

Economics Institute of the ASCR, v. v. i.

Identification No.: 67985998

Location: Politických vězňů 936/7, Prague 1

ANNUAL REPORT 2011

Discussed by the Supervisory Board on May 15, 2012

Approved by the EI Board on June 4, 2012

Prague, June 15, 2012

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I. Information on the bodies within the public research institution and their activities or their modification

a) The bodies of the workplace

The Director of the workplace: Doc. Ing. Štěpán Jurajda, Ph.D.

The Board of the workplace (hereafter the "EI Board") was elected on February 2, 2007. The composition of the EI Board in 2011 was:

Chair: Sergey Slobodyan, Ph.D. NHÚ AV ČR, v. v. i.

Vice Chair: Doc. Ing. Štěpán Jurajda, Ph.D., Economics Institute, the Academy of Sciences of the Czech Republic, v. v. i.

Members:

Prof. RNDr. Jan Hanousek, CSc., Economics Institute, the Academy of Sciences of the Czech Republic, v. v. i.

Prof. Jan Kmenta, Ph.D., Professor Emeritus of Economics, University of Michigan

Doc. Ing. Lubomír Lízal, Ph.D., Economics Institute, the Academy of Sciences of the Czech Republic, v. v. i. (until December 8, 2011)

Doc. Ing. Daniel Münich, Ph.D., Economics Institute, the Academy of Sciences of the Czech Republic, v. v. i.

Prof. Gérard Roland, Ph.D., University of California, Berkeley

Prof. Avner Shaked, Ph.D., University of Bonn

Ing. Petr Zemčík, Ph.D., Economics Institute, the Academy of Sciences of the Czech Republic, v. v. i.

The Supervisory Board was appointed on March 27, 2007. The composition of the Supervisory Board in 2011 was:

Chair: Mgr. et Mgr. Klára Plecítá, Ph.D., Institute of Sociology of the Academy of Sciences of the Czech Republic, v. v. i.

Vice Chair: Prof. Jan Švejnar, Ph.D., Economics Institute, the Academy of Sciences of the Czech Republic, v. v. i.

Members:

Ing. Petr Bobák, CSc., Institute of Animal Physiology and Genetics of the Academy of Sciences of the Czech Republic, v. v. i.

Doc. Ing. Zdeněk Tůma, CSc., KPMG Czech Republic

Prof. RNDr. Jan Ámos Víšek, CSc., Faculty of Social Sciences, Charles University in Prague

b) Modification of the bodies of the workplace

Doc. Ing. Lubomír Lízal, Ph.D. resigned from membership on the Board of the workplace on December 8, 2011.

c) Information on the bodies' activities

Director:

The Director became actively involved in the ongoing reform of R&D financing in the Czech Republic. Specifically, he served on the expert steering committee of an IPn EU-funded international audit of Czech research evaluation. He also represented the EI on the Managing Board of the Czech Economic Society, served as chair of the Economics Panel at the Czech Science Foundation and as chair of the Social Sciences and Humanities Committee of the same agency.

EI Board:

The EI Board's meeting dates for 2011 were June 10 and November 23.

A selection of the substantive issues discussed during its meetings appears below:

- Approval of the EI budget for 2011,
- Approval of the EI Annual Report for 2010,
- Statement on the evaluation of the 2005-2009 research performance of the Institute,
- Approval of the transfer of the EI profit for 2010 into the reserve fund.

The minutes from the EI Board meetings are available on the internal website.

Supervisory Board:

The Supervisory Board's meeting dates for 2011 were May 4 and December 7.

During its meetings, the Supervisory Board commented on the proposal for the EI annual report and financial statements for 2010 and the proposal for the EI budget for 2011. The Supervisory Board also acknowledged a report on the drawing up of the budget and financial prognosis for 2012. Hereafter the Board expressed its prior consent to make a long-term rental contract, evaluated the managerial skills of the EI Director, approved the transfer of the comprehensive income to the reserve fund and approved a new auditor for financial management. At its December meeting the Director informed the Board about an informal proposal for a replacement of members whose memberships end in 2012.

II. Information on the modification of the Foundation Deed

In 2011, the modification of the Foundation Deed of the Economics Institute was completed, in accordance with the wording of Amendment No. 3, from January 7, 2011, relating to broadening activities in Article III, Paragraph 2, in the main activities of the workplace. In accordance with the insertion of Amendment No. 3 into the Public Research Institutions Register, the Academy of Sciences of the Czech Republic issued the Full Text of the Foundation Deed.

III. Evaluation of the main research activities

The main research activity of EI, which was determined by the institutional research target in 2011 as well, involves the theory and empirical application of nearly all main streams of modern economics. This broad coverage is reflected in high-quality output in the fields of finance, macroeconomic theory, game theory, experimental economics and international trade published in prestigious economic journals worldwide. In applied finance, Bena and Jurajda (*Economica*) show how the establishment of the EU-15 'single market' in 1993 boosted firms' annual value-added growth and how substantial diversity existing in the development of national financial markets brought about various growth rates across countries. Hanousek and Shamshur (*Journal of Corporate Finance*) deal with the choice of capital structure at the firm level and its determination in the presence of credit constraints. The unbiased estimation of the intratemporal and intertemporal substitutions in consumer preference with the use of aggregate consumption data is studied by Pakoš (*Journal of Business and Economic Statistics*). In the field of macroeconomics, Gillman and Kejak (*Economica*) present a theoretical model which resolves the puzzle in several aspects of empirical evidence on the long-run effects of inflation on main macroeconomic quantities.

Hernando-Veciana and Michelucci (*Games and Economic Behavior*) solve the problem of the second best in a single-unit sale to two bidders and Blanco, Engelmann and Normann (*Games and Economic Behavior*) run several different experiments to assess the parameters of inequality aversion in preferences, by which they contribute to the development of game theory and experimental economics. Žigić's research (*Journal of Comparative Economics*) contributes to work in international trade by showing that social welfare in a setup where the government lacks the full ability to commit to its trade policies may exceed social welfare in a setup where the government possesses full commitment power if consumer surplus is part of the social welfare function. Jurajda and München (*American Economic Review*) pose the question of whether women perform worse than equally able men in stressful competitive settings. This work relates to another part of the research target, namely research in the field of labor economics. The list of all publications is in Appendix A.

The Economics Institute (EI) cooperates closely with the Center for Economic Research and Graduate Education (CERGE), within a joint workplace, CERGE-EI. The joint workplace puts strong emphasis on the quality of research and journal publications. To keep the high scientific level of our research, we hire promising candidates on the international academic market. In 2011, we hired several promising early-career researchers: an assistant professor from the Kellogg School of Management at Northwestern University; a doctoral graduate from Princeton University; and a doctoral graduate from the Faculty of Social Sciences, Charles University, who spent a year at New York University as a Fulbright Scholar.

Many of our researchers spent several months in research stays at prestigious foreign workplaces: R. Boháček at Universitat Autònoma in Barcelona (5 months); L. Çelik at the University of Virginia in Charlottesville (5 months); Š. Jurajda at Princeton University (2 weeks); S. van Koten at the European University Institute in Florence (12 months); E. Kočenda at Université Paris Sorbonne (2 weeks); F. Matějka at Toulouse School of Economics (2 weeks); F. Michelucci at Université Paris Dauphine (1 week); B. Pertold-Gebická at Aarhus University in Denmark (12 months); and S. Slobodyan at Goethe University Frankfurt (2 months) and at the National Bank of Belgium (3 months).

In this context, we would like to stress the continuing involvement of young researchers and doctoral students in research at EI, especially within the framework

of the Center of Advanced Political Economy Research (CAPER), (Project LC542). This Center was established in 2005 with the objective of starting the professional careers of young researchers and has been supported within the program of basic research centers of the Ministry of Education, Youth and Sports of the Czech Republic. CAPER was a steady source of high-quality research papers on policy-related questions. Unfortunately, this beneficial and successful project is no longer being funded, and 2011 was its final year.

Some of the research activities conducted by EI also have direct policy implications. In 2011, the activity of an EI project known as the IDEA Project (the Institute for Democracy and Economic Analysis) continued. The project is a modern and politically independent think-tank that creates and offers a broad range of well-grounded ideas and opinions for the public sector based on solid analysis. In addition, currently three EI employees serve on the National Economic Committee of the Czech Government (NERV). Under the auspices of a project on the economic monitoring of less-developed countries, EI cooperated with a partner organization OGREsearch on forecasting models for Kenya, Nigeria, Tanzania, Uganda, Democratic Republic of the Congo and Ethiopia and on quarterly macroeconomic projections for these countries.

Besides cooperation in the form of the Research Center LC542 and others, EI cooperates with CERGE in the education of young researchers at the early stages of their careers. The doctoral program of CERGE-EI is accredited not only in the Czech Republic, but also accredited on the basis of a permanent charter granted by the New York State Board of Regents in the USA. CERGE-EI has the right to award Ph.D. and M.A. degrees in economics. In contrast to local programs which are commonly shorter, the CERGE-EI doctoral program usually takes 5 to 6 years. CERGE-EI Ph.D. graduates, as well as the young researchers of the Center, are successfully placed in high-quality domestic and international research institutions; e.g. N. Shestakova has been hired as an assistant professor at Vienna University. Many of our young researchers conducted their research while on mobility at top international universities and institutions, e.g. R. Aliyev, I. Brushko, T. Kochubey, and P. Nikolovová worked on research projects at the University of Pennsylvania, V. Audzei and J. Matějů at the Norwegian School of Economics in Bergen, R. Ivanova at Princeton University; or on research stays for several months, e.g. A. Kochanová at the International Monetary Fund in Washington, DC (3 months), P. Kraft and O. Nikolaychuk at Heidelberg University (4 months), O. Popova at the Nova School of Business in Lisbon (6 weeks), D. Stanišić at Columbia University (4 months), D. Vorobyev at the California Institute of Technology (3 months) and O. Senyuta at the London School of Economics (2 months) and at the University of Mannheim (4 months).

The international cooperation of EI has several features. Firstly, our researchers cooperate with European institutions on grants of the 7th Research Framework. S. Jurajda is a local leader of a project analyzing intangible capital and innovations as drivers of growth and location in the EU (INNODRIVE). R. Boháček is engaged in a project which analyzes the employment and health of 50+ in Europe (SHARE_M4). Further, the research project A New Agenda for European Security Economics (EUSECON) is led by J. Malečková. P. Zemčík continues his work on a grant devoted to the study of the effects of financial development on innovation and income inequality (FINNOV). Within the scope of these grants, EI cooperates with European institutions such as Cambridge University, Sant' Anna School of Advanced Studies in Italy, and the University of Bordeaux in France. Work has continued on earlier awarded grant projects of various types, for example Dynamics of Institutions and Markets in Europe (DIME) and Reflexive Governance in the Public Interest (REFGOV). Since 2010, EI has been a constituent in a consortium awarded the label

EUREKA for its joint project GRASP. This joint project comprises a system for macroeconomic forecasts and their presentation in the form of an Internet gate for developing countries. More detailed information on the grants and the research projects of the European Commission can be found in Appendix B. Our young and more senior researchers took part in research under the auspices of the Global Development Network (GDN), formerly supervised by the World Bank. An important project in this context is Rational Inattention: Signaling Capabilities of Price Systems and Implications for Policy by F. Matějka. More detailed information on the grants and the research targets can be found in Appendix B.

EI has continued organizing important events with the participation of top foreign academic experts. In 2011, EI hosted the annual meeting of the Global Development Network, organized a regional conference Prague Economic Meeting 2011, and organized an Economists Changing the World CERGE-EI Conference in conjunction with the celebration of CERGE-EI's 20th anniversary. EI, jointly with CERGE, was a co-organizer of the 15th year of the internationally prestigious conference Forum 2000 devoted to the theme Rule and Law; EI hosted Hernando de Soto (President of the Institute for Liberty and Democracy, Peru), Joseph Stiglitz (Professor at Columbia University and Nobel Price Laureate), and Robert Hahn (Director of the Smith School of Enterprise at Oxford University). The current research of top researchers has been presented at our Institute. EI has organized 48 research seminars in the fields of macroeconomics, microeconomics, and applied microeconomics. These seminars allow local experts to follow current research agendas. In 2011, CERGE-EI organized or co-organized in total 7 conferences or research workshops. EI researchers presented at 144 conferences, workshops and seminars in the Czech Republic and abroad, where in 37 cases they were invited. Our Institute also took part in the popularization of economics. Seven lectures were directed to a broader audience and to discussions organized on special occasions: a discussion panel, 7 seminars and 3 panel discussions devoted to issues in health care, 5 lectures organized by the Association for International Affairs (AMO), and one lecture for external audiences.

The output of our researchers is often appreciated by the expert public. J. Steiner has been awarded the J. E. Purkyně Fellowship by AS CR for 5 years of supported research aimed at the analysis of coordination and strategic behavior of economic agents in situations requiring coordination under different assumptions. M. Bauer has been awarded the Otto Wichterle Prize by AS CR for promising young researchers of extraordinary quality under 35 years of age. P. Stankov earned 2nd place in the Japanese Award for Outstanding Research on Development at the Global Development Awards and Medals Competition for a project entitled Financial Crises and Reversals in Financial Development. F. Matějka received a split 1st prize of the Prof. František Vencovsky Award for his paper Information Frictions and Monetary Policy. P. Ondko and V. Jerbashian were awarded 1st and 2nd prizes in the Young Economist of 2011 for their papers Selection and Performance Gains in Horizontal and Vertical Acquisitions (Ondko) and The Telecommunications Industry and Economic Growth: How the Market Structure Matters (Jerbashian). G. Aslanyan earned 2nd place for the best young economist paper at the Warsaw International Economic Meeting 2011 for a paper "Controlling Immigration: Long Term Welfare vs. Policy Designers".

The appendices contain the complete list of important concrete items characterizing the activity of our Institute in 2011.

(i) Public presentation of the workplace and the popularization of science

The workplace publicizes its activities, including seminars and publications, on its website. Each year, the workplace participates in the promotional activities of the Academy of Sciences of the Czech Republic. During the Spring Open Days of the Academy of Sciences and the eleventh year of Science and Technology Week, the workplace was open to both the scientific community and the general public.

Researchers working within the IDEA project were largely involved in popularizing economic science (see part III). Its goal is to contribute to the creation of a national vision and strategy for the future and to provide citizens with sufficient information to make their voices heard in public life and to hold their elected leaders accountable to the public interest.

EI researchers are actively involved in popularizing economic science among the general public in the Czech Republic. They contribute to current public policy debates with their expert opinions in popular articles and interviews or by participating in expert government committees. During 2011, EI researchers contributed nearly 50 articles to the printed media and had more than 350 other appearances in the mass media.

The workplace held an Open Day on December 8, 2011, as a way to acquaint university students and media representatives with its activities. The Ph.D. program in Economics, which involves EI jointly with CERGE at Charles University, was introduced to prospective students not only from the Czech Republic but also from foreign countries.

Along with its main activities, the Institute also performed other activities in 2011, including the following:

1. Education courses

As it does every year, the Institute, in cooperation with the Faculty of Humanities of Charles University, delivered the spring and fall semester courses of UPCES (The Undergraduate Program in Central European Studies). Classes are made up mainly of American B.A. students, but the course is also open to students of Charles University and of the Erasmus program. Participants in the program study basic questions and problems related to the Central European region.

2. Conferences and seminars

The most important event of 2011 was undoubtedly the 20th anniversary celebration that the workplace organized jointly with CERGE between October 7–11. The anniversary week began with an opening gala ceremony with participation of the founders of CERGE and top representatives of the Academy of Sciences of the Czech Republic and Charles University. An alumni conference CERGE-EI: Economists Changing the World followed. A public lecture of the Nobel Laureate for Economics Prof. J. Stiglitz titled Restoring Growth and Stability in a World of Crisis and Contagion: Lessons from Economic Theory and History was also a part of the celebration.

As part of the celebration, CERGE-EI was also a co-organizer of the 15th annual Forum 2000 Conference, a traditional event centered around a theme that draws prestigious speakers and attendees from around the world to discuss regional, social and economic issues. In 2011 the event was focused on Rule and Law. CERGE-EI was a co-organizer of 6 panels and also secured the participation of two speakers at the opening ceremony – Prof. J. Stiglitz and Prof. J. Švejnar, one of its founders.

Besides events linked to the celebration, the Institute as an organizer or co-organizer also participated in the following events:

Roundtable discussion of the IDEA IBM project CEO Study in the Czech Republic (February 15)

Workshop on the project Survey of Health, Ageing and Retirement in Europe (SHARE) (February 21)

Presentation of the IDEA project How Would Tax Changes Impact Households and Public Budgets (February 24)

Seminar Econometric Methods for Research in Education (March - April)

Public talk Explaining Differences in Teacher Effectiveness (May 12)

FINNOV Annual Workshop (May 19 - 20)

Research workshop Chapters in Experimental Economics (May 23 – June 2)

Discussion panel of the IDEA project Pension Debt: The Burden of the Young (May 24)

Program Junior Achievement Student Company (May 26)

Prague Economic Meeting (June 16 - 18)

The Prague Seminar – SMU (July 3 - 10)

GDN/CERGE-EI Regional Research Competition Workshop (August 7 – 8)

Seminar Introduction to Microfinance and Presentation of the Mexican and Bolivian Cases (October 21)

Working seminar on the IDEA project Fiscal Institutions – European Experience and Applications to the Czech Republic (November 21)

2nd Economic Conference of Rádio Česko: Small State, Big Challenge: Back to the Top (November 24)

Joint Czech National Bank, Czech Economic Society, and CERGE-EI seminar (November 25)

Discussion panel of the IDEA project Euro: Its Impacts on the Czech Economy and the Current Crisis (December 6)

Press conference IDEA for Breakfast (March 15 and June 30)

Regular health care seminars (7 seminars)

The CERGE-EI Research Seminars Series with Czech and foreign speakers (48 seminars).

3. Work within the main activity

The Czech National Bank: Processing and provision of aggregated data based on a selective survey of the labor force

EBRD: Duplicate Consultancy Contract Migration and its Consequences in Ukraine Project

ERSTE Stiftung: Financing of the research article Life-(Dis)satisfaction and Decision to Migrate: Evidence from Central and Eastern Europe

GHK Consulting Ltd., Brussels: Sub-consultancy Agreement Mutual Learning Programme

GHK Consulting Ltd., Birmingham: Sub-consultancy Agreement European Employment Observatory

Association of the Orlice Region Municipalities: Cooperation with the research run within the project The Development of Economic Activities in Selected Border Regions of Orlice Municipalities

Charles University, CERGE: Partnership contract on the implementation of part of the project Development and Quality Enhancement of the Ph.D. in Economics Program at CERGE, Charles University, concluded with the City of Prague within the Operational Programme Prague - Adaptability

Institute for Information on Education: Analysis of the impact of the educational level of students on long-term economic growth of the Czech Republic and on deficits in running the pension system.

4. Cooperation agreements

AZPIRO Ltd. (Consulting company specializing in the applications of modern mathematical and economic models): memorandum on cooperation

Czech Energy Company: cooperation agreement in the field of applied research

Czech Statistical Office: agreement to provide classified statistical data for research purposes

Masaryk University in Brno: cooperation within the projects of the Operational Programme Education for Competitiveness

OGR Research, Ltd.: cooperation agreement in the field of applied research for implementation of the project Investment Management Company BV, Projecting Benchmark Interest and Exchange Rates in Cambodia, Guatemala and Rwanda

Oživení, a. s.: cooperation agreement on the project Improvement of Public Procurement Systems in the Czech and Slovak Republics

Charles University, Faculty of Social Sciences: cooperation agreement on the graduate program: economic theory, field of study: economics, accredited by Charles University, Faculty of Social Sciences

The University of Economics and Management: cooperation on library services

All of the above-mentioned activities not only improve international cooperation in economic research, but are also an effort to use the knowledge of researchers to solve problems both on the governmental level and within the private sector in the Czech Republic.

IV. Evaluation of other activities

An analysis of the influence of state support of research on private investment in research was undertaken in conjunction with other activities. That analysis was completed for the Technology Center of AS CR under a contract with the Czech Government. That contract showed no profit in 2011, but 25% of the expenses (80 000 CZK) covered the institutional overhead.

V. Information about precautions against deficiencies in management, and a report on how the precautions against deficiencies in management were fulfilled in the previous year

The Institute's budget undergoes a financial audit annually. The auditor from HZ Prague, Ltd. had no comments about the budget for the year 2010, and thus there was no need to implement any precautions in 2011.

In 2011 the Ministry of Education, Youth and Sports of the Czech Republic conducted an inspection of the use of research support in six projects for 2010. The inspection rejected expenses in the amount of 76 000 CZK caused by the payment of travel costs for 2010 made at the beginning of 2011 and by the correction of an accounting mistake of 2010 made in March 2011. The rejected amount was returned to the state budget to decrease the expected penalty. A change in accounting method was accepted in 2011 to prevent such mistakes. A further precaution will be accepted after the results of an inspection of tax control is completed in March 2012.

VI. Financial information about facts that are important for the economic position of the Institute and that can have an influence on its further development*

Included in the annual report is the annual balance sheet for 2011 (see the appendix). According to the balance sheet, budgetary processes had no difficulties and show positive income.

VII. Expected development of institutional activities*

In 2011, the contribution of the Academy of Sciences formed 37% of the total annual income of the Institute. Other costs were covered mainly by special purpose funds for science and research (Research Centre LC 542, project SHARE under the program of large infrastructure for research and innovation, grants of the Czech Science Foundation – Grantová agentura České republiky and the Grant Agency of the Academy of Sciences, FP7 projects, etc.). The remaining funds were covered by other activities as part of the main activity of the Institute (see Part III). We consider it important to note that in 2011, institutional support was allocated by the Ministry of Education, Youth and Sports of the Czech Republic to four projects under FP7 RP totaling 499 000 CZK. An important fact in the financing of the Institute is that the project Research Centre LC 542 has been extended until 2011. We believe that the current composition of finances needed for the operation of the Institute is sufficient and is a solid basis for its smooth operation in the future. We are waiting for the result of the new policy of distribution of research funds used for financing the Institute.

The Institute should continue to be proactive in raising funds for the financing of scientific research from both domestic and foreign grant agencies. The information of the current year shows that with an appropriate PR policy for the Institute, it is realistic to gain in the following period more contracts for expert research from the private sector or at the government level.

* Information requested according to Act No. 563/1991 Coll., Par. 21, on Accounting, as subsequently amended.

VIII. Activities in the field of environmental protection*

The Institute is carrying out ongoing maintenance, repairs and upgrades of the gas boiler, air conditioning, elevators and electrical appliances to minimize the consumption of gas and electricity. According to Act No. 86/2002 Coll., the Municipal Government in Prague has been provided with the Report on Emissions by the requested deadlines. A measurement of emissions in accordance with the Public Notice of the Ministry of the Environment No. 356/02 Coll. has been carried out. The recycling of materials continues. The Institute permanently provides collection of sorted waste. Potentially dangerous waste generated by the operation of the Institute is removed and disposed of by competent companies.

IX. Activities in the field of the law on labor*

1/ Number of new employments	16
for an unspecified period	0
for a fixed period	16
2/ Number of terminated employments	13
3/ Number of persons with whom contracts for services were concluded	1
4/ Number of external persons with whom agreements were contracted for specific tasks	22

Národohospodářský ústav AV ČR, v. v. i.
Politických vězňů 7
111 21 Praha 1
IČ: 67985998, DIČ: CZ67985998
(5)

stamp


Doc. Ing. Štěpán Jurajda, Ph.D.
Economics Institute of the ASCR, v. v. i.

* Information requested according to Act No. 563/1991 Coll., Par. 21, on Accounting, as subsequently amended.

INTEREXPERT neziskový sektor s.r.o., Mikulandská 2, Praha 1, 110 00, Tel:+420 224 933 658, Fax:+420 224 934 101
e-mail: secretary@interexpert.cz www.interexpert.cz

Independent Auditors' Report

Institute:	Národohospodářský ústav AV ČR, v.v.i.
Residence:	111 21 Praha 1, Politických vezňů 7
Founding document:	The Economics Institute of the Academy of Sciences of the Czech Republic is a public research institution established as of 1 January 2007 pursuant to Act No. 341/2005 Coll., on Public Research Institutions. Current founding document: No. 1246/2011-31.
Identification No:	67 98 59 98
Accounting year:	1.01. – 31.12.2011
Balance sheet date:	31.12.2011
Scope of business / activity:	Scientific research in the field of economic theories, both normative and positive, at the macro-level and micro-level.

Report on the Financial Statements

We have audited the accompanying financial statements of the above Institute, which comprise the balance sheet as at December 31, 2011 and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Czech Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of financial position of the above Institute as of December 31, 2011, and of its financial performance for the year then ended in accordance with Czech Accounting Principles.

INTEREXPERT neziskový sektor, spol. s r.o.
Authorization CA 511
Mikulandská 2, Praha 1, 110 00

Ing. Karolina Neuvirtová, Audit Partner
Authorization CA 2176

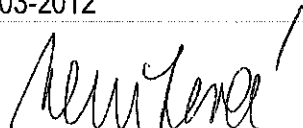
Date:	20-03-2012
Signature of auditor:	



Table 1.1.

Národohospářský ústav AV ČR, v.v.i.

Balance sheet

Politických vezňů 7, 111 21 Praha 1

Annex No. 1 to Decree No. 504/2002 Coll., as later amended

Public higher education facility

Individual items are shown in CZK thousand	account/total ¹⁾	row ²⁾	balance as of 1.1.2011	balance as of 31.12.2011
			col. 1 ³⁾	col. 2 ³⁾
ASSETS				
A. Total fixed assets	r. 2+10+21+29	0001	195 348,27	197 461,66
I. Total intangible fixed assets	r. 3 to 9	0002	2 649,83	2 649,83
1. Intangible research and development results	012	0003	0,00	0,00
2. Software	013	0004	1 829,25	1 829,25
3. Valuable rights	014	0005	0,00	0,00
4. Minor intangible fixed assets	018	0006	820,58	820,58
5. Other intangible fixed assets	019	0007	0,00	0,00
6. Unfinished intangible fixed assets	041	0008	0,00	0,00
7. Advances provided for intangible fixed assets	051	0009	0,00	0,00
II. Total tangible fixed assets	r. 11 to 20	0010	217 296,71	223 140,18
1. Land	031	0011	55 523,35	55 523,35
2. Works of art, objects and collections	032	0012	0,00	0,00
3. Structures	021	0013	144 293,02	149 738,17
4. Freestanding movable items and collections of movable items	022	0014	12 042,79	12 699,88
5. Permanent vegetation areas	025	0015	0,00	0,00
6. Basic livestock and draught animals	026	0016	0,00	0,00
7. Minor tangible fixed assets	028	0017	5 360,75	5 102,67
8. Other tangible fixed assets	029	0018	0,00	0,00
9. Unfinished tangible fixed assets	042	0019	76,80	76,11
10. Advances provided for tangible fixed assets	052	0020	0,00	0,00
III. Total fixed financial assets	r. 22 to 28	0021	0,00	0,00
1. Shares in controlled and managed organizations	061	0022	0,00	0,00
2. Shares in accounting units under substantial influence	062	0023	0,00	0,00
3. Debt securities held to maturity	063	0024	0,00	0,00
4. Loans to organisational units	066	0025	0,00	0,00
5. Other long-term loans	067	0026	0,00	0,00
6. Other fixed financial assets	069	0027	0,00	0,00
7. Acquired fixed financial assets	043	0028	0,00	0,00
IV. Total fixed asset depreciation reserves	r. 30 to 40	0029	-24 598,27	-28 328,35
1. Depreciation reserves for intangible research and development results	072	0030	0,00	0,00
2. Depreciation reserves for software	073	0031	-1 370,41	-1 562,61
3. Depreciation reserves for valuable rights	074	0032	0,00	0,00
4. Depreciation reserves for minor intangible fixed assets	078	0033	-820,58	-820,58
5. Depreciation reserves for other intangible fixed assets	079	0034	0,00	0,00
6. Depreciation reserves for buildings	081	0035	-6 599,42	-9 620,38
7. Depreciation reserves for freestanding movable items and collections of movable items	082	0036	-10 447,11	-11 222,11
8. Depreciation reserves for permanent vegetation areas	085	0037	0,00	0,00
9. Depreciation reserves for basic livestock and draught animals	086	0038	0,00	0,00
10. Depreciation reserves for minor tangible fixed assets	088	0039	-5 360,75	-5 102,67
11. Depreciation reserves for other tangible fixed assets	089	0040		



Individual items are shown in CZK thousand	account/total ¹⁾	row ²⁾	balance as of 1.1.2011	balance as of 31.12.2011
B. Total short-term assets	r. 42+52+72+81	0041	19 056,88	18 130,00
I. Total reserves	r. 43 to 51	0042	0,00	0,00
1. Material in stock	112	0043	0,00	0,00
2. Material in transit	119	0044	0,00	0,00
3. Unfinished production	121	0045	0,00	0,00
4. Semi-finished products from Internal production	122	0046	0,00	0,00
5. Products	123	0047	0,00	0,00
6. Animals	124	0048	0,00	0,00
7. Goods stocked and in shops	132	0049	0,00	0,00
8. Goods in transit	139	0050	0,00	0,00
9. Inventory reserves provided	from 314	0051	0,00	0,00
II. Total claims	r. 53 to 71	0052	4 613,90	3 277,67
1. Customers	311	0053	1 096,99	616,73
2. Bills for collection	312	0054	0,00	0,00
3. Receivables for discounted securities	313	0055	0,00	0,00
4. Operating reserves provided	from 314	0056	966,51	349,00
5. Other receivables	315	0057	23,75	0,00
6. Receivables from employees	335	0058	10,07	11,87
7. Receivables from social security and healthcare insurance institutions	336	0059	0,00	0,00
8. Income tax	341	0060	20,70	20,70
9. Other direct taxes	342	0061	0,00	0,00
10. Value added tax	343	0062	0,00	-11,27
11. Other taxes and fees	345	0063	0,00	0,00
12. Claims for subsidies and account settlement with the state budget	346	0064	0,00	0,00
13. Claims for subsidies and account settlement with budgetary bodies of territorial self-administrative units	348	0065	0,00	0,00
14. Debt due from association members	358	0066	0,00	0,00
15. Receivables from fixed term transactions	373	0067	0,00	0,00
16. Receivables from bonds issues	375	0068	0,00	0,00
17. Other receivables	378	0069	2 495,88	2 051,89
18. Estimated asset accounts	388	0070	0,00	238,75
19. Adjustments to receivables	391	0071	0,00	0,00
III. Total short-term financial assets	r. 73 to 80	0072	13 552,62	14 121,42
1. Cash on hand	211	0073	6,22	21,93
2. Valuables	213	0074	120,50	95,35
3. Bank accounts	221	0075	13 425,90	14 004,14
4. Shares and similar securities for trading	251	0076	0,00	0,00
5. Debt securities for trading	253	0077	0,00	0,00
6. Other securities	256	0078	0,00	0,00
7. Short-term financial assets acquired	259	0079	0,00	0,00
8. Cash in transit	261	0080	0,00	0,00
IV. Total other assets	r. 82 to 84	0081	890,36	730,91
1. Deferred costs	381	0082	257,63	282,97
2. Deferred income	385	0083	632,20	445,10
3. Exchange rate difference assets	386	0084	0,53	2,84
Total assets	r. 1+41	0085	214 405,14	215 591,64



Individual items are shown in CZK thousand	account/total ¹⁾	row ²⁾	balance as of 1.1.2011	balance as of 31.12.2011
LIABILITIES			col. 3 ³⁾	col. 4 ³⁾
A. Total internal sources	r. 87+91	0086	207 674,56	205 707,21
I. Total assets	r. 88 to 90	0087	207 485,35	205 424,02
1. Shareholders' equity	901	0088	195 348,26	197 418,54
2. Funds	911	0089	12 137,09	8 005,48
3. Gains and losses from revaluated assets and liabilities	921	0090	0,00	0,00
II. Total economic result	r. 92 to 94	0091	189,21	283,19
1. Economic result account	963	0092	0,00	283,19
2. Economic result from authorisation procedures	931	0093	189,21	0,00
Internal economic result settlement	930	0137	0,00	0,00
3. Retained profit, unpaid loss from previous years	932	0094	0,00	0,00
B. Total third party funds	r. 96+98+106+130	0095	6 730,58	9 884,44
I. Total reserves	r. 97	0096	0,00	3 000,00
1. Reserves	941	0097	0,00	3 000,00
II. Total long-term liabilities	r. 99 to 105	0098	0,00	0,00
1. Long-term bank credits	951	0099	0,00	0,00
2. Bonds issued	953	0100	0,00	0,00
3. Rent liabilities	954	0101	0,00	0,00
4. Long-term reserves accepted	955	0102	0,00	0,00
5. Long-term bills to be paid	958	0103	0,00	0,00
6. Estimated liability accounts	z389	0104	0,00	0,00
7. Other long-term liabilities	959	0105	0,00	0,00
III. Total short-term liabilities	r. 107 to 129	0106	6 728,85	6 867,98
1. Suppliers	321	0107	416,17	756,47
2. Bills to be paid	322	0108	0,00	0,00
3. Advances received	324	0109	225,54	120,36
4. Other liabilities	325	0110	855,13	57,86
5. Employees	331	0111	0,00	0,00
6. Other commitments toward employees	333	0112	2 775,10	3 544,51
7. Commitments to social security and healthcare insurance organisations	336	0113	1 599,98	1 553,41
8. Income tax	341	0114	0,00	0,00
9. Other direct taxes	342	0115	574,61	672,10
10. Value added tax	343	0116	40,42	72,70
11. Other taxes and fees	345	0117	0,00	0,00
12. Accounts payable to the state budget	346	0118	104,08	8,31
13. Accounts payable to budgetary bodies of territories self-administrative units	348	0119	0,00	0,00
14. Accounts payable from underwritten unpaid securities and shares	367	0120	0,00	0,00
15. Accounts payable to association members	368	0121	0,00	0,00
16. Accounts payable from fixed term transactions	373	0122	0,00	0,00
17. Other accounts payable	379	0123	55,69	73,18
18. Short-term bank credits	231	0124	0,00	0,00
19. Discount credits	232	0125	0,00	0,00
20. Short-term bonds issued	241	0126	0,00	0,00
21. Own bonds	255	0127	0,00	0,00
22. Estimated accounts payable	from 389	0128	82,13	9,08
23. Other short-term financial assistance	249	0129	0,00	0,00
IV. Total other liabilities	r. 131 to 133	0130	1,73	16,46
1. Deferred expenditures	383	0131	0,00	0,00
2. Deferred income	384	0132	0,00	0,00
3. Passive exchange rate differences	387	0133	1,73	16,46
Total liabilities	r. 86+95	0134	214 405,14	215 591,64

The values stated are governed by Sections 5 and 7 to 25 of Decree No. 504/2002 Coll.

¹⁾ The law only defines the designation and structuration of the text; numbers of individual accounts are provided for better orientation in the statement.

²⁾ Numbering of rows and columns is binding for data entrance sentences in the F-JASU format for statement processing by MÚZO Praha s.r.o.

Date

2.3.2012

Approved by a statutory representative

Signed by a responsible personnel for book-keeping



Table 1.2.1

Národohospářský ústav AV ČR, v.v.i.

Profit and loss statement - summary

Politických vezňů 7, 111 21 Praha 1

Annex No. 2 to Decree No. 504/2002 Coll., as later amended

Public higher education facility

Individual items are shown in CZK thousand	account/total ⁴⁾	row ²⁾	main activity	supplementary activity
A. Costs				
I. Total material costs	r. 2 to 5	0001	3 404,66	0,00
1. Material costs	501	0002	2 682,54	0,00
2. Energy costs	502	0003	239,16	0,00
3. Consumption of other non-storable supplies	503	0004	482,96	0,00
4. Goods sold	504	0005	0,00	0,00
II. Total services	r. 7 to 10	0006	15 639,75	0,00
5. Repairs and maintenance	511	0007	2 260,47	0,00
6. Travel expenses	512	0008	2 817,10	0,00
7. Representation costs	513	0009	504,13	0,00
8. Other services	518	0010	10 058,05	0,00
III. Total personnel costs	r. 12 to 16	0011	44 109,13	240,00
9. Wages and salaries	521	0012	33 280,14	176,47
10. Statutory social security	524	0013	9 915,48	60,00
11. Other social security	525	0014	0,00	0,00
12. Statutory social security costs	527	0015	904,51	3,53
13. Other social security costs	528	0016	9,00	0,00
IV. Total taxes and fees	r. 18 to 20	0017	18,41	0,00
14. Highway tax	531	0018	0,00	0,00
15. Property tax	532	0019	0,70	0,00
16. Other taxes and fees	538	0020	17,71	0,00
V. Total other costs	r. 22 to 29	0021	6 219,91	80,00
17. Contractual fines and late charges	541	0022	0,00	0,00
18. Other fines and penalties	542	0023	0,00	0,00
19. Bad debt write off	543	0024	0,00	0,00
20. Interests	544	0025	0,00	0,00
21. Currency losses	545	0026	124,50	0,00
22. Gifts	546	0027	0,00	0,00
23. Shortages and damages	548	0028	0,00	0,00
24. Other additional costs	549	0029	6 095,41	80,00
VI. Total write offs, asset sales, creation of reserves and adjustments	r. 31 to 36	0030	6 988,16	0,00
25. Depreciation of tangible and intangible fixed assets	551	0031	3 988,16	0,00
26. Residual value of tangible and intangible fixed assets sold	552	0032	0,00	0,00
27. Securities and shares sold	553	0033	0,00	0,00
28. Materials sold	554	0034	0,00	0,00
29. Creation of reserves	556	0035	3 000,00	0,00
30. Adjustments	559	0036	0,00	0,00
VII. Total contributions provided	r. 38 and 39	0037	0,00	0,00
31. Contributions provided and settled by organisational units	581	0038	0,00	0,00
32. Member contributions paid ⁵		0039	0,00	0,00
VIII. Total income tax	r. 41	0040	0,00	0,00
33. Additional income tax payments	595	0041	0,00	0,00
	r.			
Total costs	1+6+11+17+21 + 30+37+40	0042	76 380,00	320,00
Intra-organisational costs	799	143	0,00	0,00
Total costs, including intra-organisational costs	r. 42+143	144	76 380,00	320,00



Individual items are shown in CZK thousand	account/total ¹⁾	row ²⁾	main activity	supplementary activity
B. Income				
I. Total revenue for performance and goods	r. 44 to 46	0043	4 558,65	320,00
1. Internal production revenue	601	0044	0,00	0,00
2. Revenue from service sales	602	0045	4 558,65	320,00
3. Revenue from goods sold	604	0046	0,00	0,00
II. Total changes in internal inventory status	r. 48 to 51	0047	0,00	0,00
4. Change in the status of unfinished product inventories	611	0048	0,00	0,00
5. Change in the status of semi-finished products	612	0049	0,00	0,00
6. Change in the status of products	613	0050	0,00	0,00
7. Change in the status of animals	614	0051	0,00	0,00
III. Total capitalisation	r. 53 to 56	0052	0,00	0,00
8. Capitalisation of materials and goods	621	0053	0,00	0,00
9. Capitalisation of services internal to the organisation	622	0054	0,00	0,00
10. Capitalisation of intangible fixed assets	623	0055	0,00	0,00
11. Capitalisation of tangible fixed assets	624	0056	0,00	0,00
IV. Total other income	r. 58 to 64	0057	24 111,65	0,00
12. Contractual fines and late charges	641	0058	0,00	0,00
13. Other fines and penalties	642	0059	0,00	0,00
14. Payments for debts written off	643	0060	0,00	0,00
15. Interests	644	0061	47,69	0,00
16. Currency gain	645	0062	901,74	0,00
17. Settlement of funds	648	0063	12 266,51	0,00
18. Other additional income	649	0064	10 895,71	0,00
V. Total revenues from assets sold, settlement of reserves and ad	r. 66 to 72	0065	3,00	0,00
19. Revenues from intangible and tangible fixed assets	652	0066	3,00	0,00
20. Revenues from sales of securities and shares	653	0067	0,00	0,00
21. Revenues from sales of materials	654	0068	0,00	0,00
22. Income from short-term financial assets	655	0069	0,00	0,00
23. Settlement of reserves	656	0070	0,00	0,00
24. Income from long-term financial assets	657	0071	0,00	0,00
25. Clearance of adjustments	659	0072	0,00	0,00
VI. Total contributions received	r. 74 to 76	0073	0,00	0,00
26. Contributions received and settled by organisational units	681	0074	0,00	0,00
27. Contributions accepted (gifts)	682	0075	0,00	0,00
28. Member contributions accepted	684	0076	0,00	0,00
VII. Total operating subsidies	r. 78	0077	0,00	0,00
29. Operating subsidies	691	0078	47 989,89	0,00
Total income	r. 43+47+52+57+	0079	76 663,19	320,00
Intra-organisational revenues	899	180	0,00	0,00
Intra-organisational subsidy	692	181	0,00	0,00
Total income, including intra-organisational revenues	r. 79+180	182	76 663,19	320,00
C. Income before taxation	r. 182 - 144	0080	283,19	0,00
34. Income tax	591	0081	0,00	0,00
D. After tax profit	r. 80 - 81	0082	283,19	0,00
			celkem	
Income before taxation	r. 80/1+2	0083	283,19	
After tax income	r. 82/1+2	0084	283,19	

¹⁾ The law only defines the designation and structuration of the text; numbers of individual accounts are provided for better orientation in the

²⁾ Numbering of rows and columns is binding for data entrance sentences in the F-JASU format for statement processing by MÚZO Praha s.r

Date

2.3.2012

Approved by a statutory representative

Signed by a responsible personnel for book-keeping



Annex to the 2011 financial statement for year ended 31. 12. 2011

Economics Institute of the Academy of Sciences

Politických vězňů 7, Prague 1

Accounting period: 1. 1. 2011 – 31. 12. 2011

1. General identification information

Description of the organization

The Economics Institute of the Academy of Sciences of the Czech Republic (hereinafter the EI) is a public research institution established as of 1 January 2007 pursuant to Act No. 341/2005 Coll., on Public Research Institutions.

The EI was founded by the Academy of Sciences of the Czech Republic, an organizational component of the State. The EI is registered in the Register of Public Research Institutions maintained by the Ministry of Education, Youth and Sports.

Seat of the institution: Politických vězňů 936/7, Prague 1, Postal Code 111 21

Identification No.: 67985998

Statutory body as of the date of the financial statement: doc. Ing. Štěpán Jurajda, Ph.D., Director

The EI's organizational structure:

- organizational administrative division (library, IT department, secretariat, personnel),
- economic division (technical and economic management),
- research division,
- doctoral studies division,
- development and PR division,
- international academic programs division.

The EI's purpose: performance of scientific research in the field of economics, contribution to the application of research results and ensuring research infrastructure.

Main activities:

- scientific research in the field of economic theories, both normative and positive, at the macro-level and micro-level,
- to contribute, through its activities, to the growth of the body of knowledge and learning and to the application of results of scientific research in practice,
- to obtain, process and disseminate scientific information, and to publish scientific publications (monographs, collections, travel books etc.),
- provision of scientific evaluations, opinions and recommendations,
- performance of consulting and advisory activities,
- in cooperation with higher education institutions, running doctoral study programs and training scientific workers,
- within the framework of its activity, developing international cooperation, including joint research with foreign partners, receiving and sending out fellows, exchange of scientific findings and preparation of joint publications,
- organization of domestic and international scientific meetings, conferences and seminars and ensuring research infrastructure, including the provision of accommodation to the EI's own employees and guests.

The EI carries out tasks related to the main activity independently and in cooperation with higher education institutions and other scientific and specialized institutions.

Other activities:

- advisory and consulting activities,
- expert studies and evaluations in the relevant disciplines of the EI's scientific activity,
- organization of courses and trainings, including lecturing,
- lease of computer, data projection and audio equipment,
- provision of software and related activities,
- translation and interpretation services,
- administrative and organizational services in the field of advertising, marketing and media representation.

A trade license for Other Activities was issued on 13 January 2010 by the Trade Department of the Office of Prague 1 Municipal District.

The total scope of Other Activities must not exceed 20% of the total work capacity at the EI.

No changes or amendments occurred in 2011 in the Register of Public Research Institutions.

2. Staff information

A total of 112 people were employed at the EI as of 31. 12. 2011; the average number of employees in 2011 was 75.70 people.

Number of members:	Supervisory Board	5
	Council of the Institute	9
	Director	1

Total salary costs: CZK 33,280,000

Statutory social costs: CZK 905,000

Statutory insurance: CZK 9,915,000

Total personnel costs: CZK 44,104,000

Bonus to the Supervisory Board: CZK 119,000

Social insurance commitments amounting to CZK 1,079,810 and health insurance commitments amounting to CZK 473,595 payable after 31 December 2011 were paid on 6 January 2012.

3. Accounting principles and methods

General accounting principles

Accounting is kept in compliance with Act No. 563/1991 Coll., on Accounting, and in compliance with Decree of the Ministry of Finance of the Czech Republic No. 504/2002 Coll., which implements some of the provisions of the Act on Accounting, and in compliance with the Czech Accounting Standards for accounting units the principle activity of which is not commercial enterprise. Furthermore, the EI complies with Act No. 341/2005 on the Public Research Institutions, Act No. 420/2005, Act No. 130/2002 on Research and Development Support from Public Funds.

Furthermore, Act No. 320/2001 Coll., on the Financial Control in the Public Sector, and Decree No. 416/2004 Coll., which implements this Act, are provided for in the accounting.

Accounting records are processed in the iFIS information system.

Accounting records are kept in the EI archive.

The financial statement has been prepared on the principle of historical prices.

Accounting methods used – determination of exchange rates for the exchange of foreign currencies to the Czech currency

To enter accounting operations related to the determination of receivables, claims, costs, revenues and short-term financial assets, the day's exchange rate of the Czech National Bank (hereinafter the CNB) is used, as defined for the given currency at the moment an accounting case occurs.

To enter accounting operations related to employee travel costs, the exchange rate is set in compliance with Act No. 262/2006 Coll., the Labor Code, according to the internal directive of the institution on the provision and book-keeping of travel costs on work-related travel.

To transfer funds remitted to the Czech Crown account of the EI, the current exchange rate of the bank shall be used when the money entered the account.

Pursuant to Section 24, Paragraph 2 of the Act on Accounting, the revaluation of individual items of property, liabilities and receivables in foreign currencies is done as of 31 December of the relevant year using the Czech National Bank exchange rate.

Validation methods

Long-term tangible and intangible assets are validated in acquisition prices which contain the price of acquisition and the costs related to the acquisition. The cost of technical appreciation of long-term assets increases such assets' acquisition price. Repairs and maintenance are recorded in costs.

Receivables and payables are shown in nominal values. Corrections of receivables are not created.

Asset write-offs

Long term assets are written off into the costs based on the estimated life of the given assets.

Minor tangible assets (defined by an acquisition price exceeding CZK 1,000 and a usable term in excess of 1 year) are written off on a one-time basis upon the inception of such assets' use. Such assets are registered in sub-balance sheet accounts 990x.

Minor intangible assets (defined by acquisition price exceeding CZK 3,000 and a usable term in excess of 1 year) are written off on a one-time basis upon the inception of such assets' use. Such assets are registered in sub-balance sheet account 9902.

Upon the acquisition of long-term assets and technical appreciation, if partially or fully acquired with the subsidy received, the institution's own assets increase by the amount of the subsidy received. When writing these assets off, the provisions of Section 35, Paragraph 9 of Decree No. 504/2002 Coll., are applied.

In 2011 amortization of assets acquired from the subsidy (public funds) amounted to CZK 3,989,000

In 2011 amortization of assets acquired with the institute's resources amounted to CZK 290,000

4. Supplementary information on the balance sheet**4.1. Long-term assets (thousands of CZK)**

Acquisition price

	Initial state	Accruals	Falls	Final balance	Corrections as of 1.1.11	Write-offs	Corrections as of 31.12.11
Software	1,829	0	0	1,829	-1,370	193	-1,563
Long-term incomplete intangible assets	0	0	0	0			
Buildings	144,293	5,445	0	149,738	-6,599	3,021	-9,620
Machinery and equipment	12,043	657		12,700	-10,447	775	-11,222
Land	55,523	0	0	55,523	0	0	0
Long-term incomplete tangible assets	77	6,058	6,102	76			
Advances	0	0	0	0			
Total 2011	213,765			219,866	-18,416	3,989	-22,405
Total 2010	211,259	6,156	3,650	213,765	-14,738	3,949(*)	-18,416
Total 2009		11,537	8,277	211,259		4,247	-14,738

Total amount of minor assets not stated in the balance sheet, in acquisition prices:

	Year ended 31. 12. 2009	Year ended 31. 12. 2010	Year ended 31. 12. 2011
Account 9901 – tangible assets	CZK 1,104,000	CZK 2,243,000	CZK 3,089,000
Account 9902 – software	CZK 160,000	CZK 160,000	CZK 202,000
Account 9903 – IT	CZK 979,000	CZK 1,166,000	CZK 1,483,000

The most important accruals of property in 2011:

- technical appreciation of the building (room 320, 402-5, Director's office) CZK 4,871,000
- digital scanning of the building CZK 515,000
- server, FlowMon CZK 362,000
- table, projector CZK 100,000

The long-term assets fund (account 901) amounted to CZK 197,462,000 as of 31. 12. 2011; class 0 = CZK 197,462,000.

4.2. Receivables (thousands of CZK)

Currency	As of 31. 12. 2009	As of 31. 12. 2010	As of 31. 12. 2011
311 – trade receivables	889	1.096	617
314 – operating advances	1,065	967	349
316 – other (re-invoicing)	8	24	0
335 – receivables from employees	25	10	12
346 – entitlement to subsidy	2,501	0	0
378 – other receivables	2,004	2,496	2,052
341 – advance for an income tax	0	21	21
Total	6,744	4,614	3,228

In 2011 no receivables were written off and no receivables are a subject of a lawsuit. Almost all receivables are within maturity; negotiations are under way with the business partner in connection with receivable 1111000102.

4.3. Temporary active accounts

The temporary active accounts amount to a total of CZK 731,000.

Prepaid expenses in an amount of CZK 283,000 constitute the temporal differentiation of costs in 2012.

Accrued revenue (CZK 445,000) is an EI's receivable amounting to the costs of the OPPA Adaptability project which shall be paid upon the approval of the monitoring report. There is a receivable amounting to CZK 239,000 in the estimated active amounts related to the funding of a Ukrainian project (in 2010 the EI received an advance only).

Active exchange rate differences amount to CZK 3,000.

4.4. Monetary funds

Funds	Account No.	Year ended 1.1.2011	Creation 2011 Allocation from the economic profit	Other sources	Withdrawal	Year ended 31.12.2011	Change in 2011
Social Fund	912	356		594	487	463	+107
Reserve Fund	914	2,920	189	292	218	3,183	+263
Fixed-Asset Reproduction Fund	916	3,880		3,513	6,058	1,335	-2,545
Purpose-specific fund	915	4,981		10,707	12,664	3,024	-1,957
Total		12,137				8,005	-4,132

Monetary fund accounts are fully covered with cash in bank accounts.

4.5. Payables and reserves

As of the end of the accounting period the EI recorded the following payables (thousands of CZK):

	Year ended 31. 12. 2009	Year ended 31. 12. 2010	Year ended 31.12.2011
Short-term payables	9,535	6,729	6,868
Long-term payables	0	0	0
Reserve for corrections	0	0	3,000

	Year ended 31. 12. 2011
Due payables for social security and contribution to the social employment policy	1,080
Due payables for public health insurance	474
Other registered tax arrears	

Trade payables (thousands of CZK)

Currency	Year ended 31. 12. 2009	Year ended 31. 12. 2010	Year ended 31.12.2011
CZK	258	416	756
GBP	80	0	0

4.6. Temporary passive accounts

Name	Amount in thousands of CZK	Description
387 – exchange rate differences	16	
389 – estimated passive amounts	9	
Total	25	

4.7. Comprehensive income

	Expenses	Revenues	Comprehensive income
2011	76,700	76,983	283
2010	76,681	76,922	241
2009	67,768	68,480	1,402
2008	47,777	48,914	1,111

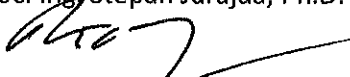
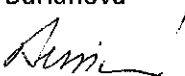

5. Other supplementary information

The organization has insured property in an amount of CZK 219 million and liability insurance for the amount insured of CZK 20 million.

In 2011 the EI received an operating subsidy (awarded through a decision) amounting to CZK 28,331,000 (of which CZK 28,141,000 is for the research plan and CZK 190,000 for grants of the Grant Agency of the Academy of Sciences). Furthermore, the EI also received CZK 19,659,000 for projects from other departments (Ministry of Education, Youth and Sports, Czech Science Foundation). In 2011 the EI was a recipient of the donations below:

Union of Employers' Associations of the Czech Republic	50,000.00
KPMG	250,000.00
Deloitte	250,000.00
Ernst	250,000.00
PWC	250,000.00
Fryč	500,000.00
Generali PPF	EUR 25,000
Matějka	75,000.00
Cyrrus	30,000.00
CERGE-EI Foundation	USD 49,164.00
CERGE-EI Foundation	USD 54,803.00
Šrámek	50,000.00

No events occurred after the balancing date that could affect the results shown.

Prepared on:	Signature of the statutory body of the accounting unit	Person responsible for accounting (name, signature):	Person responsible for the financial statement (name, signature):
	doc. Ing. Štěpán Jurajda, Ph.D. 	E. Burianová 	



Appendix A - PUBLICATIONS

Publications in Refereed Journals in 2011 (with impact factor)

Bena, J. ; Jurajda, Š. Financial development and corporate growth in the EU single market. *Economica*, 2011, 78 (311), 401-428. ISSN 0013-0427. IF 1.286.

Bičáková, A. ; Slačálek, J. ; Slavík, M. Labor supply after transition: evidence from the Czech Republic. *Finance a úvěr-Czech Journal of Economics and Finance*, 2011, 61 (4), 327-347. ISSN 0015-1920. IF 0.278.
http://journal.fsv.cuni.cz/storage/1217_str_327_347_-_slacalek.pdf.

Blanco, M. ; Engelmann, D. ; Normann, H.-T. A within-subject analysis of other-regarding preferences. *Games and Economic Behavior*, 2011, 72 (2), 321-338. ISSN 0899-8256. IF 1.017.

Gillman, M. ; Kejak, M. Inflation, investment and growth: a money and banking approach. *Economica*, 2011, 78 (310), 260-282. ISSN 0013-0427. IF 1.286.

Hanousek, J. ; Kočenda, E. Foreign news and spillovers in emerging European stock markets. *Review of International Economics*, 2011, 19 (1), 170-188. IF 0.614.

Hanousek, J. ; Kočenda, E. Vazba korupce a hospodářské svobody na veřejné finance a investice nových členů EU. *Politická ekonomie*, 2011, 59 (3), 310-328. IF 0.650.

Hanousek, J. ; Kočenda, E. Vliv rozdělení českých podniků na ziskovost a produktivitu. [Effect of the Czech firms break-up on their profitability and productivity], *Politická ekonomie*, 2011, 59 (5), 480-497. IF 0.650.

Hanousek, J. ; Shamshur, A. A stubborn persistence: is the stability of leverage ratios determined by the stability of the economy?. *Journal of Corporate Finance*, 2011, 17 (5), 1360-1376. IF 1.523.

Hernando-Veciana, Á. ; Michelucci, F. Second best efficiency and the English auction. *Games and Economic Behavior*, 2011, 73 (2), 496-506. ISSN 0899-8256. IF 1.017.

Jurajda, Š. ; Münich, D. Gender gap in performance under competitive pressure: admissions to Czech universities. *American Economic Review*, 2011, 101 (3), 514-518. ISSN 0002-8282. IF 3.150.

Kocourek, D. ; Pertold, F. The impact of early retirement incentives on labor market participation: evidence from a parametric change in the Czech Republic. *Finance a úvěr - Czech Journal of Economics and Finance*, 2011, 61 (5), 467-483. ISSN 0015-1920. IF 0.278.

Lízal, L. ; Earnhart, D. Pollution control in a transition economy: do firms face economies and/or diseconomies of scale?. *Transformations in Business & Economics*, 2011, 10 (2), 18-41. IF 1.670.

Malečková, J. ; Stanišić, D. Public opinion and terrorist acts. *European Journal of Political Economy*, 2011, 27 (příl. 1), 107-121. ISSN 0176-2680. IF 0.970.

Morgese Borys, M. Testing multi-factor asset pricing models in the Visegrad countries. *Finance a úvěr - Czech Journal of Economics and Finance*, 2011, 61 (2), 118-139. ISSN 0015-1920. IF 0.278.
<http://journal.fsv.cuni.cz/mag/article/show/id/1208>.

Morgese Borys, M. ; Zemčík, P. Size and value effects in the Visegrad countries. *Emerging Markets Finance and Trade*, 2011, 47 (3), 50-68. ISSN 1540-496X. IF 0.444.

Nikiforakis, N. ; Engelmann, D. Altruistic punishment and the threat of feuds. *Journal of Economic Behavior & Organization*, 2011, 78 (3), 319-332. ISSN 0167-2681. IF 0.922.

Pakoš, M. Estimating intertemporal and intratemporal substitutions when both income and substitution effects are present: the role of durable goods. *Journal of Business & Economic Statistics*, 2011, 29 (3), 439-454. ISSN 0735-0015. IF 1.693.

Riscado, S. M. ; Stančík, J. ; Väilä, T. Macro-fiscal volatility and the composition of public spending. *Fiscal Studies*, 2011, 32 (4), 511-538. ISSN 0143-5671. IF 0.750.

Srholec, M. A multilevel analysis of innovation in developing countries. *Industrial and Corporate Change*, 2011, 20 (6), 1539-1569. ISSN 0960-6491. IF 1.235.

Steiner, J. ; Stewart, C. Communication, timing, and common learning. *Journal of Economic Theory*, 2011, 146 (1), 230-247. ISSN 0022-0531. IF 1.112.

Tošovská, E. Strategie "zeleného růstu" a trh práce. *Ekonomický časopis*, 2011, 59, (10), 987-1004. ISSN 0013-3035. IF 0.289.

Žigić, K. Does a 'non-committed' government always generate lower social welfare than its 'committed' counterpart? Strategic trade policy when consumer surplus matters. *Journal of Comparative Economics*, 2011, 39 (4), 533-556. IF 0.835.

Žigić, K. ; Maci, I. Competition policy and market leaders. *Economic Modelling*, 2011 28 (3), 1042-1049. IF 0.601.

Publications in Refereed Journals in 2011 (no Impact factor)

Earnhart, D. ; Lízal, L. The evolution of economies of scale regarding pollution control: cross-sectional evidence from a transition economy. *Journal of Management Policy and Practice*, 2011, 12 (2), 62-83. ISSN 1913-8067.

Hanousek, J. ; Kočenda, E. ; Maurel, M. Direct and indirect effects of FDI in emerging European markets: a survey and meta-analysis. *Economic Systems*, 2011, 35 (3), 301-322. ISSN 0939-3625.

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Dušek, L. (ed.) ; Lízal, L. (ed.). *CERGE-EI tackles transition*. Prague : CERGE-EI, 2011. ISBN 978-80-7343-246-1.
<http://www.cerge-ei.cz/pdf/books/cerge-ei-tackles-transition.pdf>.

Kameník, M. (ed.) ; Nikolovová, P. ; Palguta, J. ; Pertold, F. ; Soudek, J. ; Vozár, M. ; Andrlová, K. *Transparentnost systému veřejných zakázek v ČR ČR [Transparency of the public procurement system in the Czech Republic]* [online]. Praha : Oživení, 2011. ISBN 978-80-904829-3-7.

http://www.bezkorupce.cz/wp-content/uploads/2011/06/Transparentnost_final1.pdf.

Kameník, M. (ed.) ; Nikolovová, P. ; Palguta, J. ; Pertold, F. ; Soudek, J. ; Vozár, M. ; Andrlová, K. ; Prchal, P. *Otevřenost zadávacích řízení v ČR [Openness of tender procedures in the Czech Republic]* [online]. Praha : Oživení, 2011.

http://www.bezkorupce.cz/wp-content/uploads/2011/06/Otevrenost_final1.pdf.

Žigić, K. *Strategic interactions in markets with innovative activity: the cases of strategic trade policy and market leadership*. Prague : CERGE-EI, 2011. ISBN 978-80-7343-241-6.

Chapters in books in 2011

Bena, J. ; Hanousek, J. Rent extraction by large shareholders: evidence using dividend policy in the Czech Republic. In *CERGE-EI tackles transition*. Prague : CERGE-EI, 2011, 99-126. ISBN 978-80-7344-238-5.

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Boháček, R. ; Myck, M. Persecution in Central Europe and its consequences on the lives of SHARE respondents. In *The individual and the welfare state: life histories in Europe*. Heidelberg: Springer, 2011, 271-285. ISBN 978-3-642-17471-1.

Chvalkovská, J. ; Lízal, L. ; Antoš, D. ; Bajžíková, A. ; Hrušová, I. ; Janský, P. ; Mejstřík, M. Instituce [Institutions]. In *Rámeček strategie konkurenceschopnosti*. Praha : Úřad vlády České republiky, Národní ekonomická rada vlády (NERV), 2011, 53-118. ISBN 978-80-7440-050-6.

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<http://www.cerge-ei.cz/pdf/books/cege-ei-tackles-transition.pdf>.

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Jurajda, Š. Gender segregation and wage gap: an East-West comparison. In *CERGE-EI tackles transition*. Prague : CERGE-EI, 2011, 269-279. ISBN 978-80-7344-238-5.
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Jurajda, Š. ; Terrell, K. Job reallocation in two cases of massive adjustment in Eastern Europe. In *CERGE-EI tackles transition*. Prague : CERGE-EI, 2011, 233-268. ISBN 978-80-7344-238-5.
<http://www.cerge-ei.cz/pdf/books/cege-ei-tackles-transition.pdf>.

Lízal, L. Introduction: CERGE-EI tackles transition. In *CERGE-EI tackles transition*. Prague : CERGE-EI, 2011, 1-8. ISBN 978-80-7344-238-5.
<http://www.cerge-ei.cz/pdf/books/cege-ei-tackles-transition.pdf>.

Lízal, L. ; Münich, D. ; Srholec, M. Inovace. In *Rámeč strategie konkurenceschopnosti*. Praha : Úřad vlády České republiky, Národní ekonomická rada vlády (NERV), 2011, 283-305. ISBN 978-80-7440-050-6.
http://www.vlada.cz/assets/ppov/ekonomickarada/aktualne/Ramec_strategie_konkurenceschopnosti.pdf.

Lízal, L. ; Singer, M. ; Švejnar, J. Enterprise break-ups and performance during the transition from plan to market. In *CERGE-EI tackles transition*. Prague : CERGE-EI, 2011, 45-62. ISBN 978-80-7344-238-5.
<http://www.cerge-ei.cz/pdf/books/cege-ei-tackles-transition.pdf>.

Münich, D. ; Švejnar, J. ; Terrell, K. Returns to human capital under the communist wage grid and during the transition to a market economy. In *CERGE-EI tackles transition*. Prague: CERGE-EI, 2011, 127-174. ISBN 978-80-7344-238-5.
<http://www.cerge-ei.cz/pdf/books/cege-ei-tackles-transition.pdf>.

Novotný, J. ; Lichard, T. ; Palguta, J. Korupce: nejen fiskální problém a jeho řešení. In *Boj proti korupci* [Corruption: not only the fiscal problem and its solution]. Praha : Úřad vlády České republiky, Národní ekonomická rada vlády (NERV), 2011, 38-45. ISBN 978-80-7440-053-7.
<http://www.vlada.cz/assets/ppov/ekonomicka-rada/dokumenty/NERV-Boj-proti-korupci--sbornik.pdf>.

Palguta, J. Náměty ke zvyšování hospodárnosti u infrastrukturních staveb [Suggestions for increasing the efficiency of infrastructure constructions]. In *Boj proti korupci*, Praha : Úřad vlády České republiky, Národní ekonomická rada vlády (NERV), 2011, 46-64. ISBN 978-80-7440-053-7.
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Palguta, J. Zjednodušovat si život (ve zjednodušeném řízení)? [Simplifying life (in simplified regulation)?]. In *Boj proti korupci*. Praha : Úřad vlády České republiky, Národní ekonomická rada vlády (NERV), 2011, 65-69. ISBN 978-80-7440-053-7.
<http://www.vlada.cz/assets/ppov/ekonomicka-rada/dokumenty/NERV-Boj-proti-korupci-sbornik.pdf>.

Piekkola, H. ; Lintamo, M. ; Riley, R. ; Robinson, C. ; Geppert, K. ; Görzig, B. ; Neumann, A. ; Henningsen, M. ; Skjerpen, T. ; Jurajda, Š. ; Stančík, J. ; Verbic, M. Firm-level intangible capital in six countries: Finland, Norway, the UK, Germany, the Czech Republic and Slovenia. In *Intangible capital - driver of growth in Europe*. Vaasa : University of Vaasa, 2011, 63-102. ISBN 978-952-476-352-3.

[http://www.innodrive.org/attachments/File/Intangible_Capital_Driver_of_Growth_in_Europe_Piekkola\(ed\).pdf](http://www.innodrive.org/attachments/File/Intangible_Capital_Driver_of_Growth_in_Europe_Piekkola(ed).pdf).

Zemplinerová, A. How does international business affect economic growth?. In *Economic integration, competition and cooperation*. Opatija : University of Rijeka, Faculty of Economics, 2011, 1-10. ISBN 978-953-7813-04-8. [International Conference on Economic Integration, Competition and Cooperation /8./, Opatija, 06.04.2011-09.04.2011, HR].

Other External Publications in 2011

Bena, J. ; Ondko, P. ; Vourvachaki, E. *Productivity gains from services liberalization in Europe*. Moscow : Economics Education and Research Consortium, 2011. (EERC Working Paper Series : 11/15E). ISSN 1561-2422.

<http://www.eerc.ru/paperinfo/317>.

Boháček, R. ; Mendizábal, H. R. *Misallocation of capital in a model of endogenous financial intermediation and insurance*. Barcelona : Unitat de Fonaments de l'Anàlisi Econòmica and Institut d'Anàlisi Econòmica, 2011. (UFAE and IAE Working Papers : 867.11).

<http://pareto.uab.es/wp/2011/86711.pdf>.

Çelik, L. ; Karabay, B. ; McLaren, J. E. *Trade policy making in a model of legislative bargaining*. Cambridge, MA : National Bureau of Economic Research, 2011. (NBER working paper series : 17262). ISSN 1211-3298.

<http://www.nber.org/papers/w17262.pdf>.

Dang, J. ; Gillman, M. ; Kejak, M. *Real business cycles with a human capital investment sector and endogenous growth: persistence, volatility and labor puzzles*. Cardiff : Cardiff University, Cardiff Business School, 2011. (Cardiff Economics Working Papers : E2011/8). ISSN 1749-6101.

http://www.cardiff.ac.uk/carbs/econ/workingpapers/papers/E2011_8.pdf.

Dušek, L. ; Janský, P. *Jak by daňové změny dopadly na domácnosti a veřejné rozpočty [The impacts of proposed tax changes on households and public budgets]*. Praha : Národohospodářský ústav AV ČR, v. v. i., 2011. (Studie Institutu pro demokracii a ekonomickou analýzu). ISBN 978-80-7344-227-9.

http://idea.cerge-ei.cz/documents/Studie_2011_01_Dane.pdf.

Dušek, L. ; Janský, P. *Jak by sjednocení DPH na 17.5% dopadlo na domácnosti a veřejné rozpočty. [How would unifying the VAT rates at 17.5% affect the households and public budgets]*. Praha : Národohospodářský ústav AV ČR, v. v. i., 2011. (Studie Institutu pro demokracii a ekonomickou analýzu).

http://idea.cerge-ei.cz/documents/iphp_201102.pdf.

Galušćák, K. ; Lízal, L. *The impact of capital measurement error correction on firm-level production function estimation*. Praha : Czech National Bank, 2011. (CNB Working Paper Series : 9/2011). ISSN 1803-7070.

http://www.cnb.cz/miranda2/export/sites/www.cnb.cz/en/research/research_publications/cnb_wp/download/cnbwp_2011_09.pdf.

Jurajda, Š. *Regional divergence and returns to schooling*. Vaasa : University of Vaasa, Department of Economics, 2011. (INNODRIVE Working Paper Series : 13).
http://www.innodrive.org/attachments/File/workingpapers/Innodrive_WP_13_Jurajda2011.pdf.

Jurajda, Š. ; Stančík, J. *Organization and firm performance in the Czech Republic*. Vaasa : University of Vaasa, Department of Economics, 2011. (INNODRIVE Working Paper Series : 12).
http://www.innodrive.org/attachments/File/workingpapers/Innodrive_WP_12_JurajdaStancik2011.pdf.

van Koten, S. ; Ortmann, A. *Structural versus behavioral measures in the deregulation of electricity markets: an experimental investigation guided by theory and policy concerns*. San Domenico di Fiesole : European University Institute, Robert Schuman Centre for Advanced Studies, 2011. (EUI Working Papers : 2011/10).
http://cadmueui.eu/bitstream/handle/1814/15794/RSCAS_2011_07.pdf?sequence=1.

van Koten, S. *Merchant interconnector projects by generators in the EU: effects on profitability and allocation of capacity*. San Domenico di Fiesole : European University Institute, Robert Schuman Centre for Advanced Studies, 2011. (RSCAS Working Papers : 2011/10).
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Malečková, J. *The role of public support for the occurrence of terrorism*. Berlin : German Institute for Economic Research, Department of Development and Security, 2011. (EUSECON Policy Briefing : 6).
<http://www.economicsofsecurity.eu/sites/default/files/EUSECON%20Policy%20Brief%206.PDF>.

Popova, O. - Otrachshenko, V.: *Life (Dis)Satisfaction and decision to migrate: evidence from Central and Eastern Europe*. Regensburg: Osteuropa-Institut, 2011. 34 s. (Osteuropa-Institut Regensburg Working Paper : 306).

Rezková, A. ; Semerák, V. ; Lokšová, K. *EU-Taiwan trade enhancement: implications for the Czech Economy*. Prague : Asociace pro mezinárodní otázky, 2011. (Research Paper : 6/2011).
http://www.amo.cz/download.php?group=produkty1_soubory&id=393.

Citation Analysis for 2011

Citation analyses are regularly created by the CERGE-EI library. A record is kept of how many times individual authors were cited in the online database Web of Science in 2011. Self-citations are excluded. Citations from Acta oeconomica Pragensia, Ekonomicka revue and Working/Discussion Papers (CERGE-EI, CNB, WDI, WIIW, Faculty of Social Sciences of Charles University in Prague) and CERGE doctoral theses are included under the item "Others".

The h-index reflects the productivity of authors based on their publication and citation records. A researcher has an h-index of N if he/she has published N papers that have N or more citations each. The h-index is based on Times Cited data from the Web of Science. It does not include citations to books, or to non-indexed resources.

EI 2011	Total	WoS	Others	h-index
Senior Researchers				
BAUER, Michal	0	0	0	1
BIČÁKOVÁ, Alena	3	3	0	0
BOHÁČEK, Radim	2	2	0	1
ÇELİK, Levent	1	1	0	0
DUŠEK, Libor	5	5	0	1
ENGELMANN, Dirk	41	37	4	6
HANOUSEK, Jan	29	23	6	6
JEONG, Byeongju	1	1	0	2
JURAJDA, Štěpán	28	17	11	4
KATUŠČÁK, Peter	3	3	0	2
KEJAK, Michal	6	5	1	5
KOČENDA, Evžen	50	38	12	8
LÍZAL, Lubomír	9	7	2	3
MALEČKOVÁ, Jitka	37	28	9	2
MATĚJKA, Filip	1	0	1	0
MÜNICH, Daniel	19	14	5	3
ORTMANN, Andreas	63	59	4	8
PAKOŠ, Michal	1	1	0	0
SLOBODYAN, Sergey	7	6	1	2
SRHOLEC, Martin	19	12	7	3
STEINER, Jakub	0	0	0	1
ŠVEJNAR, Jan	78	59	19	16
VOURVACHAKI, Evangelia	3	2	1	0
ZEMČÍK, Petr	6	4	2	2
ZEMPLINEROVÁ, Alena	1	0	1	0
ŽIGIĆ, Krešimir	7	5	2	2
Postdoctoral Fellows				
BENA, Jan	0	0	0	1
KONEČNÝ, Tomáš	0	0	0	1
KOTEN, Silvester van	6	3	3	1
KRAJČOVÁ, Jana	2	2	0	0
RYDVAL, Ondřej	5	5	0	2

ŽÍŽALOVÁ, Pavla	4	4	0	2
Doctorands				
ONDKO, Peter	3	0	3	0
Total EI	440	346	94	

CERGE-EI Working Papers (ISSN 1211-3298)

430. Tsharakyan, A. and Zemčík, P. *Rent Deregulation, Tenure Choice, and Real Estate Price Expectations*, January 2011, 35 p. ISBN 978-80-7343-231-7, 978-80-7344-221-7.
431. Jerbashian, V. *The Telecommunications Industry and Economic Growth: How the Market Structure Matters*, January 2011, 68 p. ISBN 978-80-7343-232-4, 978-80-7344-222-4.
432. Srholec, M. *A Multilevel Analysis of Innovation in Developing Countries*, January 2011, 42 p. ISBN 978-80-7343-233-1, 978-80-7344-223-1.
434. Hanousek, J., Kočenda, E., and Novotný, J. *The Identification of Price Jumps*, March 2011, 48 p. ISBN 978-80-7343-235-5, 978-80-7344-225-5.
435. Střelický, J. and Žigić, K. *Intellectual Property Rights Protection and Enforcement in a Software Duopoly*, March 2011, 67 p. ISBN 978-80-7343-236-2, 978-80-7344-226-2.
437. van Koten, S. and Ortmann, A. *Structural versus Behavioral Remedies in the Deregulation of Electricity Markets: An Experimental Investigation Guided by Theory and Policy Concerns*, April 2011, 51 p. ISBN 978-80-7343-238-6, 978-80-7344-229-3.
439. Tashpulatov, S. *Estimating the Volatility of Electricity Prices: The Case of the England and Wales Wholesale Electricity Market*, May 2011, 26 p. ISBN 978-80-7343-240-9, 978-80-7344-231-6.
440. Çelik, L. and Karabay, B. *A Note on Equilibrium Uniqueness in the Baron-Ferejohn Model*, May 2011, 10 p. ISBN 978-80-7343-242-3, 978-80-7344-234-7.
441. Matějka, F. and Sims, C.A. *Discrete Actions in Information-Constrained Tracking Problems*, June 2011, 18 p. ISBN 978-80-7343-243-0, 978-80-7344-235-4.
442. Matějka, F. and McKay, A. *Rational Inattention to Discrete Choices: A New Foundation for the Multinomial Logit Model*, June 2011, 24 p. ISBN 978-80-7343-244-7, 978-80-7344-236-1.
443. Bičáková, A., Prelcová, Z., and Pašaličová, R. *Who Borrows and Who May Not Repay?* July 2011, 43 p. ISBN 978-80-7343-245-4, 978-80-7344-237-8.
444. Vozár, M. *Marriage Dot EU: The Effect of Internet Usage on Marriage Hazard*, August 2011, 35 p. ISBN 978-80-7343-247-8, 978-80-7344-239-2.
445. Janjgava, B. and Slobodyan, S. *Duopoly Competition, Escape Dynamics and Non-cooperative Collusion*, September 2011, 36 p. ISBN 978-80-7343-248-5, 978-80-7344-240-8.

447. Vorobyev, D. *Towards Detecting and Measuring Ballot Stuffing*, September 2011, 29 p. ISBN 978-80-7343-250-8, 978-80-7344-242-2.
448. Madzharova, B. *The Effect of Low Corporate Tax Rate on Payroll Tax Evasion*, September 2011, 38 p. ISBN 978-80-7343-251-5, 978-80-7344-243-9.
449. Ivanova, R. a Jeong, B. *Why Don't Migrants with Secondary Education Return?* November 2011, 45 p. ISBN 978-80-7343-252-2, 978-80-7344-244-6.
450. Bauer, M., Chytilová, J., and Pertold-Gębicka, B. *Effects of Parental Background on Other-Regarding Preferences in Children*, October 2011, 33 p. ISBN 978-80-7343-253-9, 978-80-7344-245-3.
451. Aliyev, I. *Understanding the Resource Impact Using Matching*, October 2011, 52 p. ISBN 978-80-7343-254-6, 978-80-7344-246-0.
452. Bena, J., Ondko, P., and Vourvachaki, E. *Productivity Gains from Services Liberalization in Europe*, December 2011, 50 p. ISBN 978-80-7343-255-3, 978-80-7344-247-7.

CERGE-EI, a joint workplace of the Economics Institute of the Academy of Sciences of the Czech Republic and Charles University in Prague, published 43 CERGE-EI Research Seminar Series Papers which in some cases might be reprints of already published work.

Appendix B – INSTITUTIONAL RESEARCH PLANS, PROJECTS AND GRANTS

EI Institutional Research Plan

Title: *Ekonomické aspekty vstupu do Evropské unie a Evropské měnové unie [Economic Aspects of EU and EMU Entry]*

No.: AV0 Z70850503

Coordinator: Štěpán Jurajda

Starting Date: January 2005

Ending Date: December 2011

Annotation: Economically, the EU entry of post-transition countries is a qualitatively new period. Further acceleration of economic changes and a higher degree of integration into international structures will take place. The emergence of a single market will affect economic policy and the degree of economic and institutional convergence of the CR to EU standards. These processes must be subject to deep macro- and micro-analysis. We will utilize and expand the existing methodology of theoretical and applied research and comparative analysis in the area of macro- and microeconomics, especially fiscal and monetary policies, labor economics, game theory and industrial organization, financial, institutional and experimental economics, and econometrics. We also consider urban, rural, and regional economics (which includes the real estate markets) and the economics of natural resources. We plan to provide analysis and recommendations to government.

Research Center

Title: *Centrum pro pokročilá politicko-ekonomická studia [Center of Advanced Political Economy Research]*

No.: LC542

Coordinator: Jan Švejnar

Starting Date: January 2005

Ending Date: December 2011

Annotation: CERGE concentrates on education and EI on scientific research. Combining CERGE and EI into the Center results in synergy effects due to complementarity of activities in both institutions. The Center provides an excellent environment for doctoral students and graduates of Ph.D./M.A. programs to get involved in basic research. The research focus has shifted from the transformation from central planning to a market economy to mainstream economics. This shift is related to the political and economic implications of the Czech Republic entering the EU. It also reflects the development of the Center, which has become an important institution in the Czech Republic for young researchers conducting research in the standard areas of economics. We would like to continue in this venue. Specifically, our research plan can be divided in the following sub-fields: financial markets, macroeconomics, political economy, and labor economics. Our ultimate goal is publication in international journals with a large impact factor.

Grants from the EU Structural Funds

Title: *Rozvoj a zkvalitnění doktorského studijního programu ekonomie na CERGE UK [Development and Quality Enhancement of the Ph.D. in Economics Program at CERGE, Charles University]*

Program: Operational Program Prague – Adaptability

No.: CZ.2.17/3.1.00/31151

Coordinator: Štěpán Jurajda

Starting Date: April 2009

Ending Date: September 2011

Annotation: The main purpose of the project managed by the City Hall of Prague is development and quality enhancement of the academic program run by CERGE-EI. The target group of the project is represented by the current students. The main goal of the project is to be pursued through implementation of the three following tasks: fostering the stipend program for advanced Ph.D. students, employing them as Junior Researchers, and supporting foreign placements of students. Overall, the main objective of the project is to enable the advanced Ph.D. students to fully concentrate on their research. In addition, the project aims at increasing the academic capacity of the research staff at CERGE-EI.

European Commission Grants and Research Projects

Title: *A New Agenda for European Security Economics (EUSECON)*
Program: Seventh Framework Programme
Granting Body: Commission of the European Communities
Contract No.: 218105
Coordinator: Alexander FISHER and Georg MERAN (Deutsches Institut fuer Wirtschaftsforschung e.v.)

Partners (Contractors): Michael BRZOSKA (Universitaet Hamburg), Lubomír LÍZAL (Economics Institute of the Academy of Sciences of the Czech Republic), Jan Ámos VÍSEK (Charles University in Prague), Vassilios ANASTASSOPOULOS (University of Patras), Linda POLIK and Phil CLARE (The Chancellor, Masters and Scholars of the University of Oxford), Alberto PARRONDO (Ingeniera de Sistemas para la Defensa de Espana SA-ISDEFE), Miquel Àngel GUTIERREZ (Universidad del Pais Vasco / Euskal Herriko Unibertsitatea), Jonathan GRANT and Chris TAYSOM (RAND Europe Cambridge Ltd.), Eran VARDI and Herve BERCOVIER (The Hebrew University of Jerusalem), Konstantinos GOURGOULIANIS and Georges LIBEROPOULOS (University of Thessaly), Friedrich SCHNEIDER (Johannes Kepler Universitaet Linz), Scott GATES and Lars Even ANDERSEN (Institut for Fredsforskning Stifte LSE), Louk de la RIVE BOX and David DUNHAM (Stichting Internationaal Instituut voor Sociale Studies)

Local Scientist

in Charge: Jitka MALEČKOVÁ
Starting Date: March 2008
Ending Date: March 2012

Title: *Intangible Capital and Innovations: Drivers of Growth and Location in the EU (INNODRIVE)*
Program: Seventh Framework Programme
Granting Body: Commission of the European Communities
Contract No.: SSH7-214576
Coordinator: Matti JAKOBSSON and Anita NIEMI-LILAHTI (University of Vaasa)

Partners (Contractors): Karel LANNOO and Daniel GROS (Centre for European Policy Studies), Alexander FISHER and Georg MERAN (Deutsches Institut fuer Wirtschaftsforschung e.v.), Aadne CAPPELEN (Statistisk Sentralbyra – Statistics Norway), Gillian Sally CLISHAM (National Institute of Economic and Social Research), Boris MAJCEN (Institut za Ekonomska Raziskovanja), Lammi MARKKU and Sixten KORKMAN (Elinkeinoelaemaen Tutkimuslaitoksen Kannatusyhdistys r.y.), Lubomír LÍZAL (Economics Institute of the Academy of Sciences of the Czech Republic), Pier Luigi CELLI (Luiss Libera Universita Internazionale degli Studi Sociali Guido Carli)

Local Scientists

in Charge: Štěpán JURAJDA
Starting Date: March 2008
Ending Date: March 2011

Title: *Finance, Innovation and Growth: Changing Patterns and Policy Implications (FINNOV)*
Program: Seventh Framework Programme
Granting Body: Commission of the European Communities
Contract No.: SSH-CT-2009-217466
Coordinator: Joanne VANGO and Karen DONCASTER (The Open University)

Partners (Contractors): Edna MURPHY and Martin REAVLEY (The Chancellor, Masters and Scholars of the University of Cambridge), Maria Chiara CARROZZA and Enrico BONARI (Scuola Superiore di Studi Universitari e di Perfezionamento Sant'Anna), Marco PACETTI (Universita Politecnica delle Marche), Štěpán JURAJDA (Economics Institute of the Academy of Sciences of the Czech Republic), Jean-Pierre LABORDE (Universite Montesquieu-Bordeaux IV), Rossana DOWSETT (University of Sussex)

Local Scientist

in Charge: Petr ZEMČÍK
Starting Date: March 2009
Ending Date: February 2012

Title: *Multinational Advancement of Research Infrastructures on Ageing (SHARE_M4)*

Program: Seventh Framework Programme
Granting Body: Commission of the European Communities
Contract No.: 261982
Coordinator: Axel BORSCH-SUPAN (Universität Mannheim)

Partners (Contractors): Susann-Annette STORM and Isabel STASSEN-RAPP (Universität Mannheim), Johan P. MACKENBACH (Erasmus Universitair Medisch Centrum Rotterdam), Nunzio CAPPuccio and Arrigo OPOCHER (Universita Degli Studi di Padova), Eran VARDI and Isaiah ARKIN (The Hebrew University of Jerusalem), Dominique DE VET and Frank Van der DUYN SCHOUTEN (Stichting Katholieke Brabant Universiteit van Tilburg), Lars Stig MOLLER and Joergen SCHOU (Syddansk Universitet), Yann BOURGUEIL and Catherine SERMET (Institut de Recherche et Documentation en Économie de la Santé), Carlo CARRARO (Universita Ca' Foscari di Venezia), Štěpán JURAJDA (Economics Institute of the Academy of Sciences of the Czech Republic), Torbjörn BECKER (Centrum Analiz Ekonomicznych), Shereen ANDERSON (University of Essex), Marcel DAS (Stichting Centerdata), (Donal DOOLAN and John KENNY (University College Dublin, National University of Ireland, Dublin)

Local Scientist

in Charge: Radim BOHÁČEK
Starting Date: January 2011
Ending Date: December 2014

Grants and Research Projects Completed in 2011

- Title:** *Rational Inattention: Signaling Capabilities of Price Systems and Implications for Policy*
- Grant Agency:** Global Development Network, Washington, D.C., <<http://www.gdnet.org/>>, grant No. RRC XI-001
- Coordinator:** Filip Matějka
- Starting Date:** January 2011
- Ending Date:** December 2011
-
- Title:** *Can Producers Apply Capacity Cutting Strategy to Increase Prices? The Case of the England and Wales Electricity Market*
- Grant agency:** Global Development Network, Washington, D.C., <<http://www.gdnet.org/>>, grant No. RRC XI-011
- Coordinator:** Sherzod Tashpulatov
- Starting Date:** January 2011
- Ending Date:** December 2011
-
- Title:** *Reformy vyššího vzdělávání v modelu všeobecné rovnováhy a životního cyklu [Higher Education Reforms in a Life-Cycle General Equilibrium Model]*
- Grant agency:** Czech Science Foundation – Grantová agentura České republiky,
Grant No. 402/09/1340
- Coordinator:** Radim Boháček
- Partners:** Marek Kapička, University of California, Santa Barbara, USA
- Starting Date:** January 2009
- Ending Date:** December 2011
-
- Title:** *Optimal Human Capital Structure in Two Sector Model with Multiple Types of Human Capital: Generality versus Specificity*
- Grant agency:** Grant Agency of the Academy of Sciences of the Czech Republic,
Grant No. IAA700850902
- Coordinator:** Viatcheslav Vinogradov (since March 2010)
Sergey Slobodyan (since May 2010)
- Partners:** Vahagn Jerbashian (since May 2010)
Evangelia Vourvachaki (since May 2010)
- Starting Date:** January 2009
- Ending Date:** December 2011
-
- Title:** *Life (Dis)Satisfaction and Decision to Migrate: Evidence from Central and Eastern Europe*
- Grant agency:** ERSTE Foundation
- Coordinators:** Olga Popova
Vladimir Otrachshenko, New University of Lisbon, Portugalsko
- Starting Date:** December 2010
- Ending Date:** November 2011

Grants and Research Projects in Progress

- Title:** *Inovace, produktivita a politika: Co můžeme zjistit z mikrodat? [Innovation, Productivity and Policy: What Can We Learn from Micro Data?]*
- Grant Agency:** Czech Science Foundation – Grantová agentura České republiky,
Grant No. P402/10/2310
- Coordinator:** Martin Srholec
- Partners:** Martin Mana, Czech Statistical Office, Prague, Czech Republic
Oleg Sidorkin
Pavla Žížalová, Department of Social Geography and Regional Development, Faculty of Science, Charles University in Prague
- Starting Date:** January 2010
- Ending Date:** December 2013
- Title:** *Implikace racionální nepozornosti [Implications of Rational Inattention]*
- Grant Agency:** Czech Science Foundation – Grantová agentura České republiky,
Grant No. P402/11/P236
- Coordinator:** Filip Matějka
- Starting Date:** January 2011
- Ending Date:** December 2013
- Title:** *Deregulace a hospodářský růst: Pochopení rozdílů mezi zeměmi v dopadech reform s využitím firemních dat [Deregulation and Economic Growth: Understanding the Cross-Country Differences in Reform Outcomes Using Firm-Level Data]*
- Grant Agency:** Czech Science Foundation – Grantová agentura České republiky,
Grant No. P402/11/P785
- Coordinator:** Petar Stankov
- Starting Date:** January 2011
- Ending Date:** December 2012
- Title:** *Regulace energie jiných trhů: Teoretické a experimentální výzkumy [Regulation in Energy and Other Markets: Theoretical and Experimental Investigations]*
- Grant Agency:** Czech Science Foundation – Grantová agentura České republiky,
Grant No. P402/11/0364
- Coordinator:** Silvester van Koten
- Partner:** Andreas Ortmann
- Starting Date:** January 2011
- Ending Date:** December 2013
- Title:** *Některé aukční finanční trhy v České republice a dopady úvěrové krize [Selected Financial Auction Markets in the Czech Republic and the Impact of the Credit Crunch Crisis]*
- Grant Agency:** Czech Science Foundation – Grantová agentura České republiky,
Grant No. P402/11/1531
- Coordinator:** Michal Břeský
- Partners:** Jan Kmenta
- Starting Date:** January 2011
- Ending Date:** December 2014

- Title:** *Behaviorální design aukcí [Behavioral Auction Design]*
Grant Agency: Czech Science Foundation – Grantová agentura České republiky,
Grant No. P402/11/1726
- Coordinator:** Peter Katuščák
Starting Date: January 2011
Ending Date: December 2013
- Title:** *Dynamické trhy a konkurence v malé otevřené ekonomice [Dynamic Markets and Competition in a Small Open Economy]*
Grant Agency: Czech Science Foundation – Grantová agentura České republiky,
Grant No. P402/11/2362
- Coordinator:** Alena Zemplinerová
Partners: Eva Hromádková
Starting Date: January 2011
Ending Date: December 2013
- Title:** *Ceny cenných papírů, Bayesiánské učení a dlouhodobé riziko [Asset Prices, Bayesian Learning and the Long-Run Risk]*
Grant Agency: Czech Science Foundation – Grantová agentura České republiky,
Grant No. P403/11/2288
- Coordinator:** Michal Pakoš
Starting Date: January 2011
Ending Date: December 2013
- Title:** *Relokace výrobních faktorů mezi zeměmi a dopad na zaměstnanost, mzdy a rozvoj [Relocation of Production Factors between Countries and Impact on Employment, Wages, and Development]*
Granting Body: Ministry of Education, Youth and Sports of the Czech Republic and European program COST,
Grant No. OC09017
- Coordinator:** Daniel Münich
Partners: Štěpán Jurajda
Robert Menkyna
Starting Date: January 2009
Ending Date: June 2012
- Title:** *Dynamické trhy a výkonnost podniků podniků [Dynamics Markets and Firm Performance]*
Granting Body: Ministry of Education, Youth and Sports of the Czech Republic and European program COST,
Grant No. OC10062
- Coordinator:** Alena Zemplinerová
Partners: Eva Hromádková
Štěpán Jurajda
Katarína Kálovcová
Juraj Stančík
Starting Date: May 2010
Ending Date: February 2012

Title: *Projekt SHARE – vytvoření českého uzlu panevropského projektu velké výzkumné infrastruktury výzkumu Survey of Health, Ageing and Retirement in Europe z ESFRI Roadmap [SHARE ERIC]*

Granting Body: Ministry of Education, Youth and Sports of the Czech Republic

Program: ESFRI project of European Research Infrastructures
Grant No. LM2010003

Contracting Parties: Ca' Foscari University of Venice, Italy
Center for Monetary and Financial Studies, Madrid, Spain
Economics Institute of the Academy of Sciences of the Czech Republic
Hebrew University of Jerusalem, Israel
Institute for Research and Information in Health Economics, Paris, France
Institute for Economic Research, Ljubljana, Slovenia
Johannes Kepler University of Linz, Austria
Lund University, Sweden
Ministry of Education, Youth and Sports of the Czech Republic (Prague)
National Centre for Social Research, London, United Kingdom
Panteion University of Social and Political Sciences, Athens, Greece
Tilburg University, The Netherlands
University College Dublin - National University of Ireland, Ireland
University of Lausanne, Switzerland
University of Liège, Belgium
University of Mannheim, Germany
University of Padua, Italy
University of Southern Denmark, Odense, Denmark
University of Warsaw, Poland

Local Coordinator/Scientist: Radim Boháček

Local Scientists: Michal Kejak
Jan Kroupa

Starting Date: October 2010

Ending Date: December 2015