TABLE OF CONTENTS

Letter from the Management Board

About CASE

CASE Networks

CASE People

CASE Highlights 2014

Key Institutional Efforts and Achievements in 2014

Research Program

CASE Communications

Financing of CASE Activities
Welcome!

I am pleased to share with you this report of CASE's activities over 2014, the first year under my leadership and under the stewardship of a streamlined Management Board. From our vantage point, 2014 was a highly successful year: we were once again ranked as one of the best think tanks in Central and Eastern Europe (number 2 in the highly-respected University of Pennsylvania rankings) and continued to increase our visibility in Poland, the region, and the world. In short, CASE is looking at a bright future.

As in earlier years, our work has been focused on research on European integration, reforms in our neighbors to the east, and crafting better macroeconomic and social policies for growth. By the end of 2014, CASE had participated in 22 separate projects spanning disciplines and involving our large network of associated researchers, fellows, full-time staff, and Supervisory and Advisory Council members.

Given the events occurring in Ukraine, CASE has been helping to point the way to effective reforms and supporting the new government. In the second half of the year, CASE contributed to a groundbreaking study quantifying the extent of non-tariff barriers in Ukraine for the European Union. Building on this momentum, CASE is also working with the OECD to help improve the investment climate for agriculture in the country. In conjunction with our daughter organization CASE-Ukraine, CASE has also been active in a project with the International Visegrad Fund to derive lessons from Poland’s experience for Ukraine.

Befitting our ranking as the number 5 think tank in social policy in the entire world, CASE continued its work in labor and social markets in 2014 via many multi-faceted and broad contracts with the European Commission. Ongoing work in “Mobilizing the Potential of Active Aging in Europe” (MOPACT), through 2017, and “NEUJOBS - Employment 2025: How will multiple transitions affect the European labor market,” through early 2015, helped to analyze the demographic difficulties faced by European policymakers. We also completed a project entitled “Changing places: Mid-career review, internal mobility and intergenerational initiatives to extend working life: Company case studies,” working with partners to understand the innovative work of Polish firms in this field.

CASE also started a few entirely new initiatives in 2014 as part of our plans to diversify our outputs. In the fall, we began a series of PhD workshops for students from all Warsaw universities, with CASE fellows and members of the economics community generously donating their time to lead seminars in econometrics, fiscal policy, geography of finance, and other topics. CASE is also currently in talks with
Wyższa Szkoła Biznesu – National-Louis University (WSB-NLU) in Nowy Sącz about offering formal instruction for MBA students here in Warsaw.

In regards to our impact, our visibility has remained high, with opinion pieces and analyses appearing in publications around the world, including the Wall Street Journal, Rzeczpospolita, Kyiv Post, and Bloomberg Businessweek. Our research staff and fellows have also been publishing regularly in scholarly journals such as the Czech Journal of Economics and Finance, Applied Economics Letters, and Myśl Polityczna i Ekonomiczna. CASE has also continued to host regular seminars, workshops, and events, including our noted mBank seminar series, now entering its 23rd year of existence. We intend to increase the frequency of such public events in the coming years.

Internally, the CASE family also had some changes in 2014 and is now at full strength. We have added two full-time associates as part of our business development team and a junior economist, in addition to the changes at the top. In 2015, we plan to add another senior economist to the team to help cope with our growing workload and to help bring in additional sources of revenue for research.

The prospects for CASE in the future are bright, but are not without obstacles. As in recent years, the space for think tanks to contribute to the policy debate in Europe has been shrinking, as has the amount of funding dedicated to research. Increased competition for limited funds has affected our success rate, while firms are more jealously guarding possible work, making it more difficult to join consortia. Continued sluggish growth in Europe also hampers CASE’s ability to work outside of Poland and the region.

To cope with these challenges, CASE has undertaken a dedicated effort to diversify its sources of funding. In 2015, we will be launching a Corporate Membership program targeted at Polish and international firms who can benefit from CASE’s cutting-edge research. We are also working more with different international funding agencies such as OECD and USAID, as well as continuing to work with Polish businesses in providing excellent and impartial analysis. And, of course, we always stand ready to assist the Polish government in its reforms—something we have undertaken in the past year with the Ministry of Foreign Affairs and the Ministry for the Environment.

To summarize, CASE had a successful 2014 and is looking to build on these successes for the future. We anticipate that CASE will continue to successfully influence policymaking in Poland and Europe, and will remain a fixture of the think tank world. We invite you to read about our year in the coming pages and to continue to support CASE in the coming months and years.

Sincerely,

Christopher A. Hartwell

President of the Management Board
About CASE

CASE is an independent, non-profit foundation pursuing the idea that research-based policy-making is vital for the economic welfare of societies.

Established in Warsaw in 1991 by a group of economists to help guide the transition process in post-communist countries, CASE is an internationally-renowned think-tank drawing on the talents of prominent economists from the entire world, with the ambition to work on key challenges facing global and European economies and societies. In addition, CASE strives to promote and support a network of partner institutions in Eastern Europe, Central Asia and the Caucasus.

Activities

Our activities address the most important challenges for present and future generations:

- Sustaining living standards through growth and innovation
- Dealing with the long-term socio-economic consequences of demographic changes
- Promoting cooperation and integration with the neighboring partners of Europe
- Informing and encouraging public debate
CASE Networks

CASE boasts of a network of independent research institutes across post-communist countries (including, among others, Ukraine, Belarus, Georgia, and Russia) as well as numerous partner organizations. We are a member of five pan-European research networks.
CASE Internal Network:

CASE has helped establish a network of independent research institutes across post-communist countries, starting with CASE-Kyrgyzstan in 1998. With the addition of CASE-Georgia, the latest member established in 2011, the CASE Network boasts of a substantial presence in the CIS and includes the following institutions:

- CASE-Belarus (Poland)
- CASE-Kyrgyzstan, Bishkek
- CASE-Moldova, Chisinau
- CASE-Georgia, Tbilisi
- CASE-Ukraine, Kyiv
- IPM-CASE Research Centre (Belarus)
- Gaidar Institute for Economic Policy (Russia), and
- CASE-Advisors Ltd. (Poland)

The network represents CASE’s continuing effort to increase the range and quality of economic information available to decision-makers and the public across the post-communist world, as well as to foster vibrant think tank sectors in these societies.

CASE External Network:

In addition to CASE Network, CASE is also an institutional member of five pan-European research networks:

**ENEPRI**

The European Network of Economic Policy Research Institutes (ENEPRI), whose goals are to foster the international diffusion of existing research, coordinate research plans, conduct joint research, and increase public awareness of the European dimension of national economic policy issues. Coordinator: Centre for European Policy Studies (CEPS), Brussels.

**EUROFRAME-EFN:**

The European Forecasting Network (EFN) is an initiative for improved forecasting and macroeconomic analysis in the European Union. Coordinator: Economic and Social Research Institute (ESRI), Dublin.
ERAWATCH

A European web-based service that supports evidence-based policymaking in Europe and contributes to the realization of the European Research Area (ERA). The ERA aims to create a more coherent science and technology environment across the European Union through improved coordination of existing and future Member States’ national scientific and technology capacities. The overarching objective of this network is to provide knowledge and a better understanding of national and regional research systems and of the environment in which they operate. The network is a joint initiative of the European Commission’s Directorates-General for Research and Joint Research Centre - Institute for Prospective Technological Studies (IPTS) in Seville, Spain, in collaboration with CORDIS.

FEMISE

Forum Euroméditerranéen des Instituts de Sciences Économiques is a network that brings together more than 70 independent economic institutes from across the Mediterranean regions to conduct socio-economic analysis of the Euro-Mediterranean Partnership. Coordinators: Institut de la Méditerranée (IM), Marseille, and the Economic Research Forum (ERF), Cairo.

PASOS

The Policy Association for an Open Society supports the development and strengthens the outreach and impact of its member policy centers and Associate Members, who provide policy advice to European and Central Asian decision-makers and international organizations on issues as diverse as human rights, economic development, legal reform, management of governmental reforms, social policy, education, health, religion, international co-operation, small enterprise development, public participation and public sector management. The PASOS secretariat is located in Prague.
CASE People

At the heart of CASE is the full-time staff, as the quality of a think tank can be measured by the quality of its staff. Over 2014, we said goodbye to some long-term associates of CASE, and welcomed staff who will be the basis for the next generation of CASE.

CASE Fellows play a key role in conducting and organizing our research activities. CASE Fellows are drawn from the ranks of senior researchers and experts with outstanding and internationally recognized academic and professional records in economics and other social sciences. Their number grew to 36 Fellows in 2014, and they have been increasingly active in publishing and contributing to CASE’s core work.
Supervisory Council

Chairwoman

Ewa Balcerowicz, Economist and Coordinator of BRE Bank – CASE seminars

Vice Chairwomen

Barbara Błaszczyk, Senior Researcher, Institute of Economics, Polish Academy of Sciences, Warsaw, Member of the Society of Polish Economists, Warsaw

Stanisława Golinowska, Head of the Health Economics and Social Security Department, Jagiellonian University, Krakow

Members

Tadeusz Baczko, Associate Researcher at the Institute of Economics of the Polish Academy of Sciences, Warsaw

Leszek Balcerowicz, Professor of Economics at the Warsaw School of Economics, Warsaw

Władysław Brzeski, Partner at REAS Residential Advisors, Warsaw

James Cabot, Corporate Development Manager, Southworth International Group, Portland

Krzysztof Chmielewski, CASE Co-Founder

Andrzej Cylwik, President of CASE-Advisors, Warsaw

Wojciech Góralczyk, Associate Professor, Department of Administration and Administrative Law, Akademia Leona Koźmińskiego, Warsaw

Piotr Kozarzewski, Professor of Political Science at the University of Computer Sciences and Economics, Olsztyn

Richard Woodward, Lecturer in International Business at the University of Edinburgh Business School, Edinburgh
Advisory Council

Chairman

Anders Aslund, Senior Fellow at the Atlantic Council, Washington DC

Members

Vittorio Corbo, member of the Management Council of the Fundación Chilena del Pacífico (Chilean Pacific Foundation), Santiago

Fabrizio Coricelli, Professor of Economics at the Paris School of Economics, Université Paris 1 Panthéon-Sorbonne, Paris

Georges de Menil, Professor of Economics, Ecole des Hautes Études en Science Sociales, Paris, and Member of the Governing Board, Paris School of Economics, Paris

Daniel Gros, Director of CEPS – Center for European Policy Studies, Brussels

Irena Grosfeld, Director of Research at the Paris School of Economics, Paris

Simon Johnson, Ronald A. Kurtz (1954) Professor of Entrepreneurship, Professor of Global Economics and Management at MIT Sloan School of Management, Boston

Vladimir Mau, Rector of the Russian Presidential Academy of National Economy and Public Administration, Moscow

Lucjan T. Orlowski, Professor of Economics and International Finance, Sacred Heart University, Fairfield

Vladimer Papava, Rector and Professor of Economics at Tbilisi State University, and Senior Fellow of the Georgian Foundation for Strategic and International Studies (GFSIS), Tbilisi

Jeffrey Sachs, Director of the Earth Institute, Quetelet Professor of Sustainable Development, and Professor of Health Policy and Management at Columbia University, New York

Susan Schadler, Senior Visiting Fellow at the Centre for International Governance Innovation (CIGI), Waterloo, Ontario

Krassen Stanchev, Associate Professor, Sofia University, Sofia

Nicholas Stern, IG Patel Chair and Director of the Asia Research Centre, London School of Economics, London

Jan Svejnar, Director of the International Policy Center and Professor of Economics and Public Policy at the University of Michigan, Ann Arbor

Stanisław Wellisz, K&SC Davis Professor of Economics and International Affairs, Columbia University, New York

Wing Thye Woo, Professor, Department of Economics, University of California, Davis; Director, East Asia Program, Center
for Globalization and Sustainable Development, Columbia University, New York

**Charles Wyplosz**, Professor of International Economics and Director of the International Centre for Money and Banking Studies, Graduate Institute in Geneva, Geneva

## CASE Fellows

**Mark Allen**  
*Expertise*: global economic governance, financial crises, economics of transition

**Kathryn Anderson**  
*Expertise*: social policy, labor markets, health economics, development economics

**Luca Barbone**  
*Expertise*: fiscal policy, social policy and poverty reduction, growth, innovation and external financing imbalances, political economy of reforms and social cohesion, migration and development, tax policy

**Misha Belkindas**  
*Expertise*: statistics, development economics

**Emmanuel Bergasse**  
*Expertise*: energy policy analysis, market reforms and sustainable energy in economies in transition, South East Europe, the CIS, and developing countries

**Marta Castello-Branco**  
*Expertise*: international macroeconomics, economics in transition

**Alexander Chubrik**  
*Expertise*: macroeconomics, private sector development

**Marek Dąbrowski**  
*Expertise*: monetary and fiscal policies, financial crises, international financial architecture, EU and EMU enlargement, perspectives of European integration, European Neighborhood Policy, political economy of transition

**Daniel Daianu**  
*Expertise*: macroeconomics, public finances

**Luc De Wulf**  
*Expertise*: sectoral policies/reform, trade, customs reform, macroeconomics, public finance

**Ahmed Ghoneim**  
*Expertise*: macro and microeconomics,
international trade, institutional economics, economics of the EU

Itzhak Goldberg
Expertise: microeconomics, financial sector, socialist transition, privatization, investment climate, productivity, innovation

Stanisława Golinowska
Expertise: social policy, labor market, pension system in Poland

Paul Gregory Hare
Expertise: economics of transition, microeconomics, economics of higher education, through March 2014

Iraj Hashi
Expertise: microeconomics, governance reforms, industrial competitiveness, innovation and firm performance, SME policy

Elena Jarocińska
Expertise: political economy, fiscal federalism, public economics, labor economics, institutions

Camilla Jensen
Expertise: multinational firms and economic development and growth, mergers and acquisitions and industrial change, comparative economic systems and economic history, international trade, regional development, trade in services

Matthias Luecke:
Expertise: migration and development, social policy and poverty reduction

Malcolm Maguire
Expertise: youth labor market, vocational education and training, lifelong learning, employee development, employer recruitment strategies, career guidance

Susan Maguire
Expertise: social policy, youth transitions, young people, NEET, policy development, post-16 education and training

Bryane Michael
Expertise: private placement investing, legal drafting, internal audit, political candidate advising, executive education

Roman Mogilevsky
Expertise: macroeconomics, fiscal and social policy, foreign trade, agricultural economics

Jorgen Mortensen
Expertise: European economy, internal market, pensions, aging

Boris Najman
Expertise: labor market, development economics, economics of transition

Richard Pomfret
Expertise: regional integration in Central, Eastern, and Southeast Asia, international economics, development economics, international trade

Cyrus Sassanpour
Expertise: macroeconomics, macroeconomic modeling, economics of oil producers, public finance

Marianne Schulze Ghattas
Expertise: macroeconomics, emerging market finance

Irina Sinitsina
Expertise: comparative macroeconomic studies of transition economies, social
policy and poverty reduction

Janusz Szyrmer
Expertise: economic forecasting, statistical and data analysis, economic policy

Irina Tochitskaya
Expertise: economics and trade policy instruments, foreign direct investments, SME/enterprise development, regional and economic development

Irena Topińska
Expertise: poverty measurement, social policy, and poverty reduction

Uladzimir Valetka
Expertise: labor market, demographic economics, urban and regional development

Dusan Vujovic
Expertise: macroeconomics, institutional reforms, financial markets

Richard Woodward
Expertise: industrial privatization, knowledge-based economy, SME enterprises, and local economic development

Anna Wziątek-Kubiak
Expertise: innovation, international economics, development

Canan Yildirim
Expertise: banking in transition, corporate governance, insurance, the markets of EU and Turkey, international capital flows

CASE Office (as of December 31, 2014)

Management Board

The Management Board is responsible for CASE and CASE Network activities and for the growth and development of the institution.

President:
Christopher A. Hartwell, as of May 19, 2014

Acting President:
Maciej Sobolewski, through May 19, 2014

Vice-Presidents:
Maciej Sobolewski, through October, 2014
Izabela Styczyńska, as of April 1, 2014

Member of CASE Management Board:
Izabela Styczyńska, through April 1, 2014
Operational Staff

**Innovation & Knowledge-Based Economy**
**Program Director**
Małgorzata McKenzie (Jakubiak)

**Managing Director**
Philadelphia Zawierucha (through March 2014)

**Secretariat**
Katarzyna Czupa

**Communications**
Katarzyna Sidło

**Applications Team**
Iryna Shuvaieva
Philadelphia Zawierucha
Aleksandra Arcichowska
Joanna Śmigiel
Małgorzata Czarowski

**Senior Economist**
Grzegorz Poniatowski

**Junior Economists**
Bartosz Radzikowski
Gokben Aydilek

**Publications**
Katarzyna Sidło
Gleb Shimanovich
Irina Makenbaeva
Paulina Szyrmer
Katarzyna Czupa

**Coordinator, mBank—CASE Seminars**
Katarzyna Sidło

**IT Specialist**
Michał Dąbrowski

**2014 Interns**
Gokben Aydilek
Michał Ciszewski
Sander M. Ijmker
Marta Korczak
Eoin O’Keeffe
Jan Teresiński
Jan Toczyński
Mehmet Burak Turgut
Edyta Welter
Anna Wojtyniak
John O. Mauran
19 events attended by 752 persons and watched live by further 4,582 individuals.

19 new publications altogether, publications have been downloaded in 2014 more than 5,000 times.

Our Network Reports, Studies & Analyses, Seminar Proceedings, E-Briefs and other publications can be found at various academic search engines like:

- the Social Science Research Network (SSRN),
- Research Papers in Economics (RePEc),
- EBSCO,
- ProQuest
- Open AIRE
more than 9,000 people regularly receive our newsletters

CASE Facebook page received 1,300 new LIKES which means we grew by 273%.

CASE website was visited 78,407 times by over 7,000 users from all over the world.

Source: google.analytics
Projects:

Financial Stress Index (FSI) and Economic Sensitivity Index (ESI): 2014 update

In 2013, CASE launched a project to compile the Financial Stress Index (FSI) and the Economic Sensitivity Index (ESI). The aim was to build a tool for forecasting stress that could influence economic and financial prospects in the economies of Central and Eastern European Countries (CEEC). The study was a continuation of the endeavor to construct synthetic indices for twelve Central and East European countries using the Principal Component Analysis method. The indices used for the forecasts were measured by the volatility of the main macroeconomic and financial market variables. An ex-post evaluation and a strong correlation of the indices with GDP growth and OECD Composite Leading Indicator prompted us to show the results to the wider public.

The FSI reflects the overall situation on financial markets. This index captures elevated asset prices, a sudden increase of uncertainty in asset pricing, higher risk-aversion, losses of liquidity, and increased uncertainty in the banking sector. The ESI is an indicator of sustained economic growth and the stability of public finance. The first of the indicators includes the following components: uncertainty about the value of assets, asymmetry of information, the propensity to invest in risky and illiquid assets, as well as liquidity. The second encompasses slow or over-extensive GDP growth, unstable public finance, current account deficits, and high and volatile inflation.

The research results, as well as all detailed information about the indicators, were presented in the report: Forecasting Financial Stress and Economic Sensitivity in CEE countries. The publication also includes forecasts for the FSI and ESI for the period 2014-2015 for six countries in the region, namely the Czech Republic, Estonia, Hungary, Latvia, Lithuania, and Poland.

Moreover, CASE Network Report NO. 117: Measuring financial stress and economic sensitivity in CEE countries was published. This report presents a methodology for the construction of the Financial Stress Index and the Economic Sensitivity Index and investigates the economic situation in 12 Central and East European Countries (CEECs) between 2001 and 2012.
An international research team, led by CASE and including the Institute for Higher Studies in Vienna and Transport & Mobility Leuven, recently completed a 2-year project on the economic effects of the current VAT rules for passenger transport in the EU, and delivered the final draft of the Study on the economic effects of the current VAT rules for passenger transport. This report is part of the work of the Consortium coordinated by CPB of the Netherlands, which has provided advice on VAT issues for the past four years. The text of the report has been released by TAXUD.

The following are the main messages of the Report:

- Since the last large-scale review in 1997, the passenger transport sector has changed in a considerable way as a result of greater impacts of airline deregulation, the implementation of rail concessioning, and the deregulation of bus transport. The cruise industry has also changed and experienced high growth.

- The study provides an update on the structure of the passenger transport industry as it relates to VAT, an assessment of the distortions arising from the current VAT rules and regulations, and an evaluation of some of the changes under consideration to address those distortions.

- The assessments carried out in this report indicate that the distortions are generally small- or medium-sized. Regarding output distortions, part of the explanation is in the low elasticity of demand; while for input distortions, it is the ability of operators to reclaim input VAT, so that the only cost is that of financing the input VAT costs between the time they are paid and the time they are rebated. These costs are relatively small because of the shortened time between payment and reimbursement and the current low interest rates on that financing.
The study identifies one set of measures that addresses the output distortions with regard to different VAT rates and the place of supply rules and another to address the input distortions. These changes would require a consensus among Member States and the European Commission.

The study also provides valuable insights for tax administrations. It reveals the enormous potential of the application of VAT in the passenger transport sector with regards to revenue generation and the limited impact of applying reduced VAT rates and exemptions on the demand for passenger transport services due to low elasticities of demand and pass-through rates that vary between 7% and 50%.

The above-mentioned characteristics of the passenger transport sector suggest a simplified and harmonized application of VAT to all modes and markets. At least the benefits from changing place of supply rules can be obtained at virtually no cost.

Further dissemination of the report and discussion with stakeholders is planned by the European Commission over the next few months, and the outcome of these consultations will determine which proposals may be put on to the agenda of the European Council for VAT reform.

Press coverage of the report:

Study confirms: EU lost EUR 177 billion in VAT Gap. E-invoicing could save the day 27.10.2014 | eeiplatform.com

European Union study shows that Malta lost €241 million in VAT revenue in 2012 26.10.2014 | www.independent.com

VAT is increasingly problematic for EU. 24.10.2014 | podatki.biz

EU-wide VAT gap is 16% of revenues 24.10.2014 | Accountancy Live

EU Value-Added Tax Reforms Closing The VAT Gap 24.10.2014 | www.tax-news.com

Latvia and Lithuania register EU’s largest VAT collection deficits in 2012 24.10.2014 | www.baltic-course.com

The VAT gap - EUR 177 bn VAT revenues lost in 2012 23.10.2014 | EUbusiness

Study confirms billions lost in VAT gap 23.10.2014 | www.paneuropeannetworks.com

Study confirms billions lost in VAT Gap 23.10.2014 | taxlive.nl

EU loses €177 billion in unpaid VAT 23.10.2014 | euobserver.com
Since the Central and Eastern European countries began their transition reforms towards democracy and a free market economy, Poland’s experience has stood out as extraordinarily successful when compared to other countries in the region, especially considering its problems inherited from the previous system. Over the past 20 years, Poland’s GDP has doubled and it showed remarkable resilience in the face of the 2008 financial crisis.

In the presentation delivered during the 133rd mBank – CASE Seminar, Professor Anders Aslund focused on the political reforms and institutional factors that provided for the success of the Polish transition. He discussed the main features of the Balcerowicz Plan, and some of the major points of criticisms directed against it.

He employed a comprehensively empirical approach in demonstrating the Polish success. This entailed an interpretation of key metrics and a defense of the reforms from politicians and economists of dissimilar opinion. In addition to explaining the early success, Professor Aslund offered his explanation of the years 2001-2008 in Poland and their underperformance in comparison with other CEE countries. Moreover, he explained how the factors that determined earlier ups and downs made Poland more resilient to the 2008 financial crisis than any other CEE country.

Though many of the factors that allowed Poland to move from a communist economy to a capitalist one were domestic, Professor Aslund recognized the important role played by Western financial institutions. In addition, in his view, it was Leszek Balcerowicz’s decision to keep the national deficit from expanding during the first two painful years that allowed Poland to be relieved so quickly of its debt burdens.

Among the factors that did not expedite Poland’s transition, contended Professor Aslund, was the deficient speed and totality in which privatization campaigns were carried out. In contrast to removed onlookers who claim that Poland was able to resist the negative effects of “shock therapy” by slowly releasing its state-owned industries and utilities into private ownership, Professor Aslund added that this ostensible sure-footedness was, in fact, a political accident, and that this political impotence—rather than economic prudence—was the primary cause of slowed privatization. In general, his opinion on the desired speed of the transition process was that “Poland’s excellent economic results show that there never was any benefit in going slow on any reforms.”
Professor Witold Orlowski was the first to comment on Professor Aslund’s presentation and seemed to be largely in agreement with him. He did, however, mention some points that, in his opinion, Professor Aslund omitted. Specifically, he saw a future danger for Poland of falling into a “middle-income country trap” due to a low rate of savings and weak social capital. This is an important caveat to the optimism of the Polish experience, as fundamental objectives must be brought in line so that the success story continues in the future.

Professor Osiatyński, who was the second commentator, emphasized on his part that reforms conducted by Tadeusz Mazowiecki’s government had a chance to become successful due to the widespread enthusiasm that ensued after Poland gained independence, as well as the implementation of local government reform, delegating more power to local communities. In Professor Osiatyński’s view, these two factors helped the Poles believe that they could face the challenges the transformation incurred. The factors also enabled the Polish economy to grow in a sustainable way by means of ensuring social cohesion, a precondition for development.

Another point that Professor Osiatyński made was that we should not overestimate the role of the so-called Washington Consensus in the process of systemic change. In his opinion, in its original form, it was not fully suitable for the needs of post-Soviet economies, as they applied mainly to Latin American countries. While explaining Poland’s outstanding performance during the crisis, Professor Osiatyński underlined the fact that our economy was supported by funds from the European Union and infrastructure spending realized due to the European football championship of 2012. In other words, in his opinion, fiscal expenses were the primary economic stimulus.
The economic situation in the USA has been quite unusual ever since the beginning of the financial crisis. June 2008 predictions for GDP growth were oscillating somewhere between 3.8% and 5.0%, but never really came true. The reason for the poor economic performance of the USA, according to Senator Phil Gramm, a keynote speaker during the lecture co-organized by CASE, FOR, the American Studies Center, and the University of Warsaw, was fourfold:

First of all, the tax system: the lower the taxes the quicker the growth. Here, Senator Gramm quoted Texas as a perfect example of how low taxes may speed up growth. Secondly, regulations: the current government has imposed as many regulations in one year as Ronald Regan did during his whole term. Thirdly, public debt: public debt in the US has doubled over the last six years and Senator Gramm believes it may soon reach 70% of the GDP. Finally, (lack of) efficiency: America has always been proud of its advanced and efficient labor and capital markets. Many Americans used to work two or even three jobs. Nowadays, more and more people are on food stamps and the number of those officially recognized as disabled has increased by 24%. According Senator Gramm, it is the regulations implemented by the current government that made the labor market less competitive and inefficient. As for the capital market, the US has entered the age of crony capitalism, where the government decides which industries should be subsidized.

Senator Gramm, an American economist and politician, former Democratic Congressman, and current Republican Congressman, as well as a former Republican Senator from Texas, strongly criticized the current US government and continuously underlined that “good things occur when you have good policies. No matter how good the people you have are and no matter how hardworking they are.” In his view, the underlying assumption among American politicians and economists alike was that “there is never anything wrong with America” and it will always manage to maneuver out of any crisis or critical situation.

In the discussion that ensued after his presentation, Senator Gramm answered questions of both an economic and a political nature. The discussion was moderated Professor Leszek Balcerowicz, Dr. Christopher Hartwell, and Professor Bohdan Szklarski. The main message put forward by the Senator was that “economic freedom is the freedom that matters the most.”
Macroeconomics and Macroeconomic Policy
Projects:

EU industrial policy: assessment of recent developments and recommendations for future policies

The scope of the project was to evaluate the effectiveness of EU industrial policy, to take stock of and to assess the different measures taken to ensure that industrial growth takes off in the EU, in the context of re-industrialization and the creation of high-skilled jobs in manufacturing and related services. As a result of the project, an assessment of EU industrial policy, together with policy recommendations, was prepared.

Partner: CSIL (Italy)
Sponsor: European Parliament, Directorate for Economic and Scientific Policies
Expert: Camilla Jensen, CASE Fellow

Financial Stress Index (FSI) and Economic Sensitivity Index (ESI): 2014 update

The main objective of the project was to update and amend the indices, giving an overview of Poland’s macroeconomic situation and its financial stability. The indices took into account a number of factors enabling a comprehensive analysis of the economic situation. They were designed to serve as a tool for both scientists and politicians.

The project is the brainchild of CASE experts and a continuation of the “CASE Financial Vulnerability Index” project, which was carried out in 2013.

Sponsor: PKO SA
Experts: Grzegorz Poniatowski, Senior Economist at CASE
Katarzyna Wąsik, Participant of CASE projects
Events:

Presentation of the financial stress and economic sensitivity forecast
09.05.2014
Speakers: Maciej Krzak, Grzegorz Poniatowski, Katarzyna Wąsik

Polish launch of the new IMF “Regional Economic Issues” report and preliminary findings of the 2014 IMF economic consultation with Poland
27.05.2014

US economy: Bad policies produce bad results
25.09.2014
Speaker: US Senator Phil Gramm

Polish launch of the 2014 IMF “Spillover Report”
29.09.2014
Speakers: Emil Stavrev, Christopher A. Hartwell
Publications:

Measuring financial stress and economic sensitivity in CEE countries

Maciej Krzak, Grzegorz Poniatowski, Katarzyna Wąsik
CASE Network Studies and Analyses No. 117, January 2014

This report presents the methodology for the construction of the Financial Stress Index (FSI) and the Economic Sensitivity Index (ESI) and investigates the economic situation in 12 Central and East European Countries (CEECs) between 2001 and 2012. The objective of this paper is to capture the key features of financial and economic vulnerability and examine the co-movement of economic turmoil and financial disturbances that strongly affected the CEECs in the last decade. Our main finding is that the FSI can be used as a leading indicator and can be used to recognize changing trends in the index. A shift in the value of the index proves that EU accession has a positive, but minor influence on financial stability in the CEECs. On the other hand, the impact of the introduction of the euro in Estonia, Slovakia, and Slovenia is ambiguous. For most of the countries in our sample, the FSI started to grow rapidly in 2017, reaching its peak around the third quarter of 2008. Consequently, financial stress remained high for a few quarters and started to fall gradually. For a number of countries, we observe higher financial stress in the latest period of our analysis, from 2010-2012. However, the value of the FSI was significantly lower than three years earlier. The results show that the indices might be helpful in predicting future recessions. However, forecasting properties seem to be limited at this stage of our work.

Macroeconomic and fiscal challenges faced by the Southern and Eastern Mediterranean region

Marek Dąbrowski
CASE Network Studies and Analyses No. 471, April 2014

The current fiscal imbalances and fragilities in the Southern and Eastern Mediterranean countries (SEMC) are the result of decades of instability, but have become more visible since 2008, when a combination of adverse economic and political shocks (e.g., the global and European financial crises and the Arab Spring) hit the region. In an environment of slower growth and higher public expenditure pressures, fiscal deficits and public debts have increased rapidly. This has led to the deterioration of current accounts, a depletion of official reserves, the depreciation of some currencies, and higher inflationary pressure. To avoid the danger of public debt and a balance-of-payments crisis, comprehensive economic reforms, including fiscal adjustments, are urgently needed. These reforms should involve eliminating energy and food subsidies and replacing them with targeted
social assistance, reducing the oversized public administration and privatizing
public sector enterprises, improving the business climate, increasing trade and
investment openness, and sector diversification. The SEMC may also benefit from
a peace dividend if the numerous internal and regional conflicts are resolved.
However, the success of economic reforms will depend on the results of the
political transition, i.e., the ability to build stable democratic regimes that can
resist populist temptations and rally political support for more rational economic
policies.

Forecasting Financial Stress and Economic Sensitivity in CEE Countries

Maciej Krzak, Grzegorz Poniatowski, Katarzyna Wąsik
CASE Network Studies and Analyses, No. 474, July 2014

This paper presents forecasts for the Financial Stress Index (FSI) and the Economic
Sensitivity Index (ESI) for the period 2014-2015 for six countries in the region,
namely the Czech Republic, Estonia, Hungary, Latvia, Lithuania, and Poland. It is a
continuation of the endeavor to construct synthetic indices measuring financial
stress and economic sensitivity for 12 Central and East European countries using
the Principal Component Analysis. In order to obtain forecasts of the FSI, we
estimated vector autoregression (VAR) models on monthly data for the period
2001-2002 separately for all the countries. Using quarterly historical values of ESI
and FSI, we estimated a dynamic panel data model for the complete sample of
countries. Parameters of the model were later used for forecasting the ESI.
Obtained results suggest that the FSI will start to rise in 2015 in the Czech Republic,
Lithuania, and Estonia. For Latvia and Hungary, we observed a conversion in the
trend, i.e., at the beginning of 2015, when the index should start to fall. According
to our forecasts, the ESI will be rising in the next two years, except for in Hungary,
where we predict a continuous decrease in economic sensitivity.
Trade, Economic Integration, and Globalization
Projects:

The implementation of the provisions in relation to the ex-ante conditionalities during the programming phase of the European structural and investment (ESI) funds

The need for this project arose as inappropriate policies as well as administrative and institutional bottlenecks have limited the effectiveness of EU funding in the past. Therefore, ex-ante conditionalities have been introduced in the regulatory framework for the ESI Funds for the 2014-20 period to ensure that the effectiveness of EU investment is not undermined by unsound policies or regulatory, administrative, or institutional bottlenecks. The overall purpose of the study was to develop an evidence base on how the regulatory provisions relating to ex-ante conditionalities have been applied in the programming phase. The findings feed into the Commission’s assessment of the outcome of programming negotiations and into further reflections on the future of the policy.

**Partners:** METIS (Austria), Panteia, AEIDL, ICF

**Sponsor:** EC DG Regional and Urban Policy

**Experts:**
- David Rucki, Participant of CASE Projects
- Andrius Tamosiunas, Participant of CASE Projects

Preparing the prognosis of development of cabotage services in land transportation of goods

The aim of the project was to prepare the prognosis for the development of cabotage in international road transport. The prognosis addressed the issues of domestic deficit and external demand for cabotage services in selected countries. The research showed which markets—if any—needed to employ cabotage services from other countries due to a shortage of domestic supply. Within the scope of the project, CASE prepared an econometric model, assessed the social, economic, and environmental impact of the prognosis, and prepared a final report.

**Sponsor:** Polish Ministry of Foreign Affairs (Ministerstwo Spraw Zagranicznych)

**Experts:**
- Grzegorz Poniatowski, Senior Economist at CASE
- Michał Sikora, Participant of CASE Projects
EU-UA Trade – Assessment of the economic impact of the trade agreement between the European Union and Ukraine

The study aimed to assess the economic impact of the conclusion of the free trade agreement (FTA) between Ukraine and the European Union. The study offered a comprehensive picture of the overall impact of the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Ukraine, based on actual outcomes of the negotiations in terms of the calendar of tariff reductions, the liberalization of services, and the progressive removal of non-tariff barriers to trade. CASE tasks included updating the social baseline based on developments since 2006, adapting the computable general equilibrium (CGE) model output indicators to the story, leading the non-tariff barriers (NTB) analysis, and leading compliance-cost analysis.

Sponsor: EC DG TRADE
Partner: ECORYS (Nederland)
Experts:
Monika Blaszkiewicz, Participant of CASE Projects
Veronika Movchan, Participant of CASE Projects
In this study, the author analyzes the experience of the European Union in cooperating with non-member neighboring countries, to which the EU’s integration process and institutions are both available. On one hand, several non-Member countries are interested in close cooperation or integration with the organization because of their future membership aspirations or simply because they consider the EU an important economic and political partner. On the other hand, the EU itself is also interested in building such close relations, for economic but often also for geopolitical and security reasons.
Public Finance and Financial Sector
Projects:

**Study on the effects and incidence of labor taxation**

In the context of the European Semester, many Member States have received recommendations to reform their tax system to become more growth-friendly. The objectives of the study were to give precise answers to questions regarding the place and means of tax system regulation, to induce the growth potential of Member States. The study was prepared after analyzing labor market regulations and institutions, wage-setting procedures, and reasons of unemployment.

CASE was responsible for the review of the sources of employment problems. The task was divided into the two sub-tasks: the review of key literature to identify the labor demand and supply factors influencing employment and the presentation of indicators that reflect sources of employment problems.

**Partners:** HIS, CPB, IFS, ETLA, CAPP

**Sponsor:** EC DG TAXU

**Experts:**
- Izabela Styczyńska, Vice-President at CASE
- Grzegorz Poniatowski, Senior Economist at CASE

**Study to quantify and analyze the VAT gap in the EU-27 Member States (2012 and 2013 update)**

The project was the continuation of the “Study to quantify and analyze the VAT gap in the EU-27 Member States” implemented by CASE as a part of the consortium led by CPB Netherlands Bureau for Economic Policy Analysis in 2013. The objective of the study was to update the results obtained in the VAT Gaps Report for 2012 and 2013, extending the geographical coverage to the two Member States that were not included (Cyprus and Croatia).

Within the framework of the project, CASE set up methodological guidelines, collected data and calculated VAT gaps for 28 EU countries, validated the results and examined trends, organized seminars with national authorities, and updated the 2012 and 2013 reports.

**Partner:** CPB

**Sponsor:** EC: DG TAXUD

**Experts:**
- Mikhail Bonch-Osmolovsky, Participant of CASE Projects
- Grzegorz Poniatowski, Senior Economist at CASE
mBank - CASE Seminars

mBank - CASE Seminars are a CASE project with a tradition of over 20 years. The Seminars provide a forum for discussion among academics, economists, bankers, students of economics, and journalists specializing in economic affairs. The lectures address the key issues of macroeconomics, the financial sector and public finance in Poland and the European Union, the monetary union, as well as important issues of economic policy in Poland, the EU, and worldwide.

The Seminars are organized thanks to the generous support of mBank.

Events:

Lessons learned for monetary policy from the recent crisis
130th mBank - CASE Seminar | 03.03.2014
Speaker: Michael Bordo

The consequences of unconventional monetary policy: what central banks do not take into account?
131st mBank - CASE Seminar | 17.04.2014
Speakers: Andrzej Rzonca, Jerzy Pruski, Dobiesław Tymoczko

Is Europe overbanked?
132nd mBank - CASE Seminar | 17.06.2014
Speaker: Marco Pagano

The global financial crisis: changes in competition in the banking sector in Europe, the role of regulation and intervention by governments and central banks
134th mBank – CASE Seminar | 16.10.2014
Speakers: Małgorzata Pawłowska, Andrzej Reich, Mieczysław Groszek
Publications:

Institutions of Russian fiscal federalism: 20 years of evolution

Elena Jarocińska
CASE Network E-briefs 02/2014, June 2014

The 1993 Constitution followed by post-constitutional reforms and amendments provide the regulatory framework for the functioning of fiscal federal institutions in Russia. Russia’s degree of fiscal decentralization is comparable to other federal countries. As measured by the share of subnational governments in general government spending and revenues, the degree of decentralization is somewhat lower than the average of the federal countries studied. In addition to public finance data, the degree of fiscal autonomy of subnational governments depends on whether they can set the standards of public spending and determine tax rates and tax bases.

This brief summarizes the main thrust of Russian federal fiscal institutions and discusses their specific features. It also describes the evolution of federal fiscal regulations since the establishment of the Russian federal state. The main policy recommendations are the following: tax autonomy of subnational governments, which is currently very limited should be increased; federal aid should be further formalized and made more transparent; regulations should not be changed from year to year to provide for a more stable environment; and subnational interests should be better protected at the institutional level.
Lessons learned for monetary policy from the recent crisis

Michael Bordo
mBank - CASE Seminar Proceeding No. 130, July 2014

(Excerpts from the Author’s speech) Most people would say that Europe is still sort of coming out of the financial crisis that we had 5 years ago, which was probably the worst since the Great Depression of 1930s. Now just to keep things in context, at the time people were saying that it was going to be worse than the Great Depression, but it was not. It was big, but it was actually not that big compared to some of the crises, especially compared to what happened in the 1930s. We can see the comparison of what happened with the US real GDP in the recent crisis and during the Great Depression: it is about one-fifth as bad in terms of falling GDP as it was during the 1930s. But, it was still a global crisis and it was still a global recession. It happened all around world. Now, it was also a global crisis. It was global in the sense that it affected more than one geographical area, more than one continent. The 1930s crisis clearly stands out; it is so much taller than the others. In fact, our crisis, in terms of the number of countries affected, the size, and the GDP suggests that it was not that bad. But then again, it was a dwarf compared to the 1930s and even to 1890s and 1907. That is just to give you some perspective, as you always have to keep history in mind and not just think “this is so bad now” — it was a major event, but it was not as major as in 1930s. Like the Great Depression of the 1930s, the crisis of 2007 and 2008 and the Great Recession that followed, began in United States and was centered there until the Eurozone crisis happened between 2010 and 2013. I am looking at it from a perspective of five years after the crisis. What I find is that the policy lessons the Fed has taken from the 1930s crisis do not exactly fit the facts of the recent crisis. In some respect, some of the policies undertaken by the Fed may have actually made the crisis worse and may have led to serious problems, which can contribute to the next crisis.

The effects of unconventional monetary policy: what do central banks not include in their models?

Andrzej Rzońca, Piotr Ciżkowicz
mBank–CASE Seminar Proceedings No. 131, September 2014

In 2009, for the first time since the end of World War II, the world economy shrank. This resulted from the economic downturn in highly developed countries and surprised most economists. According to the IMF forecast published in Spring 2008, GDP growth in these countries was expected to accelerate from 1.3% in 2008 to 3.8%. In fact, the growth rate was 0.1% in
2008 and minus 3.7% in 2009. Another surprise was the subsequent poor performance rates reported by the major economies, (i.e., the United States and the Eurozone). Five years after the acute phase of the global financial crisis, their growth rates have not returned to pre-crisis levels. In response to the outbreak of the crisis, the major central banks (i.e., the Fed and the European Central Bank (EBC)), took unconventional measures. These involved: (i) reduction of interest rates to near zero levels; (ii) the announcement to maintain interest rates near zero for an extended period; and (iii) quantitative easing of monetary policy on a large scale. The first measure resulted in the longest period of negative real interest rates in these economies since the 1970s. The second measure brought expectations that these conditions will continue in the coming years, while the third measure resulted in about a threefold increase in the balance sheet totals of central banks. The reaction of central banks to the crisis was, though not entirely, consistent with the conclusions of the new Keynesian analytical framework (hereinafter referred to as “the NK model”), which defines a theoretical framework for monetary policy. Using this model, one can demonstrate that if the major central banks had not reached for unconventional measures, the aggregate demand and—in effect—the growth of the economy would be even weaker. However, the NK model does not allow for the analysis of any events that occurred after the crisis: the low percentage of bankruptcies in the largest economies, the small number of start-ups (even in the United States, where net profits of companies have reached the highest level in relation to GDP), very low employment turnover, the high persistence of economic uncertainty at a very low volatility of macroeconomic indicators, the low growth of the money supply despite a dramatic increase in the monetary base, and an unprecedented growth of public debt during peacetime, which has reached levels impossible to sustain at a normal level of interest rates. This means that the NK model does not include mechanisms through which unconventional monetary policy measures can generate costs. Our analysis is focused on these costs. Without their identification, there is a serious risk that these measures will become just a conventional response to recurrent crises.

2012 Update Report to the Study to quantify and analyze the VAT Gap in the EU-27 Member States

Luca Barbone, Mikhail Bonch-Osmolovsky, Grzegorz Poniatowski
CASE Network Studies and Analyses No. 120, October 2014

This report provides estimates of the VAT Gap for 26 EU Member States for 2012, as well as revised estimates for the period 2009-2011. It is a follow-up to the report “Study to quantify and analyze the VAT Gap in the EU-27 Member States,” published in September 2013. This update incorporates
the NACE Rev. 2 classification of economic activities into the calculation of the theoretical liability. The year 2012 saw overall unfavorable economic developments, as the GDP of the European Union shrank by 0.4 percent. These developments contributed to a slowdown of nominal final consumption and of other economic activities that form the basis of the value-added tax (VAT). A few countries applied changes to standard or reduced rates, but overall, the structure of VAT rates was relatively stable compared to the numerous changes in the wake of the onset of the Great Recession of 2008-2009. For the EU-26 as a whole, VAT revenues grew by slightly over 2 percent, from Euro 904 billion in 2011 to Euro 922 billion in 2012; and the theoretical VAT liability (VTTL) also grew by a similar percentage. The overall VAT Gap, as estimated according to the refined methodology, for the EU-26 saw a slight increase in absolute numbers (of about Euro 6 billion) between 2011 and 2012, to reach Euro 177 billion, but remained essentially stable as a percentage of the overall VTTL, at 16 percent. The estimates for 2009-2011 have been revised because of the switch to NACE-2 classification and refinements in the methodology, and are slightly lower compared to those discussed in the 2013 VAT Gap report. In 2012, Member States’ estimated VAT gaps ranged from the low of 5 percent in the Netherlands and Finland, to the high of 44 percent in Romania. The median absolute change in the VAT gap of individual Member States from 2011 to 2012 was 1.1 percent, with a number of countries registering considerably higher changes. Overall, 11 Member States decreased their VAT gap, with the largest improvements noted in Greece, despite the depth of its recession, and Bulgaria. However, 15 Member States saw an increase in the VAT gap, ranging from virtually nil (e.g., Slovenia) to a substantial deterioration (e.g., Slovakia, Poland). This report also provides estimates of the Policy Gap for the EU-26. This is an indicator of the additional VAT revenue that a Member State could theoretically collect if it applied uniform taxation to all consumption. Estimates of the Policy Gap confirm the finding that in most countries, the loss of revenue compared to an “ideal” system with no reduced rates and no exemptions, is due to a greater extent to policy decisions than to non-compliance and weak enforcement.

Is Europe Overbanked?

ESRB’s Advisory Scientific Committee, chaired by Marco Pagano
mBank-CASE Seminar Proceedings No. 132, November 2014

This paper focuses on a difficult question: has banking grown too much in Europe? The difficulty of the question lies in the words “too much,” which require a normative answer. We must take a stance on how much is “too much,” based on the needs of the real economy in Europe. To tackle the question, we take an approach similar to that of a doctor treating a patient who seems overweight. The doctor’s first step is anamnesis: to collect
information about the patient’s current and past weight and their medical history; and to benchmark these data against those of other people. Likewise, in this report, we review basic facts about the banking system in Europe, including its size, recent growth, concentration, and leverage and compare these data with those of other banking systems. According to all indicators, our patient is abnormally heavy. The doctor must then make a diagnosis: as to whether the patient has gained “too much” weight, in the sense of weight gain leading to problems such as high blood pressure, sleep and breathing difficulties, and so on. Similarly, we explore whether the European banking system has expanded beyond the point where it makes positive contributions (at the margin) to the real economy. Specifically, we investigate whether banks’ recent expansion is associated with (i) lower and more volatile economic growth and (ii) excessive risk-taking and more frequent financial crises, including banking and sovereign debt crises. At this point, the doctor considers why the patient has gained so much weight and turns to etiology: is it eating disorders, a sedentary lifestyle, or a disease? This question is asked not just out of curiosity, but because these causes entail different prognoses regarding the future of the patient’s health and different therapies. Similarly, Europe’s overbanking problem reflects various causes: (i) government support and inadequate prudential supervision have exacerbated banks’ moral hazard problems; (ii) politicians in some countries have encouraged such expansion, for instance to promote “national champions” or to stimulate employment growth for electoral reasons; and (iii) the cost mix of European banks may have induced banks to overextend their market presence. We are not the first doctors that the European banking system has consulted in recent years. Our patient has just taken potent medicine (the Capital Requirements Directive (CRD) IV package) and has prescriptions for more (the Bank Recovery and Resolution (BRRD), the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM), and possibly structural reform). Indeed, our patient has grown tired of this medicinal onslaught: he has “therapy fatigue.” However, in our view, more is needed. Some therapies could have a higher dosage; others have not been tried at all. We think that a course of new treatments will brighten the prognosis: helping the European banking system to make a speedy and lasting recovery from its current bloated state.
Labor Markets, Migration, Social Policy, and Social Services
Projects:

MOPACT - Mobilizing the potential of active aging in Europe

The MOPACT project aims at operationalizing the multidimensional concept of active aging as the basis on which longevity can be made an asset for social and economic development. The detailed objectives of the MOPACT project are as follows:

1. Conducting the most comprehensive review to date of the social and economic challenges of aging;
2. Collecting and analyzing social innovations and policy initiatives;
3. Mapping the steps required to realize active aging in Europe and to propose innovative ways of doing so;
4. Involving stakeholders, such as policy makers, practitioners, product producers, designers, and older people; and
5. Undertaking the wide and effective knowledge transfer and dissemination of the work of MOPACT.

Partners: Europaisches Zentrum Fur Wohlfahrtspolitik Und Sozialforschung (EUROPEAN CENTRE); Centre For European Policy Studies (CEPS); Stichting Katholieke Universiteit Brabant Universiteit Van Tilburg (TILBURG UNIVERSITY); Ministerie Van Economische Zaken, Landbouw En Innovatie (CPB); Collegio Carlo Alberto - Centro Di Ricerca E Alta Formazione (CCA); Elinkeinoelaemaen Tutkimuslaitoksen Kannatusyhdistys R.Y. (ETLA); University Of Kent (UNIKENT); National Institute of Economic and Social Research Lbg (NIERS); Istituto Nazionale Di Riposo E Cura Per Anziani (INRCA); Kopint-Tarki; Konjunkturakutato Intezet Zrt (KOPINT-TARKI); Age Platform Europe Aisbl (AGE); Instituto De Ciencias Sociais Da Universidade De Lisboa (ICS-UL); Universita Degli Studi Di Napoli Federico II. (UNINA); Ruhr-Universitaet Bochum (RUB); Julius-Maximilians Universitaet Wuerzburg (UWUERZ); Universitetet I Oslo (UiO); Cranfield University (CranU); Universita Degli Studi Di Salerno (UNISA); Magyar Tudomanyos Akademia Tarsadalomtudomanyi Kutatokozpont (IS RCSS HAS); Westfalische Hochschule Gelsenkirchen, Bocholt, Recklinhausen (IAT); Universitaet Innsbruck (UIBK); Technische Universitaet Braunschweig (TUBS); University Of Southampton (Southampton); Forschungsgesellschaft fur Gerontologie e.V. / Institut fur Gerontologie an der TU; Dortmund (TUB/IFG); Sihtasutus Politikauuringute Keskus PRAXIS (PRAXIS); and Institutul National De Cercetare Stiintifica In Domeniul Muncii Si Protectiei Sociale (INCSMPS).
**Sponsor:** DG Research and Innovation (FP7) – European Commission

**Experts:**
Stanisława Golinowska, Vice Chairwoman of the CASE Supervisory Council
Elena Jarocińska, CASE Fellow
Jorgen Mortensen, CASE Fellow
Aart Jan Riekhoff, Participant of CASE projects
Anna Maria Ruzik, Participant of CASE projects
Agnieszka Sowa, Participant of CASE Projects
Izabela Styczyńska, Vice-President at CASE

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**NEUJOBS - Employment 2025: How will multiple transitions affect the European labour market**

The objective of NEUJOBS was to imagine the future, or rather, various possible futures, under the conditions of a socio-ecological transition (incorporating other key influences), map the implications for employment overall, but also in key sectors and relevant groups and integrate this under a single intellectual framework. CASE led the work packages “work life balance and welfare transformation” and “employment of the elderly.” CASE also participated in the research activities of “healthcare and services for aging population.”

**Partners:** €PRISM - €uroprism Research Centre (Cyprus) Ltd; CEPS - Center for European Policy Studies (Belgium); CEU CPS - Közép-Európai Egyetem; DELFT - Technische Universität Delft; DIW - Deutsches Institut für Wirtschaftsforschung (Germany); ESRI - The Economic and Social Research Institute (Dublin); ETUI - Institut syndical européen; IBS - Fundacja Naukowa Instytut Badań Strukturalnych; IHS - Institute for Advanced Studies (Austria); IWM - Institut für die Wissenschaften vom Menschen; IZA - Forschungsinstitut zur Zukunft der Arbeit GmbH; LSE - London School of Economics and Political Science (UK); LUISS (Italy); MU - Masarykova Univerzita; MZES - Mannheimer Zentrum für Europäische Sozialforschung, Universität Mannheim; NIDI - Netherlands Interdisciplinary Demographic Institute; OSE - Observatoire Social Européen ASBL; RUC - Roskilde Universitet; SAVBA - Ekonomický ústav Slovenskej Akadémie Vied; SEURECO - Société Européenne d’Économie; SGI - Ínštitút pre dobre spravovanú spoločnosť; TCBE - The Conference Board Inc.; TML - Transport and Mobility Leuven; UNI-KLU (ISE) - Universitaet Klagenfurt; University of Birmingham; University of Leiden (Netherlands); and UWS - University of the West of Scotland; VU - Vereniging voor Christelijk Hoger Onderwijs Wetenschappelijk Onderzoek en Patientenzorg.

**Sponsor:** DG Research and Development (7FP) - European Commission

**Experts:**
Stanisława Golinowska, Vice Chairwoman of the CASE Supervisory Council
Elena Jarocińska, CASE Fellow
Ewa Kocot, Participant of CASE Projects
Changing places: Mid-career review, internal mobility, and intergenerational initiatives to extend working life: Company case studies

The project aimed at exploring in more depth opportunities for revising capability of workers in a pre-retirement age and increasing their working potential in Polish companies. The mid-term career review is an instrument to assess in more or less formalized way the match between workers' qualifications and capabilities and work requirements in order to prevent job loss and ensure a safe career path until retirement. These conclusions are based on analysis of data gathered from employees, representatives, and managers of Polish companies.

**Sponsor:** European Foundation for the Improvement of Living and Working Conditions (Eurofound)

**Experts:**
- Aleksandra Arcichowska, CASE Team
- Bartosz Radzikowski, Economist at CASE
- Agnieszka Sowa, Participant of CASE Projects
Events:

**The economic activity of people aged 50+ in Europe: Results from the NEUJOBS Project**
13 January 2014
Speakers: Izabela Styczyńska, Anna Ruzik-Sierdzińska

**Labor market and competition policies in Poland – The Launch of OECD Economic Survey: Poland 2014**
11 March 2014
Speakers: Ewa Balcerowicz, Anna Ruzik-Sierdzińska

**Healthcare human resources – trends and prospects for an aging society**
03 July 2014
Speakers: Stanisława Golinowska and Agnieszka Sowa
Future scenarios for the development of the labor force

Anna Ruzik-Sierdziańska
CASE Network E-briefs, February 2014

The future size and quality of the European labor force are important production factors for economic growth in the region. The performance of many systems such as social security and healthcare depends on the population of future potential taxpayers. Older workers are an important part and increasing share of the labor force in Europe. Due to lower fertility rates and longer life expectancies, a larger than ever share of the population is over 50. Eurostat projections show that the share of the population aged 50-74 of those in the 20-74 age group will increase in EU27 countries from the current 40 percent to 47 percent by 2050. However, countries differ in terms of elderly activity. Existing studies show that this is related to various factors, including labor market institutions. As demographic aging is expected to continue in the future, it is important to know more about these factors in order to recommend policies that could be efficient for the development of future labor markets and the economy as a whole.

Conceptual framework of the active aging policies in employment in Poland

Izabela Styczyńska
CASE Network Studies and Analyses No. 470, March 2014

The aim of this work is to present an in-depth understanding of the conceptual framework of the active aging policies that have been created and implemented in Poland. The discussion of active aging in employment in Poland started relatively late. The first discussions on the unfavorable situation of elderly employment emerged only in the second half of the 1990s, when the debate on the pension system reform started. While only a few aging policies were developed at the national level during that time, several interesting initiatives were undertaken at a regional level and in the third sector. These initiatives were mostly focused on productive aging and the problems associated with the economic activation of people over 50. The intensive implementation of the active aging policies in Poland started in 2012, during the European Year of Active Aging. At present, there is an intense discussion on the policies addressed to the elderly, which concentrate not only on the activation of the labor market, but also on healthy, active, and socially inclusive aging, education, and civil engagement. This paper concludes that despite the intense work being done by public authorities, the concept still needs a deeper
implementation, especially at the regional level. Furthermore, the close observation and evaluation of the activation programs is still missing and the identification and implementation of good practices, which are already being developed in other European countries, are under used.

Conceptual framework of the active aging policies in employment in the Czech Republic

Lucie Vidovićová
CASE Network Studies and Analyses No. 469, March 2014

In this paper, we present a general assessment of the labor market situation of older workers in the Czech Republic, starting with a more general overview of the demographic situation and emphasizing the generational differences among the young, old, and older cohorts, underlying a number of different problems as well as solutions. Further, in this paper we address the impact of the recent economic situation on employment levels, showing that the recovery in terms of employment has not yet begun and that the impact on older workers is (at least) twofold. First, for older workers, it is very difficult to find a new job once unemployed. Second, if employed, the pressure on workability and the increasing demands of workplaces may be harder to bear for the older the worker. We describe a National Action Plan Supporting Positive Aging (2013-2017) and other examples of good and transferable praxes that address some of the active aging issues in an innovative way. The second part of this report examines the issues of employability, workability, and age management, as perceived by some of the key actors. We go into detail on the topic of paid work after retirement, which is considered an important part of the Czech economy, despite the fact that the employment of sizable groups of older workers after retirement is undeclared. Self entrepreneurship and independent work in later life are another realm of employment that is increasing in importance in the Czech economy; however, as consulted experts argue, it is not to be taken as an unproblematic solution to later in life careers. In the last chapter, we turn our attention to the lifelong learning of older workers and to up-skilling and retraining. In the concluding remarks, we reemphasize the need to address the heterogeneity of the older workforce, in the sense of age or generational affiliation, health, socio-economic, and other characteristics.
Employee financial participation in businesses: Is it worth discussing?

Barbara Błaszczyk
CASE Network Studies and Analyses No. 472, April 2014

This paper is an overview of the achievements in the area of employee financial participation (EFP) during the last fifty years. It addresses the question of the extent to which EFP is relevant in today’s world. EFP is distinguished from participation in management (industrial democracy), and the various types of EFP are discussed. The major arguments for EFP are presented and discussed critically. The evolution of major forms of EFP, the scale of their operation in several advanced economies, and the legal and tax incentives for EFP are also described. The efforts of European Union bodies to popularize this idea in all Member countries are illustrated. Finally, a number of directions for further research on financial participation are considered.

Employment in long-term care. Report on Poland

Stanisława Golinowska, Ewa Kocot, Agnieszka Sowa,
CASE Network Studies and Analyses No. 473, June 2014

The report discusses the formal long-term care (LTC) workforce in Poland. It presents past and future trends in the development of LTC employment. Authors collected scattered statistical information, estimated lacking data, and projected future growth in the number of employed in care services. The authors also performed analysis on employment in the health and social sector and across various types of care. Projections of the demand for care and the supply of the LTC workforce are based on the demographic prognosis of the population size and changes in the age structure, taking into account different scenarios for demographic development. Results show the growing gap between demand and supply in LTC employment. Policies towards aging in Poland must take up the challenge of growing care needs, family changes, and lower opportunities for the provision of informal care.
Impact of aging on curative health care workforce. Country report Poland

Stanisława Golinowska, Agnieszka Sowa, Ewa Kocot
CASE Network Reports No. 118, August 2014

This report discusses employment in the health care system in Poland, based on analysis and projections of the demand and supply of the medical workforce. The impact of the financial situation and policy on the relatively low employment level of medical personnel was accounted for in the analysis, while projections were driven by demographic changes for the next two decades. Results of different demographic variants of projections used in the NEUJOBS project and additional scenarios show that while aging is an important factor that may stimulate demand for the provision of medical personnel, changes might be mitigated by a further increase in efficiency of care. At the same time, the supply of care will also be affected by aging. The results indicate that a more detailed monitoring of employment in the future will be needed in order to assure the adequacy of the provision of medical professionals, especially of nurses (critical gap), certain medical specialists, physiotherapists, and medical technical personnel.
Private Sector Development, Innovation, and Knowledge-Based Economy
Projects:

Study and exchange of good practices on R&D tax incentives

The objective of this study was to provide an overview of research and development (R&D) tax incentive schemes for EU Member States and members of the OECD, including those that were recently modified or phased out, and provide an up-to-date review of the empirical literature on the impact of R&D tax incentives. Moreover, the project aimed to benchmark the existing R&D tax incentive schemes with respect to effective design features, administration practices, data availability, and the interaction of R&D tax incentives with other innovation policy measures.

Partners: CPB; ETLA; HIS
Sponsor: EC DG TAXUD
Experts:
Itzhak Goldberg, CASE Fellow
Camilla Jensen, CASE Fellow
Peter Lindholm, Participant of CASE Projects
Maciej Sobolewski, Participant of CASE Projects, former Acting President at CASE

'Ex-post' evaluation of cohesion policy programmes 2007–2013 financed by the European Regional Development Fund (ERDF) and Cohesion Fund (CF)

This project (evaluation study) aimed at performing an ex-post assessment of the effectiveness and overall impact of the European Regional Development Fund (ERDF) in supporting small and medium enterprise (SME) innovation and development throughout the European Union (EU) over the 2007-2013 programming period. The general objective of the study was to collect important evidence and build up cases concerning the conditions under which SME business and innovation support deployed in the context of the ERDF is effective, as emerging from a sample of 50 operational programs.

Partners: CSIL; CSES
Sponsor: European Commission
Experts:
Anelia Damianova, Participant of CASE Projects
Elena Jarocińska, CASE Fellow
Petr Rumpel, Participant of CASE Projects
High-growth enterprises in Poland

The aim of the project was to prepare a desk research report on the high-growth enterprises operating in Poland. The aim of the report was to assess and present the state of knowledge of Polish high-growth enterprises as well as the preconditions for the development of this sector in Poland.

Sponsor: Polish Agency for Enterprise Development

Experts:
Ewa Balcerowicz, Chairwoman of the CASE Supervisory Council
Andrzej Kondratowicz, Participant of CASE Projects
Bartosz Radzikowski, Economist at CASE
Jan Teresiński, Economist at CASE

Transfer of know-how for small and mid-size businesses in Georgia, Moldova, and Ukraine

The project aimed to assist three beneficiary countries, Georgia, Moldova, and Ukraine, in further developing analytical and policy advocacy capabilities by opening new channels of communication with the small and medium enterprises (SMEs) and non-governmental organizations (NGOs) in Visegrad Group (V4) countries: Poland, Hungary, Slovakia, and the Czech Republic. This effort should facilitate the transfer of knowledge and the establishment of a permanent platform for sustainable cooperation, leading to bringing the SMEs in the three countries closer to European standards, markets, and new business opportunities.

Partners: CEVRO Institute; ICEG European Center; Vysoká škola manažmentu/College of Management; CASE Georgia; CASE Ukraine

Sponsor: USAID; IVF (Visegrad+ program)

Experts: Janusz Szyrmer, CASE Fellow

PICK-ME: Policy incentives for the creation of knowledge: methods and evidence

The project analyzed the role played by demand in the generation and exploitation of technological knowledge, introduction of technological and organizational innovation, and in fostering productivity growth, at a theoretical and especially at an empirical level. To do this the project considered the network structures and the connectivity linkages among the different institutional involved in the generation and exploitation of technological knowledge in the firm, sectoral and geographical dimensions in which these processes take place. This
gave scientific support to demand-oriented innovation policies coupled with knowledge generation policies and to identify best practices for national and regional innovation systems.

**Partners:** Fondazione Collegio Carlo Alberto Centro Superiore di Ricera e Formazione Economico; Finanziaria (Leader); Universiteit Utrecht; Universite de Nice - Sophia Antipolis, LSE; Agencia Estatal Consejo Superior de Investigaciones Cientificas; Universitaet Hohenheim; and the Samuel Institute for Advanced Studies in Science and Technology of the Technion ltd.

**Sponsor:** DG Research and Development (7FP) - European Commission

**Experts:**
Camilla Jensen, CASE Fellow
Peter Lindholm, Participant of CASE Projects
Krzysztof Szczygielski, Participant of CASE Projects

**Events:**

**Can public policies stimulate the demand for innovation in businesses?**
30 July 2014
Presentation by Peter Lindholm

*Peter Lindholm during the debate*
Demand-driven innovation policies in the European Union

Itzhak Goldberg, Camilla Jensen
CASE Network Studies and Analyses No. 468, February 2014

The main question of this publication is how can policy make enterprises more willing to innovate. This can be achieved by what the authors considered the central or most salient aspect of a demand-side innovation-driven economy, which is the small and entrepreneurial, yet fast growing and innovative firm. They used the term “gazelle” to signify this type of firm throughout the paper. The main concern of policy-makers should therefore be how to support gazelle-type of firms through various policies. The effectiveness of different policy instruments was also considered. For example, venture capitalism was identified as an important modern institution that renders exactly the type of coordination necessary to bring about an innovation system more orientated towards the demand side. Other factors, such as market bottlenecks on the skills side, must be targeted through education policies that foster centers of excellence. R&D incentives were also considered as a separate instrument, but more for future research since there is no evidence available on R&D incentives as a gazelle type of policy.
Governance and Institutional Reform
Projects:

Road to the EU of the Visegrad countries: lessons for Ukraine

The main aim of this project was to contribute to undermining prejudices of public opinion towards European integration in the Eastern and Southern regions of Ukraine by organizing public discussions on possible solutions to the problems Ukraine might face on its way to the EU, using the experiences of its neighboring countries. Within the framework of the project, CASE, together with its partners, conducted expert polls, organized round tables and a conference, and prepared five policy papers.

**Partners:** “Ilko Kucheriv Democratic Initiatives Foundation” Charitable Foundation (DIF); EUROPEUM (Czech Republic); Institute for Public Affairs (Slovakia)

**Sponsor:** International Visegrad Fund

**Experts:**
Grzegorz Poniatowski, Senior Economist at CASE
Bartosz Radzikowski, Economist at CASE

The new role of CSOs in the implementation and monitoring of public policy at the local level

Overall, the objective of the project was strengthening the role of civil society organizations (CSO) and local governments in the implementation and monitoring of strategic development plans (SDP) at the local level in Montenegro. For the project, CASE contributed to the preparation of a manual for monitoring the implementation of SDPs and training modules, conducted training on SDP monitoring, and gave recommendations on best practices for the implementation and monitoring of local plans in other countries. The recommendations were presented in a publication.

**Partners:** The Institute for Strategic Studies and Prognoses – ISSP; Center for European Education

**Sponsor:** European Union, represented by the Delegation of the European Union to Montenegro

**Experts:**
Dusan Vujovic, CASE Fellow
Leopold Rollinger, Participant of CASE Projects
True and false remedies for long-term unemployment in Visegrad countries

Ágota Scharle
CASE Network Studies and Analyses No. 475, October 2014

Two in ten working age adults have been out of work for over a year in Visegrad economies and long-term joblessness is especially high among the uneducated. The employment disadvantage of uneducated workers tends to be larger than in Western European countries, and is especially grievous in Hungary, where a relatively large share of the labor force has only completed primary school. The publication suggests that reducing long-term unemployment by activating the unemployed, increasing education level, or preventing early retirement could potentially increase the total employment rate by 2-3 percentage points in Visegrad countries.
Infrastructure, Energy, and Climate Change
Projects:

**Dynamic CGE model for analysis of energy policy**

This project has two primary aims. First, to provide the identification and assessment of the direct and indirect effects resulting from the implementation of three main alternative scenarios of the modernization of the energy sector on the Polish economy within the next two decades (through 2035). Second, to develop an analytical tool, a dynamic computable general equilibrium (CGE) model, dedicated to the countrywide analysis of energy policy. The model will simulate the economic effects of sector regulations and new policy targets within each scenario, accounting for complex sets of linkages between the energy sector and other parts of the economy.

**Partners:** Narodowe Centrum Nauki

**Sponsor:** University of Warsaw

**Experts:**
Grzegorz Poniatowski, Senior Economist at CASE
Maciej Sobolewski, Participant of CASE Projects, former Acting President at CASE
Jan Teresiński, Economist at CASE

**Socio-economic analyses for two UNDP DPRK projects: Supporting socio-economic development of rural areas (SED) and strengthening ecosystem resilience and community adaptive capacity in climate affected river basins (SERCARB)**

The SED project aims to improve the living standard of people in the rural areas of the Democratic People’s Republic of Korea (DPRK). The project is expected to benefit the rural population in pilot counties by promoting employment and income generation, improving household food security, and strengthening rural production systems through the revitalization of county- and village-level small food and daily necessities factories, raw material bases for daily necessities factories and enterprises, as well as the human and social resources necessary for such development.

The specific objectives of the Project are to: provide up-to-date information on the socio-economic and climatic situation relevant to the pilot areas in the DPRK; identify the key drivers relevant to the theories of change informing the projects; and through the implementation of identified analyses and surveys, provide data and statistics for Project management. CASE’s role in the Project is on the socio-economic and conceptual side of the survey design.

**Partners:** Global Development Research Group (GDRG, Poland)
Analysis of the influence of shale gas fracking on the Polish economy through 2030

The main objective of the project it to asses the impact of shale gas fracking on the Polish economy. The research methodology includes a careful cost-benefit analysis of shale gas fracking, with a special emphasis on: possible scenarios, capital requirements, and demand estimates for energy carriers. The integral part of this economic analysis and predictions will be the assessment of the costs and benefits of gas fracking on the economy in the context of investment, employment, and tax revenues. The main aim of the analysis is to prepare various scenarios considering a variety of assumptions related to the opportunities of shale gas drilling and present their impact on the economy.

Sponsor: PKN ORLEN SA

Experts:

Grzegorz Poniatowski, Senior Economist CASE
Maciej Sobolewski, Participant of CASE Projects, former Acting President at CASE

A study on energy costs and subsidies in the European Union

The purpose of the project was to provide the European Commission with a complete and consistent set of data on energy, generation, and system costs and the historical and current state of externalities and subsidies in 28 EU Member States and for the EU overall. The project specifically aimed at assessing methodologies and definitions of costs and subsidies to determine an objective framework for deriving production, system, consumption, direct, indirect, financial, regulatory, and external costs and subsidies, concluding with a workable methodological framework.

Partners: Ecorys Netherlands, KPMG, Research, CE Delft

Sponsor: DG Energy

Experts:

Katarzyna Wąsik, Participant of CASE Projects
Olga Kiulia, Participant of CASE Projects
Development of an evaluation framework for the introduction of electromobility (DEFINE)

The project focused on the costs and benefits of introducing electromobility in three European Countries: Poland, Austria, and Germany. Electromobility is often proposed to be the solution for the problem of combining individual transportation with an ecologically sustainable development. The consortium of leading research institutions from the above listed countries conducted an analysis of the anticipated change in the mobility pattern: from fuel-based transportation to one relying on electromobility.

**Partners:** Institute for Advanced Studies (Vienna); Institut fur Hohere Studien (IHS); Deutches Institut fur Wirtschaftsforschung (DIW); Insitut fur Energiesysteme Elektrische Antriebe, Technische Universitat Wien (ESEA); Oko-Institut (OEI)

**Sponsor:** The National Center for Research and Development

**Experts:**
- Mikołaj Czajkowski, Participant of CASE Projects
- Olga Kiulia, Participant of CASE Projects
- Mariusz Kudelko, Participant of CASE Projects
- Grzegorz Poniatowski, Senior Economist at CASE
- Bartosz Radzikowski, Economist at CASE
- Milan Scasny, Participant of CASE Projects
- Maciej Wilanowski, Participant of CASE Projects
Events:

Renewable energy sources and nuclear power in Poland
Seminar | 23. 01. 201403. 03. 2014
Speaker: Dr. inż. Andrzej Strupczewski,
Moderator: Dr. Andrzej Cylwik
Communications

Communications is one of the pillars of CASE activities. CASE carries out an active communication strategy designed to encourage and stimulate the socio-economic dialogue, inform broad public about CASE ongoing initiatives and the results of the projects it implements, and most importantly to provide the audiences with impartial analysis and help them to form their opinions on social economic issues.

CASE’s communication strategy is based on integrated approach; it involves a wide variety of information measures: media relations, events, web-communication, social media, publications, and video materials. Through these channels CASE connects to the target audience of academics, policy makers, and members of the international business community.

Media

In 2014 the presence of CASE-affiliated experts in international media, such as The Wall Street Journal, Russia Direct, and World Commerce Review, among others, has significantly increased. Moreover, CASE has been present in many national and regional media, such as Ukrainian Kyiv Post (Ukraine), Swiss Dukascopy TV. CASE experts have also published in and have been interviewed by the Polish media, e.g. Gazeta Wyborcza, Rzeczpospolita, and Bloomberg Polska to name just a few. Moreover, CASE developed a regular cooperation with the Polish edition of Forbes. Additionally, we have continued advancing our presence in the broadcast media, with an increasing number of CASE experts’ interviews for TV, radio and internet media services.

An important momentum in 2014 media relations activities was the launch of the EU report about the VAT GAP in 27 EU countries in October 2014. The report raised a considerable interest among international media, its were quoted by titles like The Independent, EU Business or EU Observer.

Equally importantly, CASE cooperated regularly with both general and vertical media, which helped to spread the information not only within a group of experts, but also among wider audiences.

Website

The CASE website (www.case-research.eu) is the main mode of communicating information about our mission, upcoming events and activities, recently completed projects, and the latest publications. CASE’s website is the backbone of CASE’s dissemination strategy as it serves as a
repository of all CASE and mBank-CASE publications, published and archived online. The website is run in both English and Polish, and is updated regularly. The website has been and will remain a key medium for the communication of CASE activity and outputs.

**Social Media**

Given the heart of contemporary communication beats strongest in social media channels, CASE actively engages in dialogue with social media societies. The number of followers of CASE Facebook page grew by 273%, and CASE runs a LinkedIn page and shares its publications, presentations and briefs on popular online sharing service – SlideShare.

**Outreach**

CASE keeps select audiences updated with its institutional activities by disseminating the bimonthly newsletter, as well as separate e-briefs, and events newsletters, and by publishing reports and analysis. Altogether, our newsletters reach more than 9,000 recipients globally, and present the latest information on new publications, forthcoming and recent events, as well as information on CASE research and advisory project activities.

Our publications are not only accessible through our website but can be also found at various academic search engines like: the Social Science Research Network (SSRN), the Research Papers in Economics (RePEc), EBSCO, ProQuest, and Open AIRE. We also actively use our social media channels, and channels of our Networks, to promote our research and make it accessible to the readers from all over the world.

**Events**

Each year CASE hosts a series of events which promote awareness and understanding of the implications of global economic policy, as well as foster the debate on key socio-economic issues. Just like for the past several years, CASE Policy Research Seminars and mBank – CASE seminars welcomed speakers from various key institutions, such as the IMF, the World Bank, OECD, Columbia University, Harvard Kennedy School, or the National Bank of Poland.
Financing of CASE activities
Sources of Financing

<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 from statutory activity</td>
<td>2 713 172,54</td>
<td>636 551,28</td>
<td>773 600,75</td>
</tr>
<tr>
<td>1.1. Project-based funding</td>
<td>2 713 172,54</td>
<td>636 551,28</td>
<td>773 600,75</td>
</tr>
<tr>
<td>1.2. Institutional support</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>2. Operating revenue</td>
<td>127 900,94</td>
<td>30 007,49</td>
<td>36 468,11</td>
</tr>
<tr>
<td>3. Financial revenue</td>
<td>63 307,36</td>
<td>14 852,86</td>
<td>18 050,68</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASE Financing 2014</th>
<th>PLN</th>
<th>EUR</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Margin from research activities</td>
<td>974 443,58</td>
<td>228 619,19</td>
<td>277 840,89</td>
</tr>
<tr>
<td>2. Financial income</td>
<td>63 307,36</td>
<td>14 852,86</td>
<td>18 050,68</td>
</tr>
<tr>
<td>3. Operating expenses</td>
<td>746 013,48</td>
<td>175 026,04</td>
<td>212 709,14</td>
</tr>
<tr>
<td>4. Net result</td>
<td>417 892,26</td>
<td>98 043,84</td>
<td>119 152,67</td>
</tr>
</tbody>
</table>

*Exchange rates based on NBP rates (31 Dec 2014)*

As in the previous years, CASE’s statutory activity in 2014 was solely based on a project activities (both non-profit and for-profit). The funds were obtained from the following sources (as a percentage of the total project revenues for 2014):
The European Commission continued to provide the greatest portion of CASE’s revenue, representing 51.33% of the project funding. In 2014 we experienced a growth in funding coming from private sector – shares of foreign and domestic private entities in total financing increased by 16 and 7.5 pp respectively. In case of domestic entities the growth totalled to 7.5 pp. Domestic public sector continues to be the smallest source of financing CASE statutory activities (6.01% compared to 3% last year).

<table>
<thead>
<tr>
<th>Changes in the value of Endowment in 2013</th>
<th>PLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stocks at the beginning of 2013</td>
<td>3 069 420,85</td>
</tr>
<tr>
<td>2. Profits from 2013 increasing CASE Endowment</td>
<td>84 721,54</td>
</tr>
<tr>
<td>3. Stocks at the end of 2013</td>
<td>3 154 142,39</td>
</tr>
<tr>
<td>4. Interests and profits on endowment from 2014</td>
<td>58 097,84</td>
</tr>
</tbody>
</table>