achieving a recognizable impact on the cooperation between the stakeholders, the academic and business communities	<ul style="list-style-type: none"> Proposing projects to support the cooperation and networking of all stakeholders – academic community, business entities and state institutions Applying methodologies based on stakeholder networking and encouraging mutual cooperation in the implementation of research findings Promoting entrepreneurship, as well as the personal and social responsibility of individuals, business entities and institutions 	<ul style="list-style-type: none"> Structure, number and time spent of researchers per project and activity, per year in the five-year period 	<ul style="list-style-type: none"> Structure and number of offered, contracted and finalized cooperation projects and activities per year in the five-year period
Specific goal 2.3	The Institute is a center of excellence and expertise in the preparation of strategic documents of nation-wide impact for the Croatian public administration.		
Subgoals	Activities	Indicators of invested resources	Indicators of achieved results
2.3.1 The findings of scientific, applied and expert research are recognized as foundations on which government bodies base their strategic decisions and development policy measures	<ul style="list-style-type: none"> Presenting research findings and transferring knowledge to public policymakers in various ways Proactively offering to conduct projects as the foundation for strategic documents of nation-wide impact Advocating the use of applied research in developing Croatia's economic and other policy measures in the context of its EU accession 	<ul style="list-style-type: none"> Structure, number and time spent of researchers per project and study, per year in the five-year period Structure and dynamics of financial resources and sources of funding per project and study, per year in the five-year period 	<ul style="list-style-type: none"> Structure and number of offered, contracted and finalized projects and research, public appearances, seminars, consultations and workshops related to transferring knowledge to public administration per year in the five-year period

To enhance quality standards in its research activities and align its internal operational and organizational structure with this objective.			
Performance indicators			
General goal 3	<ul style="list-style-type: none"> Increased mobility of researchers to result in the acquirement of up-to-date knowledge, thus advancing the quality of research. Research capacities to grow through the high-quality, individual and shared mentoring of young researchers. Presence of researchers in the public to grow through the transfer and dissemination of specific knowledge. Advancements to be made in research infrastructure, as well as expert competitiveness. Research and expert activities to be rationally organized and adapted to the developmental needs of the Institute. 		
The level of expertise and research competencies of the Institute's researchers matches those of international peer institutes.			
Subgoals	Activities	Indicators of invested resources	Indicators of achieved results
3.1.1 Continuous scientific and professional development of researchers is an accepted and implemented developmental standard	<ul style="list-style-type: none"> Encouraging the mobility of researchers through study visits to national and international institutions Encouraging participation in national and international exchange programs and applying for national and international scholarships Encouraging internal sharing and transfer of knowledge and skills among the Institute's researchers through special seminars and workshops 	<ul style="list-style-type: none"> Structure, number and time spent of researchers per activity and per year in the five-year period Structure and dynamics of financial resources and sources of funding per activity and per year in the five-year period 	<ul style="list-style-type: none"> Structure and number of researchers on study and exchange visits per year in the five-year period Structure and number of internal seminars and workshops organized to share and transfer knowledge per year in the five-year period Structure and number of EU research programs in which the Institute's researchers participate, per year in the five-year period

3.1.2	<p>Implementing an effective system of employee assessment and career development for the Institute's research staff</p>	<ul style="list-style-type: none"> • Implementing a set of criteria for scientific career advancement • Enhancing mentorships 	<ul style="list-style-type: none"> • Structure, number and time spent of researchers per activity and per year in the five-year period 	<ul style="list-style-type: none"> • Structure and number of individual and joint papers by young researchers and their mentors per year in the five-year period • Structure and number of joint applications of researchers and young researchers for research projects per year in the five-year period • Structure and number of advancements of young researchers, as well as time it takes for young researchers to achieve advancements in their career, per year in the five-year period
Specific goal 3.2				
Subgoals		Activities	Indicators of invested resources	Indicators of achieved results
3.2.1	<p>The Institute's researchers participate in the work of national and international expert bodies in charge of scientific policy measures</p>	<ul style="list-style-type: none"> • Continually and systematically nominating representatives of the Institute to participate in the work of national and international scientific and expert bodies in the field of science 	<ul style="list-style-type: none"> • Structure, number and time spent of researchers who participate in the work of national and international expert bodies in charge of scientific policy measures, per year in the five-year period 	<ul style="list-style-type: none"> • Structure and number of researchers – representatives of the Institute – in national and international expert bodies in charge of scientific policy measures, per year in the five-year period
3.2.2	<p>The Institute's researchers participate in the work of other national expert bodies in charge of implementing public policies</p>	<ul style="list-style-type: none"> • Continually and systematically nominating representatives of the Institute to participate in the work of other national expert bodies in charge of implementing public policies 	<ul style="list-style-type: none"> • Structure, number and time spent of researchers who participate in the work of national bodies in charge of implementing public policies, per year in the five-year period 	<ul style="list-style-type: none"> • Structure and number of researchers – representatives of the Institute – in national bodies in charge of implementing public policies per year in the five-year period

The level of expertise and skills of employees in the Institute's service departments matches the competencies of service departments in the business sector and in international institutions.			
Specific goal 3.3			
Subgoals	Activities	Indicators of invested resources	Indicators of achieved results
3.3.1 Continuous professional development of employees in service departments is a developmental standard	<ul style="list-style-type: none"> Upgrading the formal level of education of employees in service departments in line with the requirements of their job positions Encouraging attendance at specialized seminars and courses in accordance with the Professional Training Plan which is part of the service department's Annual Work Plan Sharing information and knowledge transfer among employees in service departments through internal seminars and briefings 	<ul style="list-style-type: none"> Structure, number and time spent of employees in service departments in organizing and attending seminars and briefings, per year in the five-year period Structure and dynamics of financial resources and sources of funding for training, seminars and briefings, per year in the five-year period 	<ul style="list-style-type: none"> Structure and number of internal seminars and briefings or other forms of training of employees in service departments, per year in the five-year period Structure and number of employees in service departments who have upgraded their formal level of education, per year in the five-year period
3.3.2 Implementing an effective system of assessing and rewarding employees in service departments	<ul style="list-style-type: none"> Implementing a performance-driven system of assessing and rewarding employees in service departments, financed by the Institute's own funds 	<ul style="list-style-type: none"> Structure, number and time spent of employees of the Institute in developing a set of criteria for assessing and rewarding service departments, per year in the five-year period 	<ul style="list-style-type: none"> Rewarding employees in service departments per year in the five-year period

The Institute is equipped with research infrastructure which enables it to be autonomous in its activities and impartial in its research, and which meets its needs as the country's leading research organization and center of excellence in the field of economic research.			
Specific goal 3.4	Subgoals	Activities	Indicators of achieved results
	Maintaining and upgrading the research infrastructure, enabling the Institute to carry out its operations 3.4.1	<ul style="list-style-type: none"> Rationally utilizing, maintaining and upgrading premises and equipment in accordance with the Maintenance and Capital Investments Plan Maintaining and updating IT equipment Enabling an uninterrupted and unlimited access to on-line library databases Adapting the internal system of financing the procurement of supplies, IT equipment, databases, software and library material to uphold the standard of research 	<ul style="list-style-type: none"> Structure, number and time spent of researchers and service department employees per activity and per year in the five-year period Structure and dynamics of financial resources and sources of funding for maintaining and upgrading the research infrastructure per year in the five-year period
		<ul style="list-style-type: none"> Portion of total expenditures allocated for maintaining and upgrading the research infrastructure per year in the five-year period 	
Specific goal 3.5	Subgoals	Activities	Indicators of achieved results
	Developing a project-based organizational structure as the basis of research activity 3.5.1	<ul style="list-style-type: none"> Openly sharing information about projects and enabling researchers to join in-house projects according to their research areas and areas of interest Organizing project teams and managing projects in line with the professional competencies of project team members 	<ul style="list-style-type: none"> Structure, number and time spent of researchers in sharing information about projects and organizing project teams, per year in the five-year period
		<ul style="list-style-type: none"> Time elapsed from the moment the project is announced to the phase of organizing project teams and launching project activities 	

3.5.2	<p>Implementing a system of quality assurance</p>	<ul style="list-style-type: none"> • Enhancing the system of planning, monitoring and reporting on research and other activities • Including all employees in activities of common interest • Systematically building the Institute's brand 	<ul style="list-style-type: none"> • Structure, number and time spent of researchers and service department employees per activity related to developing the quality assurance system, per year in the five-year period 	<ul style="list-style-type: none"> • Structure and number of popular, promotional articles about the Institute per year in the five-year period • Structure and number of appearances in the media of the Institute per year in the five-year period • Structure and number of internal projects and activities aimed at advancing the Institute's operations, per year in the five-year period
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Appendix 2 Action Plan for 2011

	Activity	Person(s) responsible	Deadline
1	Preparing the 2011 Work Plan for research and service departments in accordance with <i>EIZ 2021: A Framework for Development</i>	Heads of research projects, heads of service departments	End of February 2011
2	Reorganizing research departments	Director	End of March 2011
3	Preparing the Specialized Research Areas Development Plan	Heads of research departments	End of April 2011
4	Establishing EIZ Club	Director	End of March 2011
5	Implementing a set of criteria required for scientific career advancement at the Institute	Scientific Board	End of April 2011
6	Implementing a performance-based system of assessing and rewarding the contribution of employees in service departments	Assistant Director for General Administrative Services	End of July 2011
7	Discussing and deciding whether to implement ISO standards	Head of IT and Statistics	End of October 2011
8	Discussing and deciding whether to seek international accreditation of the Institute	Scientific Board	End of November 2011