As we look back on 2006, we reflect upon a year of rigorous research and insightful analysis. Our work in all of the main European economic policy areas continues to gain a reputation for insightfulness, thoroughness and innovativeness and our publications and conferences attract the attention of policy-makers, journalists, and informed citizens across Europe. Furthermore, European and national institutions, such as EU directorates-general and national ministries, continue to draw on our expertise and experience to conduct specific studies on key policy trends and issues. We would like to share with you one example of how our research has directly contributed to the development of better policies in Brussels.

In 2006, European Union policy-makers continued to debate the arrangement of economic relations with the states to the east of the EU (the so-called “Eastern Neighbourhood”). CASE has emerged as a critical resource in this debate as a result of our vast experience and our extensive network of daughter and partner organizations in the region. This experience and contacts were applied in 2006 to a large, CASE-led, multi-institute, multi-year research project under the working title of “EU Eastern Neighbourhood: Economic Potential and Future Development,” with the task of producing a stream of critical results on trade, migration, foreign investment and institutions, as well as providing an analytical background for the design of European policies. This work is complemented by recommendations from our work on bilateral EU relations with key Eastern Neighbourhood countries that were presented to policy-makers in several national capitals and which were presented in Berlin during the German Presidency and at the European institutions in Brussels and Strasbourg in early 2007.

Many areas of our operations and activities have evolved and are continuing to evolve, but our core belief remains unchanged – we continue to work toward the development and implementation of the best possible policies, leading to the improved economic well-being and freedom of citizens and societies in the European Union member states, the Commonwealth of Independent States and across the developing and developed worlds. We also strive to see these challenges in a global perspective. In September 2006, we began to prepare for our 2007 international conference on the economic impact of a rising Asia on Europe and the rest of the world. This event, which is being held in Kyiv in March, 2007, promises to be an excellent opportunity for scholars from around the world to exchange viewpoints and to engage in productive discussion.

From an institutional perspective, in 2006 we continued the process of expanding, developing and “internationalizing” our researchers and staff. Our endowment continues to grow and we expect it to grow even faster in 2007, not in the least thanks to a generous second donation from the Stefan Batory Foundation.

Similar to 2006, 2007 will be a year of growth and transformation, as we continue to meet the evolving needs of policy-makers and citizens for clarity and a deeper understanding of how the economy works. Even as we look forward, however, we invite you to look back at our activities and achievements in 2006 in the pages that follow.

20 April 2007

Ewa Balcerowicz

Artur Radziwill

James Cabot
## Table of Contents

### ABOUT CASE
- Key Institutional Achievements in 2006
- Research Program in 2006
  - Macroeconomics and public finance
  - Labor markets, human capital and social policy
  - Innovation, competitiveness and entrepreneurship
  - EU enlargement, European Neighborhood Policy and EU external trade
  - Reforms, growth and poverty reduction in developing and transition countries
- Ongoing Projects in 2006
- Events and Media
  - Key Events
  - BRE Bank – CASE Seminars
  - Study tours
  - Biannual Conferences
  - Media
- Publications
  - CASE Reports
  - CASE Studies and Analyses
  - BRE Bank – CASE Series
  - Polish Economic Outlook: Trends, Analyses, Forecasts (PEO)
  - Books and Book Chapters
  - Journal Articles
- CASE People
- Financing of CASE Activities
  - Total Revenue in 2006
  - Sources of Financing
  - Endowment
CASE - Center for Social and Economic Research is an independent non-profit institute founded on the idea that research-based policy-making is vital for the economic welfare of societies. Established in Warsaw in 1991, CASE today is an internationally renowned think tank drawing on the talents of prominent economists and driving the creation of a network of partner institutions in transition countries. CASE carries out policy-oriented research and development assistance projects, specializing in questions of European integration, post-communist transition, and the global economy.

Mission

Our mission is to provide objective economic analysis and to promote constructive solutions to the challenges of transition, reform, integration and development in order to improve the socio-economic well-being of societies.

Values

We define ourselves by our values – integrity, quality, transparency, diversity and non-partisanship and, above all, by a commitment to the pursuit of excellence in all areas of our activities.

We seek to be an institution defined by both institutional integrity as well as by the integrity of our experts and staff.

We seek to be a group of scholars and experts defined by the quality of our research outputs and our advisory and technical assistance activities.

We seek to maintain full transparency with regard to our sources of funding, our participation in projects and other institutional activities.

We seek to be characterized by diversity in the projects we tackle, the experts we contract, the partners with whom we work, and the donors who support us.

Finally, we seek to maintain a strict sense of non-partisanship in all of our research, advisory and educational activities.

Activities

CASE relies on its pool of internationally recognized economic experts and Warsaw-based staff to carry out the following activities:

- Conduct independent, high-quality research and analysis
- Advise governments, international organizations and the NGO sector
- Inform and encourage public debate
- Disseminate economic knowledge and research results
- Support the growth and independence of the NGO sector in post-communist countries
CASE Network

CASE has capitalized on its institutional experience by helping to co-found a network of independent research institutes across post-communist countries:

CASE Kyrgyzstan
CASE Moldova
CASE Transcaucasus
CASE Ukraine
IPM-CASE Research Centre (Belarus)
Institute for the Economy in Transition (Russia)

This network represents CASE’s continual efforts to increase the range and quality of economic information available to decision-makers across the post-communist world, and to foster vibrant civil sectors in these societies.

External Research Networks

In 2006, CASE was a participating institution in six international networks:

ENEPRI - European Network of Economic Policy Research Institutes brings together 22 leading national economic policy research institutes from most of the EU-27 countries. The goals of the network are to foster the international diffusion of existing research, conduct joint research and increase public awareness of the European dimension of national economic policy issues.

EUROFRAME – The European Forecasting Network (EFN) comprises 10 of the most respected economic forecasting and research institutes in Europe. They have been selected by the EC to produce bi-annual reports on the euro area covering economic forecasts, regular policy monitoring and special policy topics.

ERAWATCH was conceived to support policy making in the European research field. It is a long term initiative jointly carried out by the EC’s Directorate-General for Research and the Joint Research Centre - Institute for Prospective Technological Studies (IPTS). Its aim is to provide a better understanding of national and regional research systems and of the environment in which they operate.

FEMISE is a Euro-Mediterranean network, supported by the EC, uniting more than 70 independent economic institutes and conducting socio-economic analysis of the Euro-Mediterranean Partnership. CASE joined FEMISE in the fall of 2006.

ARETT (Association of Russian Economic Think Tanks) - CASE has observer status in this network.

In 2006, we continued to support the Association of Polish Non-Governmental Organizations known as ‘Grupa Zagranica’. This is a group of 40 Polish organizations which are united by the international scope of their work and their aim to educate and inform Europeans about the needs of people living in developing countries.
Key Institutional Achievements

Becoming a thought leader on EU relations with the Eastern Neighbourhood

In 2006, we solidified our position at the forefront of research, particularly on questions of Eastern Neighbourhood relations and labour markets in Central Europe. CASE was selected to lead an 11-member consortium of European research institutes within the Sixth Framework program of the European Commission entitled “ENEPO - EU Eastern Neighbourhood - Economic Potential and Future Development” (12)

Developing into a trusted provider of expertise for the EC and national governments

CASE was selected to provide expertise to the European Commission and different EC institutions (DG Economic and Financial Affairs, DG Trade, DG Employment), as well as the Polish and Dutch governments.

Becoming a key supporter of the Polish government in development assistance through our partnership with the Ministry of Foreign Affairs (MFA)

A record number of CASE projects (four out of five) were chosen to be implemented within the Polish MFA grant competition. The projects, designed by teams of CASE experts, were development projects on Belarus, Moldova, Ukraine and Georgia. In 2007, we hope to strengthen this partnership.

Expanding and diversifying our research team and office staff

In 2006, the CASE team grew with the addition of new staff members. In November, Ainura Uzagalieva, who recently completed her PhD at CERGE-EI in Prague, joined our research team as a visiting scholar. Sierz Naurodski, who is originally from Belarus but has spent significant time studying and working in Denmark and Poland, joined our core team as well. New project officers from Belgium, the United States and Poland are offering their support to application processes and the administration of our projects. Thanks to the diversification and growth of our team, English has increasingly become the...
main operating language used in our office (together with growth in the number of Russian speakers), and our projects have taken on an increasingly international scale.

**Growth in revenues and endowment funds**

In 2006, our statutory revenues were 6,944,669 PLN (1,781,350 EUR), 45.3% higher than our revenues from the previous year. Simultaneously, we continued to build our endowment in order to strengthen long-term financial stability and independence and to improve our capacity to carry out large-scale EC-financed research projects. Throughout the course of the year our endowment fund grew from 1,533,500.77 PLN to 1,883,028.02 PLN (or 483,435 Euro) and we have further commitments to increase this total in 2007.

**Strengthening network activities**

Working together and building the research capacities of our daughter organizations in post-communist countries is one of our major institutional goals, and in 2006 we continued to meet this aim. The ENEPO project mentioned above, which five CASE daughter-organizations play important partnership roles, is a prime example of CASE network coordination. CASE also ran a number of joint-research projects in cooperation with daughter organizations, such as “Prospects for EU-Ukraine Economic relations,” (48) “Prospects for EU-Moldova Economic Relations” (29) and “Development of SMEs in Belarus” (5), to name a few. The final project reports were presented at seminars in Moldova and Ukraine and will be presented in Berlin, Brussels and Strasbourg in the first half of 2007.

CASE’s position as a key participant in European think tank networks was further solidified thanks to our active participation in ENEPRI research initiatives. In conjunction with other ENEPRI members, CASE is taking part in many activities including the AHEAD (1) health economics project and the AIM (2) aging and pensions project, the European Social Observatory project (15).

---

1 These numbers correspond to the number of the project in the list of “Ongoing Projects in 2006” beginning on p. 12 of the Annual Report.
In 2006, the CASE research program addressed the most critical economic policy challenges facing the European Union, as well as its neighbors and more distant development partners, while finding the right balance between academic research and policy advice at the European and national levels. There are five broad thematic areas where CASE was particularly active and contributed substantially to the policy debate across Europe and beyond:

- Macroeconomics and public finance
- Labor markets, human capital and social policy
- Innovation, competitiveness and entrepreneurship
- EU Enlargement, European Neighborhood Policy and external trade
- Reforms, growth and poverty reduction in developing and transition countries

The most impressive increase in the profile of CASE research and policy recommendations was in the thematic area of EU Enlargement and Neighborhood, where CASE is now emerging as a growing authority in the pan-European debate. However, we start our discussion with three traditional areas of expertise where CASE has consolidated its position as a prominent European intellectual center.

Macroeconomics and Public Finance

In 2006, CASE was actively involved in research within the area of macroeconomic policy and public finance. The highlight of our work remains the European Forecasting Network (16), where we not only regularly contribute to bi-annual Eurozone macroeconomic forecasts used by the EC’s Directorate General for Economic and Financial Affairs, but where we also address topical policy issues of the eurozone.

Labor markets, human capital and social policy

A second key area of analysis in 2006 was labor markets, human capital and social policy. CASE researchers sought to contribute factual analysis to the policy
debates taking place in Brussels and in national capitals.

As participants in a broader consortium co-organized by ENEPRI, CASE experts are handling Lot 1 of the European Social Observatory project (15), which covers demographic trends, including the monitoring of developments in fertility, mortality and migration, as well as the implications of population developments for economic growth, quality of life, human resources development, the labor market, social protection, migration and household structures. The overall project analyzes the interplay between demographic trends and social developments, with an eye toward the ensuing consequences and policy challenges. Our teams also continued important work on aging, health, and social security in response to an increasing need to understand the impact of Europe’s demographic decline on policy options. A CASE team continued to conduct research on the adequacy of old-age income maintenance in the European Union through the AIM project (2), which is a multi-year project carried out by research institutions in the ENEPRI network. A CASE team is also carrying out research on the current state of public health systems in Central and Eastern Europe through the AHEAD project (1), which is another ENEPRI-network research project supported by the EC’s Sixth Framework Research Programme.

Separately, our researchers produced a study on the tax wedge and skills, placing Poland in an international context (32) and published a report on labour costs and labour market development focusing on the Czech, Hungarian and Polish manufacturing industries (9). As a sign of our growing reputation in this area, our researchers continued important work on aging, health, and social security in response to an increasing need to understand the impact of Europe’s demographic decline on policy options. A CASE team continued to conduct research on the adequacy of old-age income maintenance in the European Union through the AIM project (2), which is a multi-year project carried out by research institutions in the ENEPRI network. A CASE team is also carrying out research on the current state of public health systems in Central and Eastern Europe through the AHEAD project (1), which is another ENEPRI-network research project supported by the EC’s Sixth Framework Research Programme.

A CASE team also carried out a study for the EC’s Directorate-General for Employment, Social Affairs and Equal Opportunities, analyzing socio-economic developments and structural reforms in Bulgaria, Romania, Croatia and Turkey and identifying major demographic, social and economic contexts most pertinent for determining the candidate countries’ capacity to function in the EU. The study produced four country studies and a synthesis report (3). A CASE team also conducted research on the underlying economic determinants and social consequences of the restructuring of industries in Russia and Ukraine with a focus on the sustainability and adequacy of pensions systems. This has been done through the ESCIRRU (14) project, coordinated by the German Institute for International Economics and supported by the EC’s Sixth Framework Programme.

We also remained the authority in the discussion of social sector development in Poland, providing the intellectual backdrop for some of the most important policy decisions. Such contributions included social policy reviews on Poland (38), the diagnosis for the EU-funded operational program on human capital development (31), the study of the impact of education on incomes (35), the analysis of future job prospects at the regional level (36) and evaluating programs, such as EQUAL (13).

Innovation, competitiveness and entrepreneurship

An important issue in 2006 for policymakers across the EU was competitiveness and how to encourage innovation and growth in European enterprises. CASE research teams sought to contribute to this debate by continuing work begun in 2003 on how the EU accession affected the competitiveness of Czech, Hungarian and Polish enterprises, and on the resulting effects on labour markets, as well as structural changes to the economy and economic growth. This study took place within a multi-year, multi-institute research project supported by the EC’s Fifth Framework Programme (9). CASE researchers studied changes in the competitive position of the Czech Republic, Hungary and Poland in the EU market and produced a paper on vertical product differentiation in specific Polish manufacturing sectors.

Recognizing the role of innovation, as well as existing and potential synergies between European universities and small and medium sized enterprises, our researchers examined the knowledge-based economy, particularly start-up entrepreneurship, corporate entrepreneurship and academic entrepreneurship. The objective was to explore and refine the current concept of
knowledge-based entrepreneurship (KBE), examining its relationship with innovation, defining the role of networks of alliances, information, finance and social ties, assessing KBE in different sectoral and national systems of innovation and producing policy recommendations as a result of these studies. This work was conducted within a multi-institutional research project entitled “Knowledge-Based Entrepreneurship: Innovation, Networks and Systems” (23) coordinated by Luigi Bocconi University in Milan.

In October 2006, a CASE team began work on a new long-term research project that examines issues of growth, employment and competitiveness in the knowledge-based European economy by exploring three interdependent levels of analysis: the enterprise, regional level and industry levels. The rationale for such an approach is that the impact of corporate, regional and industrial strategies and policies at the national and EU levels can only be wholly understood in this three dimensional context. MICRO-DYN (27) (or Micro-Dynamics) is coordinated by the Vienna Institute for International Economic Studies and supported by the EC’s Sixth Framework Research Programme.

Our work on these questions is not limited to the EU alone however. CASE participated in a study on corporate governance practices in transition countries (Russia, Ukraine and Kyrgyzstan) (8). A CASE team also conducted a project aimed at improving the legal framework for starting and running a business in Belarus and at enhancing cooperation between local authorities and the SME sector (4). Elsewhere, researchers from CASE and CASE-Ukraine prepared a paper on Ukraine's regulatory environment and ways to improve the business climate (47). Also, a CASE team produced a strategic overview of privatization, systemic reforms and the evolution of the enterprise sector in Poland, “An assessment of fifteen years’ experience” (36).

EU enlargement, European Neighborhood Policy and EU external trade

Following the May 2004 accession and Ukraine’s Orange Revolution, the question of what form EU relations with the Eastern Neighbourhood should take has been at the center of the Brussels debate, and likewise at the forefront of the CASE research program.

The intellectual framework for CASE work in this subject was provided by beginning work on the ENEPO project (12) (EU Eastern Neighbourhood – Economic Potential and Future Development). This is a multi-year, multi-institution research project focused on the potential of the European Neighborhood Policy to improve relations between the enlarged EU and CIS countries in the spheres of trade, investment, labor movements and technical cooperation. Simultaneously, the project assesses the mutual interdependence between these spheres and the pace of economic and governance reforms in the CIS. CASE is leading the consortium of research institutes from the EU-25, Norway, and the CIS who are working on the ENEPO project. It is being financed as a Specific Targeted Research Project under the EC’s Sixth Framework Programme, Priority Seven.

In work on specific countries, a team of researchers from CASE and CASE Ukraine produced a major study on prospects for EU-Ukraine economic relations (48), in which they presented a compelling argument for “deeper” economic integration between the two. A second research team, including researchers from CASE Moldova, produced a study on prospects for EU-Moldova economic relations (29), which examined changes resulting from Romania’s accession to the EU and Moldova’s difficult trade relationship with Russia. The studies were presented to policy-makers, journalists and the public at conferences in Kyiv, Chisinau, and Warsaw in December of 2006. In 2007, the studies will be presented in Berlin, and at mini-hearings of the European Parliament in Strasbourg and Brussels. CASE also worked on the relationships between the EU and its southern neighbors, where CASE researchers and colleagues in Sarajevo assessed the progress of Bosnia and Herzegovina in meeting the Copenhagen economic criteria for accession to the EU (25).
An important element of the work regarding the Eastern Neighborhood stems from the strong competence of CASE in studying external trade. Not only does the ENEPO project have a substantial trade element, but other trade-specific projects were also conducted in 2006. A study on non-tariff barriers faced by Ukrainian exporters to the EU, prepared by a team of researchers from CASE and CASE Ukraine, shed light on an important and poorly understood area of EU-Ukraine trade relations (47) and provided concrete policy recommendations relevant to the on-going negotiations of an EU-Ukraine trade agreement. A special report, prepared originally for the Dutch Ministry of Economics and later publicized more widely, on “European Neighbourhood Policy: The Countries Bordering the EU and Enhanced Economic Integration” (40) also covered the Mediterranean region. Elsewhere in the “neighbourhood,” CASE researchers working with colleagues in Sarajevo, prepared an analysis of the functioning of free trade agreements between Bosnia and Herzegovina (26) and its regional partners in the SEE Stability Pact. As a sign of the reputation that CASE is gaining as a leading European institution on economic relations between the EU and the NIS, in November 2006 a CASE team was asked by the European Commission’s Directorate-General for Trade to conduct a study of the potential implications of a free trade area between the EU and Russia (39). The study will consider a range of scenarios, from shallow liberalization based only on elimination of tariffs, to a comprehensive FTA including harmonization of legislation and changes in domestic policy such as energy reform. The study is due to be delivered in July 2007.

**Reforms, growth and poverty reduction in developing and transition countries**

In 2006, CASE remained committed to providing guidance to developing and less advanced transition countries and to supporting their efforts to formulate and implement key strategic documents. 2006 saw an expansion of CASE’s activity from its traditional focus on transition economies to the Middle East and North Africa, where countries are facing many of the same reform challenges faced by transition countries. CASE experts shared the lessons from Eastern Europe’s transition with policymakers in Syria (43) and regularly supported the policymaking at the cabinet level in Egypt (11). A team of researchers aided Djibouti to develop its’ Country Strategy Paper (10).

In the CIS region, a traditional area of CASE’s geographical activity, CASE teams worked in an EC-funded project aimed at the preparation of a poverty reduction strategic plan for Tajikistan (44). There was also a substantial continuation of high level economic strategy work through the Blue Ribbon Commission in Ukraine (49). CASE researchers also led a project in Georgia that focused on developing civil society and promoting economic growth in the Republic of Ajara region of Georgia by developing the capacity of local government officials and leaders of local civil organizations to understand government decentralization and local public management (21).

Similarly, CASE was active in providing effective assistance to development challenges in the Balkans. In Montenegro, a CASE team supported the development of Montenegrin civil society by providing substantive and institutional assistance to Montenegrin NGOs active in macroeconomic research (30). In Macedonia, CASE experts participated in a UNDP-convened Blue Ribbon Commission on economic policy reforms (24). In Bosnia and Herzegovina, work began on an EC-funded project to provide fiscal policy support and training to civil servants.
<table>
<thead>
<tr>
<th></th>
<th>Project Title</th>
<th>Financing Institution</th>
</tr>
</thead>
</table>
| 1 | AHEAD - Ageing, Health Status and Determinants of Health Expenditure  
   Experts: Stanisława Golinowska, Agnieszka Sowa, Roman Topor-Madry | European Commission, Sixth Framework Program                                             |
| 2 | AIM - Adequacy of Old-Age Income Maintenance in the EU  
   Experts: Stanisława Golinowska, Marek Gora, Katarzyna Pietka, Artur Radziwiłł, Anna Ruzik, Mateusz Walewski | European Commission, Sixth Framework Program                                             |
| 3 | BALKANDIDE - Study on Social Dimension in the Candidate Countries - Bulgaria, Romania, Croatia and Turkey  
   Experts: Wojciech Paczynski, Artur Radziwiłł, Mateusz Walewski, Przemysław Wozniak | European Commission, DG Employment, Social Affairs and Equal Opportunities             |
| 4 | Belarus: Development of Small and Medium Sized Enterprises through Improvement of Business Climate and Enforcement of Business Infrastructure  
   Experts: Ewa Balcerowicz, Michał Gorzynski, Piotr Kozarzewski, Sierz Naurodski | Polish Ministry of Foreign Affairs                                                     |
| 5 | Bosnia and Herzegovina: EU Fiscal Policy Support  
   Experts: Mirosław Gronicki, Małgorzata Markiewicz, Karoly Soos, John Wright | European Commission, EuropeAid                                                          |
<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>Expert(s)</th>
<th>Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Capital Mobility and Tax Competition Between Old and New EU Member States</td>
<td>Małgorzata Jakubiak, Małgorzata Markiewicz</td>
<td>CERGE-EI (2006 GDN Regional Research Competition)</td>
</tr>
<tr>
<td>8.</td>
<td>Corporate Governance Practices and Prospects in Transition Countries: The Case of Russia, Ukraine, and Kyrgyzstan</td>
<td>Barbara Błaszczyk, Piotr Kozarzewski, Richard Woodward</td>
<td>INTAS (Intl. Assoc. for the Promotion of Co-operation with Scientists from the NIS)</td>
</tr>
<tr>
<td>10.</td>
<td>Djibouti: Technical Assistance in Drafting the Joint Annual Report (JAR) and Country Strategy Paper (CSP)</td>
<td>Walter Pfluger</td>
<td>European Commission, EuropeAid</td>
</tr>
<tr>
<td>11.</td>
<td>Egypt: Technical Assistance to the Cabinet of Ministers - Information and Decision Support Center</td>
<td>Marek Dabrowski</td>
<td>European Commission, EuropeAid</td>
</tr>
<tr>
<td>Ongoing Projects in 2006</td>
<td>Experts</td>
<td>Agency/Program</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>14. ESCIRRU - Economic and Social Consequences of Industrial Restructuring in Russia and Ukraine</strong></td>
<td>Grzegorz Kula, Olga Pavlova, Artur Radziwiłł, Oleksandr Rohozynsky, Anna Ruzik, Irina Sinitsina, Mateusz Walewski</td>
<td>European Commission, Sixth Framework Program</td>
<td></td>
</tr>
<tr>
<td><strong>16. European Forecasting Network</strong></td>
<td>Marek Dabrowski, Małgorzata Jakubiak, Małgorzata Markiewicz, Katarzyna Pietka, Mateusz Walewski, Przemysław Wozniak</td>
<td>European Commission, DG ECFIN</td>
<td></td>
</tr>
<tr>
<td><strong>17. Ex-post Evaluation of Macro-Financial Assistance (MFA) Operations in the Former Yugoslav Republic of Macedonia</strong></td>
<td>Marek Dabrowski, Małgorzata Markiewicz, Artur Radziwiłł, Marian Nikolov</td>
<td>European Commission, DG ECFIN</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Title</td>
<td>Experts</td>
<td>Organization</td>
</tr>
<tr>
<td>----</td>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>18</td>
<td>Ex-post Evaluation of Macro-Financial Assistance (MFA) Operations in Bosnia and Herzegovina</td>
<td>Małgorzata Markiewicz</td>
<td>European Commission, DG ECFIN</td>
</tr>
<tr>
<td>21</td>
<td>Georgia: Empowerment of Local Civil Societies through Trainings for Local Authorities</td>
<td>Anna Lewandowska, Sierz Naurodski, Paweł Swianiewicz</td>
<td>Polish Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>22</td>
<td>Impact of Decentralization on Public Service Delivery and Poverty Reduction</td>
<td>Maciej Jakubowski, Irena Topinska</td>
<td>UNDP</td>
</tr>
<tr>
<td>23</td>
<td>Knowledge-based Entrepreneurship: Innovation, Networks and Systems</td>
<td>Michal Górzynski, Małgorzata Jakubiak, Richard Woodward</td>
<td>European Commission, Sixth Framework Program</td>
</tr>
<tr>
<td>Ongoing Projects in 2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>24.</strong> Macedonia: Comprehensive Policy Support Program to Development Agenda of Macedonia (Blue Ribbon Report for Macedonia)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts: Marek Dabrowski, Małgorzata Markiewicz</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>25.</strong> Meeting Copenhagen Economic Criteria for Accession to the EU (Bosnia and Herzegovina)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts: Rafał Antczak, Małgorzata Antczak, Adnan Efendic, Karina Kostrzewa, Erol Mujanovic, Wojciech Paczynski</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Commission, EuropeAid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>26.</strong> Analysis of Free Trade Areas and Policy Measures for Enhancing their Effectiveness (Bosnia and Herzegovina)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts: Małgorzata Jakubiak, Wojciech Paczynski, Michael Emerson, Jan-Jakub Michalek, Amir Hadziomeragic, Nermin Oruc</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Commission, EuropeAid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>27.</strong> MICRODYN - Competitiveness in the Knowledge-Based Economy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts: Ewa Balcerowicz, Barbara Błaśzczyk, Iraj Hashi, Małgorzata Jakubiak, Ainura Uzagalieva, Mateusz Walewski, Anna Wziatek-Kubiak</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Commission, Sixth Framework Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>28.</strong> Morocco: Mid-Term Technical Evaluation of the Support Program to the Implementation of the Association Agreement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts: Walter Pfluger</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Commission, EuropeAid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>29.</strong> Moldova: Prospects for EU-Moldova Economic Relations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts: Maria Cernobrovic, Małgorzata Jakubiak, Joanna Konieczna, Mariana Puntea, Marcin Sowa, Alexandru Stratulat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polish Ministry of Foreign Affairs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#</td>
<td>Title</td>
<td>Experts</td>
<td>Funders</td>
</tr>
<tr>
<td>----</td>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>30</td>
<td>Montenegro: Building Research and Management Capacity of Economic NGOs</td>
<td>Małgorzata Jakubiak, Małgorzata Markiewicz, Wojciech Paczynski, Katarzyna Pietka, Mateusz Walewski, Przemysław Wozniak</td>
<td>Polish Ministry of Foreign Affairs and the Canadian International Development Agency (CIDA)</td>
</tr>
<tr>
<td>31</td>
<td>Poland: An Analysis of the Human Capital Operational Program in Poland</td>
<td>Michał Boni, Piotr Broda-Wysocki, Jacek Jaworski, Paweł Kubicki, Wojciech Paczynski, Bartłomiej Piotrowski, Artur Radziwiłł, Anna Ruzik, Urszula Sztanderska</td>
<td>Polish Ministry of Regional Development</td>
</tr>
<tr>
<td>32</td>
<td>Poland: Employment of Unskilled Labor Force and Tax Wedge in Poland and in other OECD and Central and Eastern European Countries</td>
<td>Marek Góra, Artur Radziwiłł, Agnieszka Sowa, Mateusz Walewski</td>
<td>Polish Ministry of Scientific Research and Information Technology</td>
</tr>
<tr>
<td>33</td>
<td>Poland: Estimation and Forecasting of Core Inflation in Poland using the Generalized Dynamic Factor Model</td>
<td>Przemysław Wozniak</td>
<td>Polish Ministry of Scientific Research and Information Technology</td>
</tr>
<tr>
<td>35</td>
<td>Poland: Income Diversification and Education in Rural Poland</td>
<td>Jan Fałkowski, Maciej Jakubowski, Paweł Strawinski</td>
<td>CERGI-EI (2006 GDN Regional Grant Competition)</td>
</tr>
<tr>
<td>Ongoing Projects in 2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **36.** Poland: Privatization, Systemic Reforms and the Evolution of the Enterprise Sector: An Assessment of Fifteen Years’ Experience  
  Experts: Małgorzata Antczak, Barbara Blaszczynk, Irena Grosfeld, Piotr Kozarzewski, Wioletta Nawrot, Bartłomiej Paczóski, Richard Woodward  
  Polish Ministry of Scientific Research and Information Technology |
| **37.** Poland: Regional Labor Market Capacity Strengthening and Continuous Education in Wielkopolska  
  Experts: Bartłomiej Piotrkowski, Artur Radziwiłł, Maciej Sobolewski, Mateusz Wałewski  
  European Commission, Wielkopolska Voivodship Labor Office in Poznań, Poland |
| **38.** Poland: Social Policy Reviews of Poland  
  Expert: Katarzyna Pietka  
  World Bank |
| **39.** Russia: Economic Impact of a Potential Free Trade Agreement Between the European Union and the Russian Federation  
  Experts: Marek Dabrowski, David Dyker, Michael Emerson, Michael Gasiorek, Peter Holmes, Natalia Karlova, Małgorzata Jakubiak, Konstantin Kozlov, Alina Kudina, Maryla Maliszewska, Olga Milova, Wojciech Paczynski, Eugenia Serova, Natalia Toudyeva, Yaroslav Volkov  
  European Commission, Directorate General for Trade |
| **40.** Study on European Neighbourhood Policy: The Countries Bordering the EU and Enhanced Economic Integration  
  Experts: Małgorzata Jakubiak, Anna Koleshnicenko, Wojciech Paczynski  
  Dutch Ministry of Economics |
| **41.** Study on the Impact of Working Time  
  Experts: Gabriela Grotkowska, Jacek Liwinski, Urszula Sztanderska  
  European Commission, DG Employment |
| 42. | Study on the Price Convergence in the Enlarged Internal Market  
Expects:  
Jakub Kowalski, Przemyslaw Wozniak | European Commission, DG ECFIN |
| 43. | Syria: Lessons from Eastern Europe’s Tranistion for syria’s ISMF  
Policy Roundtable  
Expert:  
Marek Dabrowski | European Commission, EuropeAid |
| 44. | Tajikistan: Assistance in Preparing the PRSP  
Expert:  
Roman Mogilevsky | European Commission, EuropeAid |
| 45. | Thematic Extension of the ERAWATCH  
Base-load Research Inventory  
Experts:  
Anna Gawecka, Michal Górzynski, Malgorzata Jakubiak | European Commission, DG Research |
| 46. | A Time-Frequency Analysis of Business Cycle Coherence between  
the Euro-zone and the New Member States  
Experts:  
Wojciech Paczynski, Przemyslaw Wozniak | CERGE-EI (2006 GDN Regional Grant Competition) |
| 47. | Ukraine: Overcoming Non-Tariff Barriers for Ukrainian Exports to the EU  
Experts:  
Malgorzata Jakubiak, Maryla Maliszewska, Irina Orlova, Magdalena Rokicka, Vitaliy Vavryschuk | Polish Ministry of Foreign Affairs |
<table>
<thead>
<tr>
<th>Ongoing Projects in 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>48.</strong> Ukraine: Prospects of EU-Ukraine Economic Relations</td>
</tr>
<tr>
<td>Experts: Dmytro Boyarchuk, Inna Golodniuk, Malgorzata Jakubiak, Anna Kolesnichenko, Mykyta Mykhaylychenko, Vitaliy Vavryshchuk</td>
</tr>
<tr>
<td><strong>49.</strong> Ukraine: Task Force on Economic Reform Strategy in Ukraine (Blue Ribbon Commission II Project cont.)</td>
</tr>
<tr>
<td>Experts: Ewa Balcerowicz, Dmytro Boyarchuk, Marek Dabrowski, Pavel Daneyko, Pavel Drobyshiev, Vladimir Dubrovsky, Inna Golodniuk, Marek Jarocinski, Mykyta Mykhaylychenko, Oleksandr Rohozynsky, Sergei Shishkin, Janusz Szyrmer, Oleg Ustenko, Vitaliy Vavryshchuk</td>
</tr>
</tbody>
</table>
In 2006, we organized a full calendar of events and activities to promote economic knowledge, explain the results of research projects, and foster debates on current socio-economic issues. The target audience of these activities remained economists, financial analysts, policy makers, public officers, economic journalists, lecturers and researchers from universities, as well as students and members of the general public.

### Key Events

**Warsaw – 7 February**  
**Employment of unskilled labor force and tax wedge in Poland and in other OECD and central and eastern European countries (32)**

The seminar presented macroeconomic and microeconomic evidence showing how a tax wedge can harm employment in countries abundant in low-skilled labour and therefore sending a strong message for policy change in the EU and especially in New Member States.

Presenters: Marek Gora, Artur Radziwill, Agnieszka Sowa, Mateusz Walewski

**Brussels – 23 March**  
**Berlin – 23 March**  
**The economic situation in the euro-zone: analysis and forecasts (press conference) (16)**

A presentation of the EUROFRAME European forecasting Network (EFN) Spring report on convergence and integration of new EU members into the EuroZone.

Presenters: Przemysław Woźniak (Brussels), Marek Dąbrowski and DIW team (Berlin)

**Warsaw – 28 March**  
**Is Polish manufacturing competitive in the EU? (press conference) (8)**

Presentation of the results of the three year international research project funded by the 5th Framework Program of the European Union and coordinated by CASE: “Changes in
industrial competitiveness as a factor of integration: identifying challenges of the enlarged Single European Market”

Presenters: Anna Wziątek-Kubiak, Ewa Balcerowicz, Agnieszka Furmańska-Maruszak and Krzysztof Szczygielski

Warsaw – 8 June
Privatization in post-communist countries – presentation of a book by Piotr Kozarzewski

The book analyzes the outcomes of privatization in terms of its successes and failures and elaborates recommendations for policy makers for improving the efficiency of the privatization processes.

Chair: Barbara Blaszczyk
Presenter: Piotr Kozarzewski

Warsaw – 6 July
New dilemmas in Poland’s social policy (press conference) (38)

A presentation of a CASE report on current key social policy issues in Poland such as the labor market, pension system, education, social assistance, decentralization, health care and links between the government and NGOs.

Presenters: Michał Boni and Stanisława Golinowska

Warsaw – 8 November
The impact of mobile number portability on the competitiveness of the mobile telecommunications - presentation based on the PhD thesis of Maciej Sobolewski

Presenter: Maciej Sobolewski

Kyiv – 1 December
Prospects for EU-Ukraine economic relations (48)

The report, which was the result of a collaborative research effort between experts from CASE and CASE Ukraine, was publicized during a presentation event. After the major themes of the report were presented by its authors, high-level Ukrainian government officials as well as a representative of the EC delegation to Ukraine gave their commentaries. The event garnered much interest and was widely covered in both the Ukrainian and Polish press.

Presenters: Małgorzata Jakubiak, Vitaliy Vavryschuk

Tbilisi - 14 December
Empowerment of local civil societies in Georgia through trainings for local authorities (22)

The final presentation gave a summary of the 4 days of trainings for local government and civil society leaders and included an official presentation of the “Handbook for local government officials” which was published through the project. Seventy people attended
the event including the honorary guest, Zbigniew Wiktorowicz, the Polish ambassador to Georgia

Presenters: Sierz Naurodski, Michael Djibouti, Mikhail Tokmazishvili, Paweł Swianiewicz

Chisinau – 15 December,
Warsaw – 18 December

**Prospects for EU-Moldova economic relations (29)**

Presentation of the final project report by experts from CASE and CASE Moldova. Experts presented an analysis of the progress of economic integration as well as a prognosis of future relations between Moldova and the European Union.

Presenters: Małgorzata Jakubiak, Alexandru Stratulat, Maria Chernobrovchuc and Mariana Puntea

Minsk – 20 December

**Development of SMEs in Belarus (4)**

A CASE team presented the results of the “Development of small and medium enterprises in Belarus through improvement of business climate and enforcement of business infrastructure” project.

Presenters: Sierz Naurodski, Elena Rakova, Piotr Kozarzewski, W. Karagin, G. Badziej

Kyiv – 22 December

**Overcoming non-tariff barriers for Ukrainian exports to the EU (47)**

A team of CASE and CASE Ukraine researchers presented the results of a study. They tested the results of the project survey against the experiences of Ukrainian policymakers and entrepreneurs.

Presenters: Małgorzata Jakubiak, Vitaliy Vavryschuk
BRE Bank – CASE Seminars

This is a series of public seminars dedicated to the development of financial markets and the banking sector and the most important issues facing the economies of Poland, Europe and the world. The seminars have a 15-year tradition and are co-organized with BRE Bank SA. Six meetings from this series took place in 2006:

Nr. 82
**Securitization of Banking Assets**
Panelists:
- Przemyslaw Majka (PKO Bank, Managing Director of the Center of Restructuring and Vindication)
- Piotr Cybrut (BRE Bank, President)
- Piotr Karnkowski (BPH Bank, Director of the Department for Managing Actives and Passives)
- Andrzej Wysokinski (Dewey Ballantine Grzesiak Law Firm, Partner)

Nr. 83
**What Reforms are Needed in Poland?**
Panelists:
- Barbara Błaszczyk (CASE)
- Stanisława Golinowska (CASE)
- Michał Boni (CASE)

Nr. 84
**Poland’s perspective for entering the Euro-zone**
Panelists:
- Jarosław Pietras (Ministry of Finance, Secretary of State)
- Jerzy Pruski (National Bank of Poland, Vice President)
- Maciej Krzak (Société Générale, Chief Economist)

Nr. 85
**Municipal Bonds in Poland (Obligacje komunalne w Polsce)**
Panelists:
- Michael Noel (World Bank, Chief Financial Specialist)
- Marcin Święcicki (PKO Banks SA, Department of Structural Finances)
- Michal Bitner (University of Warsaw, Law and Administration Department)
- David Levine (Forum of Financial Policy, Washington DC)

Nr. 86
**Investment Risk in Poland**
Panelists:
- Mateusz Szczurek (ING Bank Silesia, Chief Economist)
- Mateusz Markiewicz (PKN Orlen SA, Director of Finance Managements)
- Tomasz Bogus (BRE Bank SA, Director of the Network of Corporate Areas)
Study tours

CASE organizes and hosts several study visits every year. During these visits, groups of economists, NGO workers and public administrators from developing countries have the opportunity to learn from the experiences of our institution, as well as from the expertise of individual CASE experts.

Study Tour from Uzbekistan (Sept 25th – Oct. 1st)

CASE hosted representatives from the Ministry of Economy of Uzbekistan and the Center for Effective Economic Policy, a non-governmental organization based in Tashkent. The study tour to Poland was part of a UNDP project entitled “Reforming the Tax System and Developing the New Revision of Tax Code”. CASE and CASE Ukraine experts, as well as other Polish specialists, delivered presentations, discussions and lab sessions familiarizing study tour participants with modeling, building scenarios of tax policies and analyzing the impact of revenue policies. The goal of the study tour and the entire project was to strengthen the capacity of the Government of Uzbekistan in implementing comprehensive tax reform.

Coordinator: Magdalena Rokicka

Study tour from Montenegro (November 6th – 10th)

Representatives from the Institute for Strategic and Studies and Prognoses (ISSP) from Podgorica, Montenegro took part in a study tour to Poland. In addition to visits at the Ministry of Finance, the National Bank of Poland, the Warsaw School of Economics and the Faculty of Economics of Warsaw University, the ISSP representatives also took part in a series of meetings at CASE on managing a modern research institute. CASE experts provided training workshops in economic modeling, as well as technical assistance in the preparation of MONET, ISSP’s economic quarterly.

Coordinator: Przemysław Woźniak

Biannual Conferences

CASE’s biannual international conferences have become an important CASE tradition and attract renowned panelists and participants from all over the world to discuss the major economic issues and challenges of the moment.

Though we did not hold a major international conference in 2006, much of the latter half of the year was spent planning and fundraising for the 2007 conference: Winds of Change: the Impact of Globalization on Europe and Asia which was held in Kyiv, Ukraine in March 2007.
CASE reaches the public with information about our initiatives and the results of the projects we carry out through the media, our website, e-mail distribution lists and CASE publications.

The CASE website (www.case.com.pl) is the main mode of communicating information about upcoming events and activities, recently completed projects and the latest publications. The website is run in both English and Polish-language and is updated daily. In 2006, the web-site received 198,771 visitors, an 18% increase on the number of visitors in 2005.

CASE’s bi-monthly newsletter, which is received by over 7000 recipients, gives the latest information on new publications, forthcoming and recent events, as well as information about the people behind CASE. CASE experts regularly give interviews and commentary on key economic and social issues in Central and Eastern Europe. In 2006, CASE was cited in the media over 500 times. The comments of CASE experts and affiliates were present in the following news agencies: Dow Jones Newswires, Bloomberg and Reuters. Other international media sources to which CASE staff contributed include: The International Herald Tribune, The Financial Times, Wall Street Journal Europe, WirtschaftsBlatt (Austria), Hospodarske Noviny (Czech Republic), TV Channel 5 (Ukraine), Russian Business Channel (RBK), Radio Liberty (Svoboda), Syrian public television. Our institute was mentioned in the following policy portals – EURACTIV, CEE Market Watch, Stockholm Network, GDN. The Polish media also consider CASE a source of valuable economic commentary and interviews with CASE experts appeared in: PAP (The Polish Press Agency), TVN-24, Gazeta Wyborcza, Rzeczpospolita, Gazeta Prawna, Puls Biznesu, Newsweek Polska, TOK-FM Radio, PIN, Polish Radio, Polsat, TVP.
CASE helps to inform public opinion through the dissemination of research findings in the form of publications. CASE experts are editors and co-authors of various books published by international publishing houses as well as articles in international journals.

In addition, CASE produces several of its own publication series. In 2006, a total of 34 publications were produced.

**CASE Reports**

These reports popularize the results of select CASE research projects and are intended to be peer-reviewed. In 2006, five CASE reports were produced (three printed and two only in electronic format).

Nr 64  M. Góra, A. Radziwiłł, A. Sowa, M. Walewski, Tax Wedge and Skills: Case of Poland in International Perspective

Nr 65  S. Golinowska, M. Boni, Nowe dylematy polityki społecznej (New Dilemmas in Social Policy)

Nr 66  M. Jakubiak, A. Kolesnichenko (eds.), Prospects for EU-Ukraine Economic Relations

Nr 67  M. Jakubiak (ed.) Prospects for EU-Moldova Economic Relations

Nr 68  M. Jakubiak, M. Maliszewska, I. Orlova, M. Rokicka, V. Vavryschuk, Non-tariff barriers in Ukrainian export to the EU

**CASE Studies and Analyses**

These analyses publicize the results of both research and advisory projects and are intended to have the character of a “working papers” series. In 2006, 19 titles were produced (3 printed and 16 electronic versions).

Nr 315  E. Balcerowicz, Poland’s Enterprise Environment - a Polish View

Nr 316  I. Sinitsina, Бедность и социальная политика в странах СНГ (I.Sinitsina, Poverty and Social Policy in CIS Countries)

Nr 317  A. Wziątek-Kubiak, I. Magda, Changes in the Competitive Position of the Czech Republic, Hungary and Poland in the EU Market

Nr 318  A. Furmańska-Maruszak, Labour Costs Versus Labour Market Development. Empirical evidence for Polish, Czech and Hungarian Manufacturing Industry

Nr 319  A. Paschaver, L. Verhovodova, Приватизация до и после оранжевой революции (A. Pashaver, L. Verhovodova, Privatization until and after the Orange Revolution)

Nr 320  K. Szczygielski, I. Magda, Identifying Vertical Product Differentiation in Three Polish Manufacturing Industries: an Enterprise Survey


Nr 322  V. Dubrovskiy, Towards Effective Anti-Corruption Strategies in Ukraine: Removing the Cornerstone without Toppling the Building
Nr 323  K. Marczewski, K. Szczysielski, Growth and Performance Factors in Polish Manufacturing Firms in 1998-2003 in the Light of Survey Data

Nr 324  E. Balcerowicz, O. Ustenko, Regulatory Policy in Ukraine: Current State and What Should be Done to Improve the Business Environment

Nr 325  P. Kozarzewski, Privatization and Corporate Governance in Poland: Problems and Trends


Nr 327  R. Benecki, J. Hölscher, M. Jarmuzek, Fiscal Transparency and Policy Rules in Poland


Nr 329  C. Шишкин, П. Дробышев, Гражданский и хозяйственный кодексы Украины: анализ текущего состояния и рекомендации по совершенствованию. (S. Shishkin, P. Drobyshev, Civil and Commercial Codes in Ukraine: Current Analysis and Recommendations for Development)

Nr 330  M. Dąbrowski, Rethinking Balance-of-Payments Constraints in a Globalized World

Nr 331  Wioletta Nawrot, Wzmocnienie podażowej strony rynku jako warunek rozwoju publicznego rynku akcji w Polsce (Strengthening the supply side of the market as a precondition to the development of the public equities market in Poland)

Nr 332  П. Козаржевский, Е. Ракова, Регуляторная среда и тенденции развития малых и средних предприятий Беларуси (P. Kozarzewski, E. Rakova, The regulatory environment and development tendencies of SMEs in Belarus)

Nr 333  М. Гужиньски, Бизнес-климат для малых и средних предприятий: регулирование и сотрудничество. Опыт стран региона (M. Gorzynski, Business climate for SMEs: Regulation and Cooperation: the Experiences of the Countries of the Region)

The BRE Bank-CASE series is our oldest regular publication series, which we have been publishing since 1992. Each edition contains the essays and presentations of the latest seminar organized by BRE Bank and CASE. The BRE-CASE seminars span various topics and current issues in both the Polish and global economies with the majority focusing on the development of financial markets and the banking sectors. Six were printed in 2006:

Nr 82  Sekurytyzacja aktywów bankowych (Securitization of Banking Assets)
Nr 83  Jakie reformy są potrzebne Polsce? (What Reforms are Needed in Poland?)
Nr 84  Obligacje komunalne w Polsce (Municipal Bonds in Poland)
Nr 85  Perspektywy wejścia Polski do strefy euro (Poland’s perspective for entering the Euro-zone)
Nr 86  Ryzyko inwestycyjne Polski (Investment Risk in Poland)
Nr 87  Elastyczność i sprawność rynku pracy (Flexibility and effectiveness of the Polish Labor market)

Polish Economic Outlook: Trends, Analyses, Forecasts (PEO)

This is a quarterly report which we have been publishing since 1999. It presents economic indicators, analyses and forecasts for Poland’s economic development. Our indicators have been ranked the best in the
country by a leading Polish newspaper. Four PEOs were published in 2006.

Printed versions of our publications are sent to over 100 recipients including academics, universities, libraries, sponsors and members of our governing bodies. In addition, all of our publications are available on our website free of charge.

**Books and Book Chapters**


5. Piotr Kozarzewski, Prywatyzacja w krajach postkomunistycznych (Privatization in Post-communist countries, ISP, PAN, Warsaw, 2006).

**Journal Articles**


**Special Report:**

Marek Dabrowski, Malgorzata Markiewicz: UNDP Blue Ribbon Report Macedonia

Marek Dabrowski and Malgorzata Markiewicz were members of the international commission for the Blue Ribbon Commission for Macedonia formed in the spring of 2005. The UNDP has established Blue Ribbon Commissions in several other transition countries as well. The purpose of these Commissions is to produce „Blue Ribbon Reports”, which focus on key development concerns and provide analysis and alternative policy solutions to these concerns. Then, the results are used to develop a set of policy proposals that are given to the government under consideration.
CASE People

The Supervisory Council
approves CASE activities and finances, appoints and reviews the Management Board and provides strategic guidance to the institution.

Chairman
Marek Dąbrowski

Vice Chairwomen
Barbara Błaszczyk
Stanisława Golinowska

Members
Rafał Antczak
Tadeusz Baczko
Ewa Balcerowicz
Leszek Balcerowicz
Władysław Brzeski
Krzysztof Chmielewski
Andrzej Cylwik
Anna Fornalczyk
Wojciech Góralczyk
Piotr Kozarzewski
Jacek Rostowski
Richard Woodward
Przemysław Wozniak

The Advisory Council
advises both the Management Board and Supervisory Council. The council consists of leading international economists who offer their invaluable advice and guidance based on their extensive experience.

Chairman
Anders Aslund

Members
Vittorio Corbo
Fabrizio Coricelli
Yegor T. Gaidar
Daniel Gros
Irena Grosfeld
Simon Johnson
Judit Neményi
Lucjan T. Orlowski
Jeffrey Sachs
Krassen Stanchev
Nicholas Stern
Jan Svejnar
Stanislaw Wellisz
Wing Thye Woo
Charles Wyplosz

Management Board
is responsible for CASE and CASE network activities and for the growth and development of the institution. On September 25th, 2006, James Cabot was nominated vice-president.

President
Ewa Balcerowicz

Vice President
Artur Radziwill

Vice President
James Cabot
Researchers and Experts

Rafal Antczak
Małgorzata Antczak
Tamaz Asatiani
Aziz Atamanov
Ewa Balcerowicz
Temur Basilia
Barbara Blaszczyk
Monika Blaszkiewicz
Dmytro Boyarchuk
Andrzej S. Bratkowski
Robert Brudzynski
Piotr Bujak
Alexander Chubrik
Andrzej Cytwik
Marek Dabrowski
Pavel Daneiko
Vladimir Dubrovskiy
Janos Gacs
Stanisława Golinowska
Inna Golodniuk
Marek Gora
Radzisława Gortat
Michal Gorzynski
Miroslaw Gronicki
Irena Grosfeld
Iraj Hashi
Jan Herczynski
Gabor Hunya
Małgorzata Jakubiak
Mariusz Jarmuzek
Elena Jarocińska
Marek Jarociński
Andrei Jirniy
Magdalena Kaniewska
Rafkhat Khasanov
Dana Kiku
Kamila Kloc - Evison
Evzen Kocenda
Anna Kolesnichenko
Pavel Kovalyov
Przemek Kowalski
Piotr Kozarzewski
Alina Kudina
Yurij M. Kuz’myn
Vadim Lepetyuk
Viktor Lysytksyi
Iga Magda
Irina Makenbaeva
Maryla Maliszewska
Wojciech Maliszewski
Małgorzata Markiewicz
Tomasz Marek Mickiewicz
Julia Mironova
Roman Mogilevsky
Alexandr Muravschi
Anna Myslinska
Otar Nadaria
Sierż Naurodski
Wioletta Nawrot
Veaceslav Negruta
Jarek Neneman
Oksana Novoseletska
Anna Orlik
Lucjan T. Orlowski
Wojciech Paczynski
Julian Pankow
Igor Pelipas
Ryszard Petru
Katarzyna Pietka
Artur Radziwill
Elena Rakova
Łukasz Rawdanowicz
Oleksandr Rohozynsky
Magdalena Rokicka
Jacek Rostowski
Anna Ruzik
Marcin Sasin
Aleksey Shapovalov
Marko Simoneti
Irina Sinitsina
Joanna Siwinska-Gorzelak
Maciej Sobolewski
Agnieszka Sowa
Mateusz Szczeurek
Krzysztof Szczygielski
Janusz Szyrmer
Michael Tokmazishvili
Magdalena Tomczynska
Irena Topinska
Anna Tsarenko
Oleg Ustenko
Ainura Uzagaliyeva
Yury Valevich
Vitaly Vavryshchuk
Petru Veverita
Mateusz Walowski
Stanislaw Wellisz
Jerzy Wisniewski
Richard Woodward
Przemysław Wozniak
Anna Wziatek-Kubiak
Constantin Zaman
Katarzyna Zawalinska
Nikolai Zoubanov
Driven by a concern for the continual development of its young research staff, since 2000 the Foundation has granted research scholarships to its promising associates. The CASE Scholarship Council awards these to associates who are deemed to be ready to complete or advance their doctoral theses or other research works.

Krzysztof Szczygielski was selected for the CASE Scholarship in 2006. He has been with CASE since late 2001 dealing with foreign trade and European integration issues. The scholarship supports his work on his doctoral thesis, "Horizontal and vertical product differentiation in the Polish manufacturing between 1995-2004 as a response to changes in the competitive environment." The scholarship is sponsored by ING Bank Słaski.

Office

Secretariat
Anna Maciazek

Public Relations
Joanna Binienda
Paulina Szyrmer

Research Programs
Lena Kozarzewska
Sebastien Leclef
Izabela Marcinkowska
Agata Zamiłyska

Development and Transition Assistance Program
James Cabot
Karolina Jakubowska

Publications
Anna Maciazek

Events Coordinator
Joanna Binienda

BRE-CASE Seminars Coordinator
Krystyna Olechowska

Finance
Ewa Aniołkowska
Dorota Rubnikowicz

LAN Administrator
Michał Dabrowski

Interns
Julian Basa (University of Potsdam, Germany)
Elizabeth Rivard (University of Warsaw)
Christian Seibert (Deakin University, Australia)
Wojciech Wysocki (College of Europe, Natolin, Poland)
Total Revenue in 2006

Revenue in 2006 totaled 7,156,871.94 PLN and consisted of revenue for statutory activity, operating and financial revenue. The following breakdown presents annual revenue – those in EUR and USD were calculated according to yearly average rates.

<table>
<thead>
<tr>
<th>Breakdown of total revenue</th>
<th>PLN</th>
<th>EUR</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Revenue for statutory activity</td>
<td>6,944,669.89</td>
<td>1,782,924.67</td>
<td>2,238,410.92</td>
</tr>
<tr>
<td>1.1. Write-offs from profit (of 2005)</td>
<td>423,135.44</td>
<td>108,632.75</td>
<td>136,385.32</td>
</tr>
<tr>
<td>1.2. Revenue received in 2006 for statutory aims</td>
<td>6,521,534.45</td>
<td>1,674,291.92</td>
<td>2,102,025.61</td>
</tr>
<tr>
<td>2. Operating revenue</td>
<td>51,475.56</td>
<td>13,215.47</td>
<td>16,591.64</td>
</tr>
<tr>
<td>3. Financial revenue</td>
<td>160,726.49</td>
<td>41,263.76</td>
<td>51,805.48</td>
</tr>
<tr>
<td>Total revenue:</td>
<td>7,156,871.94</td>
<td>1,837,403.90</td>
<td>2,306,808.04</td>
</tr>
</tbody>
</table>

Sources of Financing

The CASE Foundation raises funds for its statutory activities through two types of financing mechanisms.

1. Project-based funding – these are funds obtained by CASE for the implementation of specific projects as described in chapter 2 of the Annual Report. These funds constituted the large majority of CASE current statutory revenue (99.08%) and totaled 6,461,534.45 PLN in 2006.

2. Institutional support – these are general donations granted to CASE by different institutions to be used according to CASE statutory goals subject to the discretion of the CASE Management. These funds totaled 60,000.00 PLN in 2006 and their actual use is described in the section ‘Institutional Support’.

In addition, in 2006 CASE raised funds for its endowment as discussed below.
Project-based funding and institutional support together constituted revenue for statutory activities that totaled 6,521,434.45 PLN in 2006. In terms of financing sources, these funds were obtained from the following institutions (as a % of the total):

<table>
<thead>
<tr>
<th>Institution</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Commission</td>
<td>55.37</td>
</tr>
<tr>
<td>1. Research grants (i.e. FP-5, FP-6, INTAS, INCO)</td>
<td>37.76</td>
</tr>
<tr>
<td>1.1. Directorates General (DGs)</td>
<td>16.18</td>
</tr>
<tr>
<td>1.2. Pre-accession and structural funds</td>
<td>1.43</td>
</tr>
<tr>
<td>World Bank</td>
<td>1.43</td>
</tr>
<tr>
<td>United Nations Development Program</td>
<td>8.57</td>
</tr>
<tr>
<td>Other UN agencies</td>
<td>0.02</td>
</tr>
<tr>
<td>OECD</td>
<td>1.32</td>
</tr>
<tr>
<td>Polish government and other public sources</td>
<td>16.31</td>
</tr>
<tr>
<td>6.1. Open grant competitions</td>
<td>13.62</td>
</tr>
<tr>
<td>6.2. Projects commissioned by governmental agencies</td>
<td>2.69</td>
</tr>
<tr>
<td>Public sources in other countries</td>
<td>3.33</td>
</tr>
<tr>
<td>Global Development Network Inc.</td>
<td>1.12</td>
</tr>
<tr>
<td>Private foundations</td>
<td>1.12</td>
</tr>
<tr>
<td>Private sector</td>
<td>11.41</td>
</tr>
</tbody>
</table>
Institutional support in 2006 came to a total of 60,000 PLN. This was .92% of CASE statutory revenue and was received from Rabobank Poland SA. CASE management decided to use these funds mainly for co-financing research projects, publication activities, and for subsidizing the participation of CASE experts in conferences and trainings.

Funds received in the form of institutional support in 2006 were spent as follows (in PLN):

1. Co-financing research projects 58,101.83
2. Preparation, translation, printing and distribution of publications 1,006.05
3. Travel, subsidizing participation in conferences 892.12

Total: 60,000.00
In 2006, CASE continued to build its endowment in order to strengthen long-term financial stability and independence and improve its capacity to carry out large-scale EU research projects. While income from endowment investments may be used for financing current statutory activities, the endowed funds will accumulate indefinitely. Their proper use is ensured in the Endowment Regulations that set out clear rules for fundraising, investing and using endowed funds, while outstanding experts in the area of finance have been appointed members of the Investment Committee to advise CASE management on investment strategies.

As of January 1st, 2006 the CASE endowment came to a total of 1,533,500.77 PLN. In the course of the year it increased by 349,527.25 PLN, and by the end of the year it reached the level of 1,883,028.02 PLN (or 483,435 Euro).

<table>
<thead>
<tr>
<th>Changes in the Value of the Endowment in 2006 (PLN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock at the beginning of the year</td>
</tr>
<tr>
<td>Increases due to:</td>
</tr>
<tr>
<td>Batory Foundation donation</td>
</tr>
<tr>
<td>Own resources</td>
</tr>
<tr>
<td>Valuation of participation units for mutual funds as of 31 December, 2006</td>
</tr>
<tr>
<td>Return on financial investment</td>
</tr>
<tr>
<td>Stock at the end of the year</td>
</tr>
</tbody>
</table>
Total number of projects completed (1992–2006): **312**

Total number of seminars and conferences organized by CASE (1992–2006): **390**

Total number of publications in CASE series (1992–2006): **612**

Number of projects carried out in 2006: **49**

Number of seminars organized by CASE in 2006: **17**

Total number of publications in CASE series in 2006: **34**

Number of visitors to CASE website in 2006: **198,771**

Number of recipients of CASE e-newsletter: **7,565**

Number of languages spoken by CASE experts and staff: **18**