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Energy

Innovation

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Annual Report

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2012

Economic Integration

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Trade

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Our **MISSION** is to provide objective economic analysis
and to foster the quality of policy-making
to improve the lives of Europeans and their neighbours.

We define ourselves by our **VALUES**:

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

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

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

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

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



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From the Management Board:

During 2012 CASE continued to increase its reputation as the premier think tank in Central and Eastern Europe, and also in the world by some yardsticks, as publicized by the prominent McGann report¹. In fact, CASE was ranked the most influential Think-tank in the CEE Region, and the second most influential Think-tank with a budget of less the US\$5 million in the world.

This accomplishment — the assessment is based on opinions expressed by peers and competitors — is the reflection of the commitment of the CASE community (staff, Fellows, researchers, advisors), which continues to deliver high-quality, policy-oriented research, and to influence the public debate on issues of great importance. CASE also continues to pride itself of its non-partisan role, and cherishes diversity of views and opinions.

As an example of the latter, for instance, CASE and its researchers contributed to the ongoing debate on the future of the Euro that intensified over the summer of 2012. We published a number of commentaries, by CASE Fellows as well as distinguished “friends of CASE”, and in the ecumenical tradition that we cherish, the papers took all sides of the debate on whether the Euro is doomed or not, and whether that would be a good thing or not. Anders Aslund, the head of our Advisory Council, in one of the BRE-CASE seminars, argued that the experience of the most recent dissolutions of single currencies should be an incentive to take the necessary policy measures to avoid such a fate for the Euro. We are very happy that CASE can thus contribute to the battle of ideas through our publications and conferences.

With regards to our project activities, 2012 was a year marked by important new developments. Two examples are on point. First, CASE continued to play the leading role in an important study on labour mobility between the European Union and the countries of the Eastern Partnership (Ukraine, Belarus, Moldova, Georgia, Armenia and Azerbaijan), which is expected to influence the EU’s future policies on migration from these key neighbours. This project has been a good demonstration of the leverage that the CASE Network can exert, through knowledge of local conditions and experts. In Poland, CASE ventured into new territory by entering the debate on energy choices for the future through our study on the economic consequences of shale gas exploitation till the year 2025. This project provided a good example of partnership with the private sector, where CASE can contribute analytical backing to serious debates on issues affecting the lives of millions.

There are also areas of concern. CASE is experiencing the consequences of the world-wide tightening of sources of financing for Think-tanks, at least for those which try to maintain an independence of judgment as CASE does. CASE does not receive budgetary funds (unlike many of our friends and competitors all across Europe). So we are left to count on our resources, and the ability to raise funding through our intellectual prowess. Our strategy is to continue to enlarge our funding base, and efforts are underway to conclude agreements with a number of private foundations whose objectives are aligned with CASE’s mission. We are also seeking partnerships with private-sector entities interested in supporting research programs on energy, infrastructure or future of Eurozone. Our ongoing



efforts to increase the in-house analytical capacity of CASE will continue in line with available opportunities.

Finally, during 2012 we also had another transition, this time to our new, more modern and larger headquarters in central Warsaw, after we lost our lease on the offices at Sienkiewicza that saw so many seminars and activities over the past few years. In our new premises, we ended the year with a celebratory “extravaganza” for the 20th anniversary of CASE’s operations. Leszek Balcerowicz gave us a lecture on “Freedom”, based on his latest book, which reminded us of the reasons why CASE was established in the first place: lots of food for thought, and an inspiration to keep on with our mission. We received a large number of congratulations from many friends, competitors, policymakers, academics. It is encouraging to see that the Polish and international community continues to think highly of CASE.

Luca Barbone

President of CASE
Management Board

Maciej Sobolewski

Vice - President of CASE
Management Board

¹ “2012 Global Go To Think Tanks Report”, University of Pennsylvania Press.

² See the rather diverse positions taken in the paper by Marek Dąbrowski *The need for contingency planning: potential scenarios of Eurozone disintegration* in CASE E-brief series and *Fiscal and Monetary Policy Determinants of the Eurozone Crisis and its Resolution* in CASE Studies and Analysis; Richard Pomfret *The Post-2007 Crises and Europe's Place in the Global Economy*; also *Controlled Dismantlement of the Euro Area in Order to Preserve the European Union and Single European Market* by Stefan Kawalec and Ernest Pytlarczyk in CASE Studies and Analysis.



About CASE

CASE mission

CASE aims to improve the lives of Europeans and their neighbours by fostering the quality policy-making through our experts' knowledge.

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

Activities

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

- Conducting independent, high-quality research and analysis
- Advising governments, international organizations and the NGO sector
- Informing and encouraging public debate
- Promoting cooperation and integration with the neighbouring partners of Europe

Values

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

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

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

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

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

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



CASE Network

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

- CASE-Belarus, Warsaw
- CASE-Kyrgyzstan, Bishkek
- CASE Moldova, Chisnau
- CASE-Georgia, Tbilisi
- CASE Ukraine, Kyiv
- CASE-Advisors Ltd., Warsaw

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. In addition CASE collaborates closely with IPM Research Centre in Minsk and Gaidar Institute for Economic Policy in Moscow.

CASE External Networks

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

The European Network of Economic Policy Research Institutes (ENEPRI), whose goals are to foster the international diffusion of existing research, co-ordinate 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: European Forecasting Network (EFN) an initiative for improved forecasting and macroeconomic analysis in the European Union. Coordinator: Economic and Social Research Institute (ESRI), Dublin.

FEMISE - Forum Euro-Méditerranéen des Instituts Économiques is a network which brings together more than 70 independent economic institutes from across the Mediterranean regions to conduct socio-economic analysis of the Euro-Mediterranean Partnership. Coordinator: Institute for the Mediterranean in Marseille and the Economic Research Forum, Cairo.

ERAWATCH is a European web-based service that supports evidence-based policy making 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.

ARETT - The Association of Russian Economic Think Thanks was created in 2002 in Moscow to bring together scientific and research institutes and not-profit organizations, as well as teams of researchers studying economic policy.

PASOS - The Policy Association for an Open Society supports the development and strengthens the outreach and impact of its member policy centres and Associate Members, who provide policy advice to the European and Central Asian decision-makers and international organisations 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.



Key Institutional Efforts and Achievements in 2012

1. Strong CASE position on the global and European market

We are proud that in this year's edition of the highly reputable "The 2012 Global Go-To Think Tank Index", prepared annually by the University of Pennsylvania, CASE was voted **the best think tank in Central and Eastern Europe!** We were also chosen **the second-best** institution in the world with an annual operating budget of less than US\$ 5 million.

Moreover, CASE's impact on public policy has been judged as significantly larger than in 2011: we moved up from the 41st to the **22nd** spot in the "Greatest Impact on Public Policy" category. Similarly, in the category: "Top Social Policy Think Tanks" worldwide, we rose from the 14th position in 2011, to the **9th** this year. We can proudly say, that our research proposals, in addition to being highly respected, are also valued for their innovative approach to treating their subjects. From among the 6,603 organizations evaluated in this year's ranking, CASE was chosen the **11th** Think Tank with the Most Innovative Policy Ideas/Proposals.

The continuous funding of our research and of various studies, coming mostly from prestigious institutions like the European Commission, the World Bank or the IMF, additionally proves CASE's high reputation as a highly respected institution.

2. Strengthening our research capacity

An important point on our agenda for 2012 was to strengthen our research capacity. The group of CASE Fellows is constantly growing and, at the end of 2012, counted **29** individuals from 19 different countries. Additionally to our Fellows, who play a key role in conducting and organizing CASE's research activities, CASE boasts an extensive network of approximately 350 experts working on various thematic areas.

In 2012, we also took the first steps to reinforce our in-house capacity and, thus, created the permanent post of a Junior Economist. Simultaneously, we also implemented the Research Internship Program, which aims both to help young researchers at the beginning of their careers and to support our in-house economic department.

3. Focus on strategic challenges

As a part of strategic re-thinking, in 2011 CASE established its main focus of research to **key challenges** for this and future generations in Europe (and elsewhere). In 2012 we continued to follow the path taken in the previous year, giving the priority to research focused on the following points:

- Sustaining living standards through growth and innovation
- Dealing with the long-term socio-economic consequences of the aging of Europe
- Tackling problems of energy supplies and climate change

This strategy is reflected in the projects and research we conduct:



Key Projects 2012

1. ENPI - Costs and Benefits of **Labour Mobility** between the EU and the Eastern Partnership Partner Countries

The consortium led by CASE, which includes the Institute for the Study of Labour (IZA), LSE Enterprise and Central European University, has been working on a project examining costs and benefits of migration from the Eastern Partnership (EaP) countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) and the European Union. The research was conducted in cooperation with CASE affiliates in Belarus, Moldova, Georgia and Ukraine.

The study was commissioned by the Eastern Partnership initiative, to explore the possibilities for improved policies for labour mobility between EAP countries and the European Union.

The project involved the preparation of detailed analyses for the six EaP countries and for five EU members on the features of labour migration, the policies that have helped shape them, the costs and benefits for sending and receiving countries, and options for change. In addition, three major regional studies were produced including detailed options for improved labour migration policies between the EU and EaP countries. The recommendations and findings of the project will be discussed at a regional forum which will take place in June 2013 in Brussels.

This project puts CASE and the CASE Network at the centre of an important debate on migration which is likely to affect lives of millions in Europe.

2. Economic Potential for **Shale Gas** Production in Poland

With Poland becoming the newest competitor on the natural gas market in Europe, in 2012 CASE carried out a study on the potential of shale gas production in the country. The goal of the project was to create realistic and economically feasible scenarios for development of shale gas production until 2025 and to examine the effects of each scenario on the Polish macro-economy. The report prepared by our experts shows that development of shale gas sector in Poland could be the catalyst of deep structural changes in the entire energy sector and a stimulus to Polish economy of importance similar to EU accession in 2004.

The study was received with a lot of interest from the broad public and was presented not only on the events directly related with realization of the project but also during national and international conferences devoted to energy, inter alia, Economic Forum in Krynica, National Bank of Poland and other conferences devoted to the topic of energy.



3. Projects devoted to the study of VAT in the EU

CASE was awarded several projects within the DG TAXUD Framework contract for the provision of economic analysis related to current and proposed EU and Member States' tax policies, as well as important tax issues at the national, European and international levels. The first of these studies, "The retrospective evaluation of elements of the VAT system", was already completed in 2011. In 2012, CASE began working on the "Study to quantify and analyse the VAT gap in the EU-27 Member States", which focuses on understanding the recent trends in the field of VAT fraud by updating the VAT gap estimates for 2000-2006 and by providing estimates for the VAT gap for the period 2007-2010. Two additional studies were awarded in 2012, with implementation beginning in 2013: "A study on the economic effects of the current VAT rates structure" and "Study on the economic effects of the current VAT rules for passenger transport". The former examines the impact of reduced VAT tax rates on different types of households, sectors and revenues in all 27 EU Member States. The latter aims to provide an economic assessment covering the impact of the current VAT regimes and the likely effects of alternative uniform VAT regimes on the EU passenger transport market, with a view to evaluate a range policy options.

4. The Advisory Services on Macroeconomic Management and Institutional Reform at the MoED of Azerbaijan

This two-year institution-building project, which ended in early 2012, was conducted for the Ministry of Economic Development (MoED) of Azerbaijan. It aimed to provide high-quality policy advice and training services to the Ministry to help upgrade the quality of economic policy making and enhance the institutional and human resource capacity of this key government agency. CASE experts concentrated their work on three broad topics: macroeconomic policy, structural and investment policies and social policy. The project was successful in providing Azeri policy-makers with new tools for better planning of public resources.



CASE's participation in the 7th Framework Programme of the European Commission:

In 2012 CASE was providing contribution to the following projects under the FP7 programme of the European Commission:

1. AEGIS - Advancing Knowledge-Intensive Entrepreneurship and Innovation for Economic Growth and Social Well-being in Europe

The AEGIS project studies the interactions between knowledge, innovation, economic growth and social well-being in Europe. It focuses on knowledge-intensive entrepreneurship as a necessary mechanism and an agent of change mediating between the creation of knowledge and its transformation into economic activity. Knowledge-intensive entrepreneurship is perceived herein as a core interface between two interdependent systems: the knowledge generation and diffusion system, on the one hand, and the productive system, on the other. Both systems shape and are shaped by the broader social context — including customs, culture and institutions — thus also pointing at the linkage of entrepreneurship to that context.

2. ANCIEN - Assessing Needs of Care in European Nations

The project is designed to examine all possible facets of the long-term care (LTC) provisions in the EU member's states. The final result of all work packages is a comprehensive overview of the long term care systems of EU nations, a description and projection of needs, provision and use for selected countries combined with a description of systems, and of quality assurance and an analysis of systems performance.

3. MEDPRO - Prospective Analysis for the Mediterranean Region

By considering a wide range of political, social, environmental and economic interactions, the MEDPRO project aims to put forward a number of alternative scenarios that can be expected to arise by 2025 in the Mediterranean region. MEDPRO findings are to provide the foundations for future policy on social and economic sustainable development, and depict the role of the EU in providing new avenues for the future of EU-Mediterranean Partnership. The aim of the project is to help the reform process by enhancing the level of information on the challenges and providing deeper insight into the policy options.

4. NEUJOBS - Employment 2025: How Will Multiple Transitions Affect the European Labour Market

The NEUJOBS project analyses possible developments of the European labour market(s) under the main assumption that European societies are now facing or preparing to face four main transitions that will have a major impact on employment, in particular for some groups in the labour force or sectors of the economy. It will do so by combining EU-wide studies based on existing datasets with small-N comparative research dealing with one or more countries.



5. PICK-ME: Policy Incentives for the Creation of Knowledge: Methods and Evidence

The aim of this project is to advance understanding of the mechanisms through which demand-based innovation policies may stimulate effective knowledge creation process, and eventually trigger competitiveness and productivity growth. The project analyses 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, and geographical dimensions in which these processes take place.

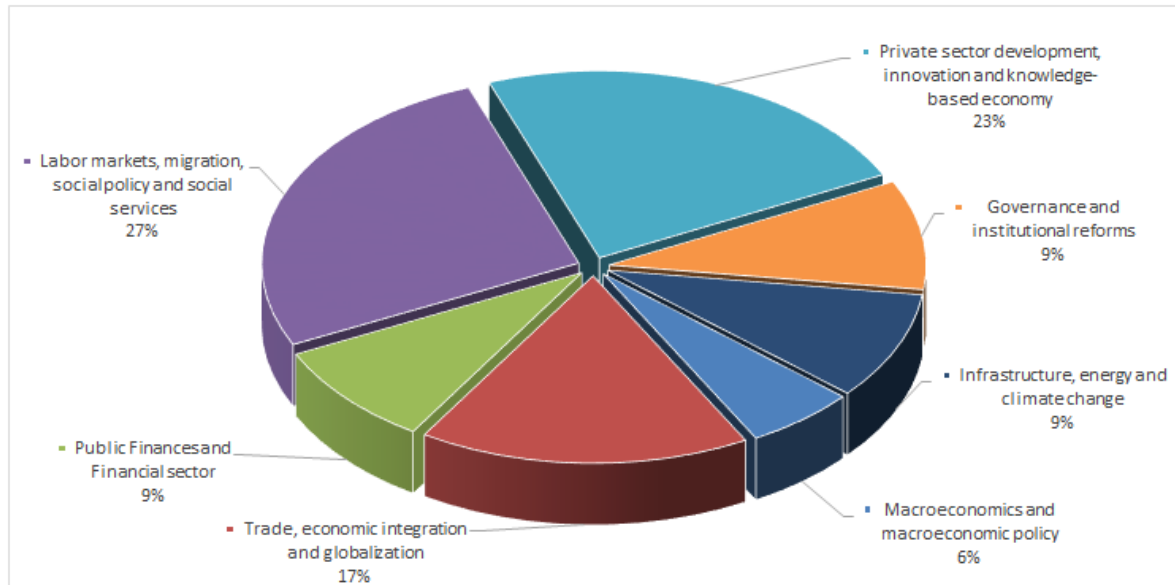
6. SERVICEGAP - The Impact of Service Sector Innovation and Internationalisation on Growth and Productivity

The SERVICEGAP project considers the academic and policy concerns that arise from the increasing importance of the market service sector and the crucial role it appears to play for differential economic performance between industrialised countries. It will do so through examining developments in productivity and its drivers within market services, linkages between services and manufacturing industries, innovation in delivery and types of services and international relationships. The overall objective of this research is to produce a comprehensive study on the impact of market services on aggregate economic growth in the EU and its comparative performance relative to competitor regions, especially the US.

Research Program

In conducting independent, high quality research and analysis, CASE focused its program on areas of importance to the European Union, to member state governments and to Europe's partners to the East and South and across the developing world.

The graph below shows the proportional involvement of CASE's activity thematic areas of research:



During 2012, as highlighted earlier, our engagement in social policy areas, innovation and energy sector grew significantly, followed by the more traditional sectors CASE such as: Macroeconomics, Trade Policies and Institutional and Governance Reforms.

The research in 2012 revolved around the following topics:

1. **Macroeconomics** and macroeconomic policy p.14
2. **Trade, economic integration and globalization** p.15
3. **Public Finances** and Financial sector p.16
4. **Labour markets, migration, social policy and social services** p.17
5. **Private sector development, innovation and knowledge-based economy** p.18
6. **Governance and institutional reforms** p.19
7. **Infrastructure, energy and climate change** p.19

1. Macroeconomics and macroeconomic policy

The debt crisis and its consequences, and fiscal policies – in particular in the Central and Eastern European region – remain at the top of CASE research agenda, resulting in numerous publications and interventions in CASE seminars.

Projects:

- Ex-post evaluation of Macro Financial Assistance operations to Kosovo (EC, DG ECFIN)

Publications:

- *Euro Zone Crisis and EU Governance: Tackling a Flawed Design and Inadequate Policy Arrangements*, Daniel Daianu, CASE Network Studies and Analyses No. 433
- *Two Exercises of Inflation Modelling and Forecasting for Azerbaijan*, Alexander Chubrik, Przemysław Woźniak, Gulnar Hajiyeva, CASE Network Studies and Analyses No. 435
- *Determinants of Growth and Inflation in Southern Mediterranean Countries*, Leonor Coutinho, CASE Network Studies and Analyses No. 436
- *Financial Integration in Emerging Europe: an Envable Development Opportunity with Tail Risks*, Aleksandra Iwulska, Naotaka Sugawara, Juan Zalduendo, CASE Network Studies and Analyses No. 438
- *The Post-2007 Crises and Europe's Place in the Global Economy*, Richard Pomfret, CASE Network Studies and Analyses No. 439
- *Will Europe Fall into a Japanese-Style Stagnation Trap?*, Peter Harrold, CASE Network E-briefs No. 10/2012

- *The need for contingency planning: potential scenarios of Eurozone disintegration*, Marek Dąbrowski, CASE Network E-briefs No. 11/2012

- *How to improve the economic and social performance of Eastern and Southern Mediterranean countries*, Marek Dąbrowski, Luc de Wulf, CASE Network E-briefs No. 13/2012

- *Problemy fiskalne w czasach malejącego popytu i obaw o wysokość długu publicznego [Fiscal Challenges in an Era of Declining Demand and Sustainability Concerns]*, Carlo Cottarelli, BRE Bank-CASE Seminar Proceedings No.118

Events:

- The World Bank's Russian Economic Report: "Moderating Risks, Bolstering Growth" by Kaspar Richter, CASE, 13 April, 2012
- OECD Economic Survey of Poland – Maciej Krzak, Hervé Boulhol and Balázs Égert, CASE, 29 March, 2012
- Problemy fiskalne w czasach malejącego popytu i obaw o wysokość długu publicznego [Fiscal Challenges in an Era of Declining Demand and Sustainability Concerns], Carlo Cottarelli, BRE Bank-CASE Seminar, 26 January, 2012



2. Trade, economic integration and globalization

CASE's traditional strength in analysing international trade was confirmed by several important studies, with a focus on the European external trade relations with countries such as Moldova, Georgia but also the Mediterranean region.

Projects:

- MEDPRO – Prospective Analysis for the Mediterranean Region, for the European Commission (7th Framework Program)
- Trade Sustainability Impact Assessment in support of negotiations of deep comprehensive free trade areas (DCFTA) between the EU and respectively Georgia and the Republic of Moldova, for the European Commission (DG Trade)
- Assessing the economic impact of changes to the access rules to the EU public markets that are currently being considered (Framework Contract: TRADE10/A2/A16)

Publications:

- *Customs Union and Kazakhstan's Imports*, Asel Isakova, Alexander Plekhanov, CASE Network Studies and Analyses No. 422
- *Manufactured Exports and FDI in the MED-11 Countries: Recent Evolution, Determinants and Prospects*, Khalid Sekkat, CASE Network Studies and Analyses No. 432
- *The Free Trade Agreement between the EU and Ukraine: Conceptual Background, Economic Context and Potential Impact*, Marek Dąbrowski Svitlana Taran, CASE Network Studies and Analyses No. 437
- *EU-Ukraine DCFTA: the Model for Eastern Partnership Regional Trade Cooperation*,

Veronika Movchan, Volodymyr Shportyuk, CASE Network Studies and Analyses No. 445

- *Scenarios for the Agricultural Sector in South and East Mediterranean Countries by 2030*, Saad Belghazi, CASE Network Reports No. 109
- *Russia's Accession to the WTO: Impacts and Challenges*, Irina Tochitskaya, CASE Network E-briefs No. 01/2012
- *Is Free Trade with the EU Good for Ukraine?*, Marek Dąbrowski, Svitlana Taran, CASE Network E-briefs No. 06/2012
- *The new old choice for economic policymakers in Belarus*, Alexander Chubrik, CASE Network E-briefs No. 08/2012

Events:

- *Belarusian Economy: Crisis behind, Crisis ahead?* Presented by Alexander Chubrik, CASE, 22 February, 2012
- *Why a Breakup of the Euro Area Must be Avoided*, BRE Bank-CASE Seminar, by Anders Aslund, 29 September, 2012

3. Public finance and Financial sector

CASE has always been strong in providing good quality research in public finance and financial sector. Since 1992, the project undertaken by CASE and BRE-Bank has been focused on banking and financial sector in Poland, Europe and globally. The public seminars, six per year, are available on-line at Bankier.tv. Each of them is followed by a publication in BRE Bank - CASE Seminar Proceedings series, summarizing presented papers and seminar discussion. In 2012, CASE led two projects on VAT issues commissioned by the EC.

Projects:

- A study on the economic effects of the current VAT rates structure (DG TAXUD)
- Study to quantify and analyse the VAT gap in the EU-27 Member States (DG TAXUD)

Publications:

- *Euro Zone Crisis and EU Governance: Tackling a Flawed Design and Inadequate Policy Arrangements*, Daniel Daianu, CASE Network Studies and Analyses No. 433
- *Fiscal and Monetary Policy Determinants of the Eurozone Crisis and its Resolution*, Marek Dąbrowski, CASE Network Studies and Analyses No. 443
- *The Costs of VAT: A Review of the Literature*, Luca Barbone, Richard M. Bird, Jaime Vázquez Caro, CASE Network Reports No. 106
- *Kondycja banków w Europie i Polsce. Czy problemy finansowe inwestorów strategicznych wpłyną na zaostrzenie polityki kredytowej w*

spółkach-córkach w Polsce, [The condition of European and Polish Banks. Will Investors' Financial Problems Affect the Fiscal Policy in Subsidiary Companies in Poland?], Wojciech Kwaśniak, Cezary Stypułowski, BRE Bank-CASE Seminar Proceedings No. 119

- *Zmiany regulacji a rozwój sektora bankowego* [Banking Sector Development and Controlling Adjustments], Andrzej Jakubiak, Witold Skrok, Maciej Stańczuk, BRE Bank-CASE Seminar Proceedings No.120
- *Unia bankowa – skutki dla UE, strefy euro i dla Polski* [Banking Union – Consequences for EU, Eurozone and Poland], Mieczysław Groszek, Wojciech Kwaśniak, Andrzej Raczko, BRE Bank-CASE Seminar Proceedings No.123
- *The global crisis: Have we learned the right lessons?*, György Surányi, CASE Network E-briefs No. 07/2012

Events:

- *Kondycja banków w Europie i Polsce. Czy problemy finansowe inwestorów strategicznych wpłyną na zaostrzenie polityki kredytowej w spółkach-córkach w Polsce* [The Condition of European and Polish Banks. Will Investors' Financial Problems Affect the Fiscal Policy in Subsidiary Companies in Poland?], by Cezary Stypułowski and Wojciech Kwaśniak, BRE Bank-CASE Seminar, 08 March, 2012
- *Zmiany regulacji a rozwój sektora bankowego* [Banking Sector Development and Controlling Adjustments], by Andrzej Jakubiak, Witold Skrok, Maciej Stańczuk, BRE Bank-CASE Seminar, 12 April, 2012
- *Unia bankowa – skutki dla UE, strefy euro i dla Polski* [Banking Union – Consequences for EU, Eurozone and Poland], by Mieczysław Groszek, Wojciech Kwaśniak, Andrzej Raczko, BRE Bank-CASE Seminar, 29 November, 2012



4. Labour markets, migration, social policy and social services

Another important area of research is the labor migration, both intra- and extra- EU, with its consequences on the labor markets and economic growth. CASE lead the ENPI project aimed at providing policy advice for the European Commission as it seeks to fulfil its commitments under the Eastern Partnership agreement with regard to labor mobility.

Projects:

- Consultancy In Evaluation And Reform Of Disability And Child Social Assistance Benefits (World Bank)
- Measuring the implementation of EU health policies at national, regional and local levels (EC DG SANCO)
- Financial Participation of Employees in Companies' Proceeds (European Parliament)
- Expert opinion on Strategy 2020 (Alliance Consulting Investment Group)
- Mobility and migration in the age of transformation – methodological challenges, (Norwegian-EEA program)
- ANCIEN – Assessing Needs of CASE in European Nations, for the European Commission (7th Framework Program)
- NEUJOBS – Employment 2025: How will multiple transitions affect the European labour market, for the European Commission (7th Framework Program)
- ENPI – Costs and benefits of labour mobility between the EU and the Eastern Partnership Partner countries, for the European Commission (EuropAid and other EU services)
- Poland – Meeting 2020 Social Inclusion Target (World Bank)
- Wpływ przepływów pieniężnych na polską gospodarkę w latach 1992-2012 – raport Western Union, przygotowany przez Centrum

Analiz Społeczno-Ekonomicznych - CASE (Impact of remittances on Polish Economy in 1992-2012 – Wester Union Report prepared by CASE)

Publications:

- *Determinants of Household Demand for Services - Formal Versus Informal Sector*, Izabela Styczyńska, CASE Network Studies and Analyses No. 444
 - *Health Status, Functional Limitations and Disability: Changes in Poland*, Stanisława Golinowska, Agnieszka Sowa, CASE Network Studies and Analyses No. 447
 - *Agglomeration in Europe in the Context of Socio-Ecological Transition*, Izabela Styczyńska, Constantin Zaman, CASE Network Studies and Analyses No. 449
 - *The Impact of the Global Financial Crisis on Education Services in Economies of the Former Soviet Union*, Irina Sinitsina, CASE Network E-briefs No. 04/2012
 - *Provision of Long Term Care for the Elderly in Poland in Comparison to Other European Countries*, Izabela Styczyńska, CASE Network E-briefs No. 05/2012
 - *The Impact of Remittances on Poland's Economy*, Luca Barbone, Katarzyna Piętka-Kosińska, Irena Topińska, CASE Network E-briefs No. 12/2012
 - *Wpływ przepływów pieniężnych na polską gospodarkę w latach 1992-2012* [The impact of remittances on Polish economy in years 1992-2012], Luca Barbone, Katarzyna Piętka-Kosińska, Irena Topińska
- ##### Events:
- Long-term care: sectorial needs and challenges in Poland and in the EU, presentation by Esther Mot, Monika Riedel, Anna Ruzik-Sierdzińska, Stanisława Golinowska and Agnieszka Sowa, CASE, 10 July, 2012

5. Private sector development, innovation and knowledge-based economy

Innovation policies have been a priority at the European agenda over the last decade, and CASE has been already engaged in this area of research for a couple of years. CASE is involved in several on-going projects together with other European leading institutes doing research on entrepreneurship, impact of the service sector on innovation and SME development.

Projects:

- Does Government Support for Innovation Matter? The Effectiveness of Public Support for Private Innovation (FEMISE)
- Research on the subject “Analysis of Foreign Practice in the Sphere of Legislative Regulation of the Innovation Activity” (Sergey TAGOR, IET Gajdar Institute)
- PICK-ME: Policy Incentives for the creation of knowledge: methods and evidence, for the European Commission (7th Framework Program)
- SERVICEGAP – The impact of service sector Innovation and Internationalization on Growth and Productivity, for the European Commission (7th Framework Program)
- AEGIS – Advancing Knowledge-Intensive Entrepreneurship and Innovation for Economic Growth and Social Well-being in Europe, for the European Commission (7th Framework Program)
- Study on the Compilation of SME Policy Measures and Assessment of the Small Business Act Implementation within the SME

Performance Review 2011, (DG Economic and Financial Affairs)

Publications:

- *Background Report on Private Sector Development in Latin America, the Post-Communist Countries of Europe and Asia, the Middle East and North Africa*, Richard Woodward, Mehdi Safavi, Piotr Kozarzewski, CASE Network Studies and Analyses No. 434
- *Knowledge-Intensive Entrepreneurship and Opportunities in Two Polish Industries*, Richard Woodward, Elżbieta Wojnicka, Wojciech Pander, CASE Network Studies and Analyses No. 440
- *Innovation Systems and Knowledge-Intensive Entrepreneurship: a Country Case Study of Poland*, Richard Woodward, Elżbieta Wojnicka, Wojciech Pander, CASE Network Studies and Analyses No. 446
- *Innovation Strategies and Productivity in the Polish Services Sector in the light of CIS 2008*, Wojciech Grabowski, Krzysztof Szczygielski, CASE Network Studies and Analyses No. 448
- *Transport Infrastructure for MED11 Countries*, Robin Carruthers, CASE Network Reports No. 108
- *Private Sector Development in the South and East Mediterranean Region*, Mehdi Safavi, Richard Woodward, CASE Network Reports No. 110



7. Infrastructure, energy and climate change

6. Governance and institutional reforms

Projects:

- Ex-ante evaluation of programming documents and strengthening evaluation capacity for EU funds post-accession (EuropeAid)

Publications:

- *Euro Zone Crisis and EU Governance: Tackling a Flawed Design and Inadequate Policy Arrangements*, Daniel Daianu, CASE Network Studies and Analyses No. 433
- *Azerbaijan's Fiscal Policy after the Oil Boom*, Dmytro Boyarchuk, CASE Network E-briefs No. 02/2012
- *Seven lessons from post-communist transition*, Andrei Shleifer, CASE Network E-briefs No. 03/2012
- *What Can Arab Countries Learn From Post-communist Transition?* Marek Dąbrowski, CASE Network E-briefs No. 09/2012

Projects:

- Development of an Evaluation Framework for the Introduction of Electromobility, (National Center for Research and Development, Poland)
- Economic Potential for Shale Gas Production in Poland in 2010-2025
- Estimating the economic benefits of constructing and operating a new zinc and lead mine in the Zawiercianski district

Publications:

- *Ekonomiczny potencjał produkcji gazu łupkowego w Polsce w latach 2012-2025. Analiza scenariuszowa* [Economic potential for shale gas production in Poland in 2010-2025. Scenario analysis], Andrzej Cylwik, Katarzyna Pietka-Kosinska, Katarzyna Lada, Maciej Sobolewski, Other Publications No. 1
- *Scenariusze energetyczne dla Polski* [Energy scenarios for Poland], Piotr Moncarz, Stanisław Poręba, BRE Bank-CASE Seminars Proceedings Nr 121
- Azerbaijan Transport Sector 2011, Irina Tochitskaya, CASE Network Reports No. 107

Events:

- *Scenariusze energetyczne dla Polski* [Energy scenarios for Poland] by Piotr Moncarz, Stanisław Poręba, BRE Bank-CASE Seminar, 17 May, 2012
- Shale Gas Poland 2012: The Energy Independence Conference, by Maciej Sobolewski, 09 May, 2012



CASE Communications

CASE carries out an active communication strategy designed to encourage socio-economic dialogue, and inform broad public about CASE ongoing initiatives and the results of the projects it implements.

CASE's communication strategy utilizes media relationships, the website, e- notifications and CASE publications to connect to our target audience of academics, policy makers and members of the international business community. Diverse channels of social media are used in order to keep a broader audience updated on CASE activity.

Media

The presence of CASE-affiliated experts in international media (i.e. media with readership in more than one region) such as, the *Financial Times*, *The Wall Street Journal*, *World Finance Review*, and *World Commerce Review*, as well as in many national media like, the Romanian *Ekonomika*, and the Polish *Polityka*, *Obserwator Finansowy* or *Parkiet* has significantly increased

Moreover, CASE has continued advancing its presence in the broadcast media with an increasing number of CASE experts participating in interviews for TV, radio and internet media services.

Website

The CASE website (www.case-research.eu) is the main mode of communicating information about CASE's 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 BRE Bank-CASE publications, published and archived online. The website is run in both English and Polish and is updated regularly.

In 2012, we launched our new website, featuring a completely new design and better content architecture to improve the websites' searchability and navigation in order to facilitate user interaction.

Outreach

CASE keeps select audiences updated on our institutional activities by disseminating a bimonthly newsletter. The newsletter is sent to more than 8,600 recipients globally; and presents the latest information on new publications, forthcoming and recent events, as well as information on CASE's research and advisory project activities.

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

We received very positive feedback from social media users in 2012. The number of members of the CASE-Network on LinkedIn, the world's largest professional network, has increased to over 600 people and our profile on Facebook attracted over 500 people, more than doubling the viewership since last year. Both profiles are the easiest way to be kept up-to-date on CASE's activities, in particular CASE events and new publications.

CASE Policy Research Seminars are made accessible for a broader international audience through the CASE Vimeo channel. Since 2011, each BRE-CASE seminar has been made available on-line at the bankier.tv portal.



Events

CASE hosts a series of events that promote awareness and understanding of the implications of global economic policy by disseminating research results and project achievements, as well as fostering debate on key socio-economic issues.

As in recent years, CASE Policy Research Seminars and BRE Bank – CASE seminars, welcomed speakers from various key institutions, inter alia, the IMF, the World Bank, OECD, Stanford University and National Bank of Poland.

In addition to the events organized by CASE and the events related to particular projects, CASE was a co-organizer of two large events in Warsaw in 2012:

- “The Eurozone Debate at SGH” with Former Deputy Prime Minister and Minister of Finance and Foreign Trade of Belgium Philippe Maystadt, and Professor Adam Szyszka from the SGH Department of Capital Markets. The event took place on March 13th
- “Privatisation and private entrepreneurship in Belarus – scope for international assistance” organized in Warsaw on April 16th and 17th. The conference was organized jointly with the Polish Ministry of Foreign Affairs, Solidarity Fund and the Warsaw Stock Exchange. During the event Piotr Kozarzewski spoke on privatization reforms to be implemented in Belarus.

Our **Fellows** and **experts** are often invited to present the results of their research, conducted within the scope of CASE projects, at events organized elsewhere. In 2012 the most important of these events included:

- CASE Fellow, Itzhak Goldberg took part in the Open Innovations Forum in Moscow, which took place from October 31st to November 2nd, 2012.

- CASE Fellow Emmanuel Bergasse spoke at the NATO Parliamentary Assembly in Montenegro on October 15-17th.

- Maciej Sobolewski presented the final report of the study of shale gas production in Poland during the Economic Forum in Krynica. He also presented at the seminar organized by the National Bank of Poland and at the conference “Polish Natural Gas 2020. Laws, taxes, perspectives”, conference organized by the Polish Exploration and Production Industry Organization and The Chamber of the Natural Gas Industry.

He was also invited to speak at the 5th International Conference “Energetika XXI: Economy, Policy, Ecology” held in St. Petersburg.

- Marek Dąbrowski represented CASE at the ENEPRI conference entitled “EU Growth Prospects in the Shadow of the Crisis” organized by CEPS in Brussels on October 22nd. He took part in the Summer Course on “Trends, Tensions and Future Prospects in the Euro-Mediterranean Region” organized by the UIMP Barcelona - Centre Ernest Lluch on July 12-13th. His presentation on “MED11 Countries: Trade, Infrastructure, Investment and Private Sector Development” was prepared together with Luc de Wulf as FP7 MEDPRO dissemination output.

- Irena Topińska and Katarzyna Piętka Kosińska presented the study on the Impact of Remittances on Poland’s Economy at the event organized by Western Union in Warsaw on July 5th.



CASE People

Supervisory Council

Chairwoman

Ewa Balcerowicz, Coordinator of BRE Bank – CASE seminars and Associate researcher at the Institute of Economics of the Polish Academy of Sciences, Warsaw

Vice Chairwomen

Barbara Błaszczyk, Professor at Wyższa Szkoła Biznesu - National-Louis University, Nowy Sacz, Associate researcher at the Institute of Economics of the Polish Academy of Sciences, Warsaw

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

Members

Tadeusz Baczek, 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

Władysław Brzeski, Partner at REAS residential advisors

James Cabot, Associate at Bank of America Merrill Lynch

Krzysztof Chmielewski, CASE co-founder in August 1991

Andrzej Cylwik, President of CASE Advisors

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

Wojciech Paczyński

Richard Woodward, Lecturer in international business at the University of Edinburgh Business School

Przemysław Woźniak, Economist at DG ECFIN, European Commission



Advisory Council

Chairman

Anders Aslund, Senior fellow at the Peter G. Peterson Institute for International Economics

Members

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

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

Georges de Menil, Associate Member at Paris School of Economics (EHESS)

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

Irena Grosfeld, Director of Research at Paris School of Economics

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

Vladimir Mau, Rector of the Academy of Public Economy

Lucjan T. Orłowski, Professor of economics and international finance in the Department of Economics and Finance

Vladimer Papava, Professor of Economics and Senior Fellow of the Georgian Foundation for Strategic and International Studies (GFSIS)

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

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

Krassen Stanchev, Senior Consultant and Central Asia Regional Advisor for Pragma Corp.

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

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

Stanislaw Wellisz, K&SC Davis Professor of Economics and International Affairs, Columbia University

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

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



CASE Fellows

CASE Fellows play a key role in conducting and organizing case research activity. CASE Fellows are drawn from the ranks of senior researchers and experts with outstanding and internationally recognized academic and professional record in economics and other social sciences. In 2012 two distinguished researchers joined the group: Irena Topińska and Misha Belkindas.

Dr. Irena Topińska has cooperated with CASE for many years, undertaking various projects and publishing her work in CASE Network series. Her current research interests include poverty reduction policies, gender aspects of social exclusion, and impacts of migration. Since 2010 she has been a member of the EU Network of Independent Experts on Social Inclusion, reporting regularly on social policies in Poland.

Professor Misha Belkindas for many years worked for the World Bank in the Development Economics Department. He holds a PhD in mathematical economics and has published widely on issues of economic modelling, transition economies and statistical capacity building. He is an Honorary Doctor of the Institute of Economy and Forecasting of the Academy of Science of Ukraine.

With Irena Topińska and Misha Belkindas the group of CASE Fellows increased to 29 members with varied backgrounds, ranging from academia to public policy positions. They hail from Poland and 18 other countries.

By the end of 2012, the group of CASE Fellows included the following experts:

Kathryn Anderson

Expertise: social policy, labour markets, health economics, development economics

Misha Belkindas:

Expertise: Statistics, Development Economics

Emmanuel Bergasse

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

Marta Castello-Branco

Expertise: international macroeconomics, economics in transition

Alexander Chubrik

Expertise: macroeconomics, private sector development

Marek Dabrowski

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

Paul Gregory Hare

Expertise: economics of transition, microeconomy, economics of higher education

Iraj Hashi

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

Elena Jarocinska

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

Alina Kudina

Expertise: macroeconomics, energy

Roman Mogilevsky

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

Jorgen Mortensen

Expertise: European economy, internal market, pensions, ageing

Boris Najman

Expertise: labor market, development economics, economics of transition

Wojciech Paczynski

Expertise: applied macroeconomics, International economics, international relations, game theory, economics of education

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, energy sector development, SME/Enterprise development, regional and economic development

Irena Topińska

Expertise: poverty measurement, Social policy and poverty reduction

Dusan Vujovic

Expertise: Macroeconomics, Institutional reforms, Financial markets

Richard Woodward

Expertise: Industrial privatization, Knowledge-Based Economy, SME enterprise and local economic development

Canan Yildirim

Expertise: banking in transition, corporate governance, insurance, market of EU and Turkey, International capital flow



Management Board

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

President of the CASE Management Board, Luca Barbone

Vice-President of the CASE Management Board, Maciej Sobolewski

Office (as of 31 December 2012)

Chief of Operations

Elena Diaconu, since November

Secretariat

Małgorzata Sławińska, until September

Olga Zarzycka, September-October

Magdalena Lewandowska, since October

Research Program

Elena Diaconu

Haik Zakrzewski, until August

Iryna Shuvaieva, since August

Development and Transition

Assistance Program

Wojciech Solak

Aart Jan Riekhoff, until July

Philadelphia Zawierucha, since July

Finance

Agnieszka Jabłońska

Agnieszka Kaźmierczak, until May

HR

Joanna Farian, since June

Jr. Economist

Grzegorz Poniatoski, since September

Communications

Karoline Schuessler, until September

Małgorzata Sławińska, since September

Publications

Małgorzata Sławińska, until October

Magdalena Lewandowska, since October

Gleb Shimanovich

Irina Makenbaeva

Paulina Szyrmer

BRE-CASE Seminars Coordinator

Krystyna Olechowska

IT Specialist

Michał Dąbrowski

2012 Interns

Karolina Jańczak

Karolina Kartus

Olga Nowaczyńska

Andrea Palaade

Ira Shuvaieva

Dorota Minch

Jose Pantoja

Oleksandra Romanowska

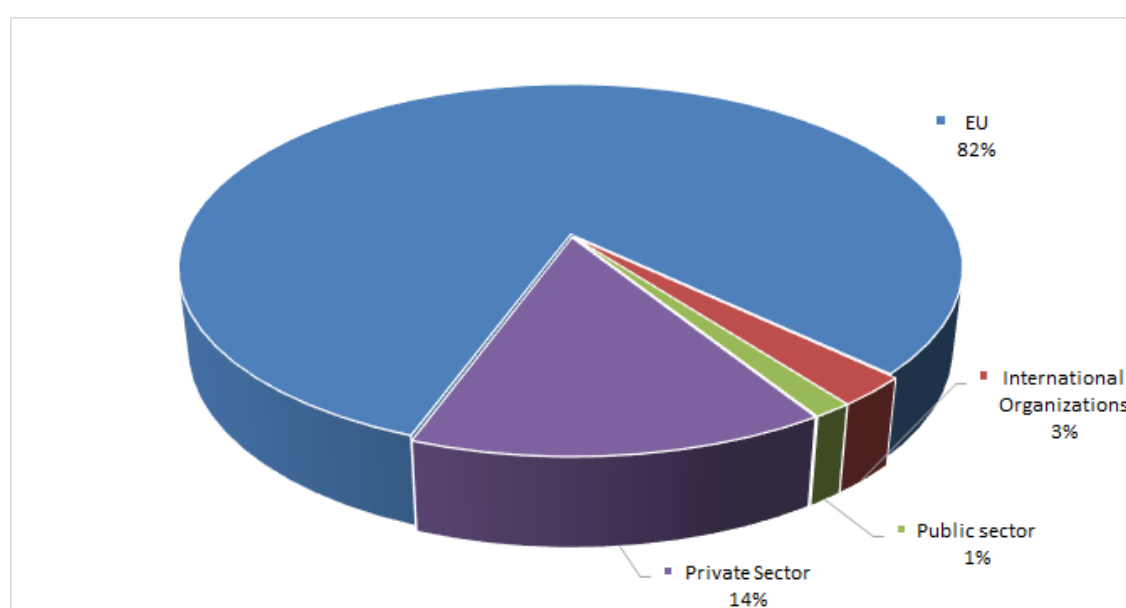
Manvydas Poskus

Financing of CASE activities

CASE Financing 2012:	PLN	EUR	USD
Total Revenue for 2012	4 624 791,36	1 131 253,70	1 492 060,70
1. Revenue from statutory activities	4 386 099,17	1 072 868,05	1 415 053,29
2. Other operating revenues	75 148,79	18 381,88	24 244,67
3. Financial revenue	163 543,40	40 003,77	52 762,74

Sources of Financing

CASE's statutory activity in 2012 was solely based on a project activities (both non-profit and for-profit). The funding were obtained from the following sources (as a percentage of total budgets of projects active in 2012):



As in the previous years, the European Commission provided the greatest portion of revenue representing 82% of the project funding. The private sources of funding ranked second in 2012, constituting 14% of the funding received for statutory activities.

In 2012, CASE continued to build its endowment in order to strengthen its long-term financial stability and independence and improve its capacity to carry out large-scale research and development assistance projects. The endowed funds will accumulate indefinitely and their proper use is ensured by the Endowment Regulations that set out clear rules for fundraising, investing and using endowed funds.

As of January 1st 2012, the CASE endowment came to a total of PLN 3 045 657,59. In the course of year, it recorded a net increase so that the end result amounted to the total level of PLN 3 069 420,85.

Changes in the value of Endowment in 2012	PLN
1. Stocks at the beginning of 2012	3 045 657,59
2. Financial results	108 484,80
2.1 Foreign exchange differences (valuation)	-52 342,70
2.2 Interests	52 339,72
2.3 Valuation of Investment Fund	108 487,78
3. Contribution to operations	84 721,54
4. Ending stocks	3 069 420,85