

Economics Institute of the Czech Academy of Sciences

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Annual report 2018

Translation

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For informative purposes only. The legally binding text is the one in Czech.

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I. Information on the bodies of the workplace and their activities

a) The bodies of the workplace

The Director of the workplace: Doc. Ing. Michal Kejak, M.A., CSc.

The Board of the workplace (hereafter the "EI Board") listed below acted until June 5, 2018 in the following roles:

Chair: Sergey Slobodyan, Ph.D., Economics Institute of the CAS

Vice Chair: Doc. Ing. Michal Kejak, M.A., CSc., Economics Institute of the CAS

Members:

Patrick Gaulé, Ph.D., Economics Institute of the CAS

Prof. Ing. Štěpán Jurajda, Ph.D., Economics Institute of the CAS

Prof. Jakub Kastl, Ph.D., Princeton University

Doc. Ing. Daniel München, Ph.D., Economics Institute of the CAS

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

Jiří Střelický, Ph.D., ČSOB Pojišťovna

Marek Kapička, Ph.D., Economics Institute of the CAS

The EI Board listed below has acted since June 5, 2018 (the change occurred during the meeting due to the candidacy of S. Slobodyan for the position of EI Director) in the following roles:

Chair: Marek Kapička, Ph.D., Economics Institute of the CAS

Vice Chair: Doc. Ing. Michal Kejak, M.A., CSc., Economics Institute of the CAS

Members:

Patrick Gaulé, Ph.D., Economics Institute of the CAS

Prof. Ing. Štěpán Jurajda, Ph.D., Economics Institute of the CAS

Prof. Jakub Kastl, Ph.D., Princeton University

Doc. Ing. Daniel München, Ph.D., Economics Institute of the CAS

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

Sergey Slobodyan, Ph.D., Economics Institute of the CAS

Jiří Střelický, Ph.D., ČSOB Pojišťovna

The Supervisory Board acted in the following roles in 2018:

Chair: PhDr. Taťána Petrasová, CSc., Institute of Art History of the CAS

Vice Chair: Ondřej Rydval, Ph.D., Economics Institute of the CAS

Members:

Ing. Petr Bobák, CSc., Institute of Animal Physiology and Genetics of the CAS

Ing. Miroslav Singer, Ph.D., Generali pojišťovna a. s.

Ing. Richard Podpiera, Ph.D., CFA, Československá obchodní banka a. s. (from March 28, 2018)

b) Modifications to the bodies of the workplace

EI Board:

The EI Board worked with the above described changes dated June 5, 2018.

Supervisory Board:

Ing. Richard Podpiera, Ph.D., CFA is a new member of the Supervisory Board from March 28, 2018.

c) Information on the activity of the bodies of the workplace

Director:

In 2018, Doc. Ing. Michal Kejak, M.A., CSc. represented EI in the scientific councils of the Faculty of Social Sciences of Charles University, the Environment Center of Charles University, and the CTU Faculty of Electrical Engineering. Further, he served as a member of the Doctoral Board of the "Economic Theory" degree program at the Faculty of Economics and Administration, Masaryk University, and as a member of the Executive Board of the *Prague Economic Papers*.

EI Board:

In 2018 the EI Board met on April 20, June 5, September 21 and November 20.

A selection of the substantive issues discussed in the meetings appears below:

- Approval of the EI budget for 2018;
- Approval of the EI Annual Report for 2017
- Social Fund budget;
- Approval of the candidate for the position of EI Director;
- Approval of updated internal documents (e.g. Rules for the Management and Utilization of Funds).

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

Supervisory Board:

In 2018 the Supervisory Board met on March 22 and May 21.

During its meetings, the Supervisory Board commented on the proposal for the EI Annual Report and financial statements for 2017. The Board also acknowledged a report on managing the budget in 2017 and the final version of the 2018 budget. Thereafter, the Board approved transfer of the comprehensive income to the reserve fund and fund of reproduction assets, evaluated the managerial skills of the EI Director, and approved the auditor for the next term.

II. Information on the modification of the Foundation Deed

There were no modifications to the Foundation Deed in 2018.

III. Evaluation of the main research activities

The Economics Institute of the Czech Academy of Sciences (EI) continued cooperating closely with the Center for Economic Research and Graduate Education (CERGE) at Charles University as a joint workplace, CERGE-EI (without legal

subjectivity). The joint workplace is highly internationalized and strongly emphasizes high-quality scientific research and the dissemination of research results. In 2018, we hired two foreigners on the highly competitive international academic market in tenure track positions: Vasily Korovkin (Ph.D. from UCLA Anderson School of Management, USA) and Christian Ochsner (Ph.D. from the University of Technology Dresden, Germany).

The activities of the CERGE-EI joint workplace are overseen by the Executive and Supervisory Committee, which among its members includes renowned economists and international experts, such as Prof. Phillippe Aghion, Ph.D., Prof. Wendy Carlin, Ph.D., Prof. Henry Farber, Ph.D., Prof. Jakub Kastl, Ph.D., Prof. George J. Mailath, Ph.D., Prof. Paul R. Milgrom, Ph.D., Prof. Kevin M. Murphy, Ph.D., Prof. Peter Neary, Ph.D., Klara Peter, Ph.D., Prof. Lucrezia Reichlin, Ph.D., Prof. Gérard Roland, Ph.D., Prof. Larry Samuelson, Ph.D., Prof. Avner Shaked, Ph.D., and last but not least winners of the Nobel Prize for Economics Prof. Christopher A. Sims, Ph.D., and Prof. Joseph Stiglitz, Ph.D. The Committee primarily ensures the introduction and maintenance of international academic standards, supervises the efficient use of available funds and assists in developing external funding sources. The Committee is also responsible for certain management functions, including in the area of research evaluation.

The main research activity of EI in the areas of theoretical and empirical research continued to cover several fields in modern economics, including behavioral economics, game theory, macroeconomics, political economics, experimental economics and econometrics. Besides a long list of publications in high-quality international journals in a wide range of subfields of economics, several of our researchers succeeded in publishing their research results in top academic scientific journals in 2018. The three most important articles are presented in more detail below. Appendix A provides a complete list of results characterizing the research activity of EI in 2018.

First, there is a paper published in *Proceedings of the National Academy of Sciences of the United States of America*, which is one of the most prestigious and influential interdisciplinary scientific journals (jointly with *Nature*, *Science*, etc.). The article on “Social contagion of ethnic hostility”, co-authored by Doc. PhDr. Michal Bauer, Ph.D., and Doc. PhDr. Julie Chytilová, Ph.D., from EI, Jana Cahlíková, Ph.D., alumna of the Ph.D. program at CERGE-EI currently based at the Max Planck Institute for Tax Law and Public Finance, and Doc. Tomáš Želinský, Ph.D., from the Technical University of Košice, presents results of unique research, which shows why interethnic conflicts often escalate rapidly and spread even in societies that previously maintained long-term peace. Using experimental methods, the paper found that susceptibility to following destructive behavior more than doubled when harm was targeted against members of a different ethnic group. The results indicate that social norms tend to be quite fragile. The study also identifies societal factors that trigger harmful behavior. The findings have high societal significance and a large potential impact on policy-making. The paper is the first attempt worldwide to study this topic with the help of state-of-the-art experimental methods. It is a rare achievement of Czech social scientists, the relevance of which goes well beyond the horizon of economics.

Second, an article entitled “Inefficient rushes in auctions”, co-authored by Fabio Michelucci, Ph.D., from EI and Prof. Angel Hernando-Veciana from Universidad Carlos III de Madrid, was published in the highly respected journal *Theoretical Economics*. The paper provides a new look at settings common in privatizations, public tenders and takeovers in which the first best option is not implementable. The authors show that in this setting the traditional open ascending auction is not efficient because all active bidders tend to quit simultaneously. It is

therefore preferable to use a two-round auction used in real-life privatizations. It is an important contribution to economic theory, the implications of which have sizeable potential to improve decisions on how to organize auctions in practice.

Third, an article on “Optimal government policies in models with heterogeneous agents” by Radim Boháček, Ph.D., and Doc. Ing. Michal Kejak, M.A., CSc., both from EI was published in another prestigious journal in the field of economics the *Journal of Economic Theory*. The authors propose, with the help of advanced mathematics, a new approach for finding optimal government policies in economies with heterogeneous agents. The solution simultaneously takes into account the effect of the policy on individual allocations, on the resulting optimal distribution of agents and, therefore, on equilibrium prices. The implications of this solution are illustrated by finding the optimal tax on total income. The results of this study may significantly influence government policy making.

In 2018, EI continued to enhance its applied research agendas, which build on the strong foundation of its core scientific activities, under the umbrella of the policy oriented Institute for Democracy and Economic Analysis (IDEA). This research is focused on empirical analyses, evaluation of government policies, public presentations, and other forms of dissemination of applied research results, including towards policy makers and the broader public. As part of the AV21 Strategy, the IDEA researchers continued coordinating i) the “Effective Public Policies and Contemporary Society” research program (jointly with the Institute of Sociology, the Institute of State and Law, and the Institute of Ethnology of the Czech Academy of Sciences); and ii) a special activity entitled “Research and Analysis of R&D&I”. In particular, as part of Strategy AV21, IDEA produced a number of policy studies, interactive web applications and organized public lectures focused on important aspects of Czech public policies with regards to the tax and social benefits system, labor market, education and research, development and innovation. The societal impact of these activities is vindicated by frequent citations of their findings in both old and new media as well as Czech and EU government documents.

The high quality of research produced at EI made it possible to succeed in acquiring important grants. In 2018, Doc. Mgr. Jakub Steiner, Ph.D., started a highly prestigious European Research Council (ERC) Consolidator Grant on the topic of “Behavioral Implications of Information-Processing Frictions”. In addition, Doc. RNDr. Filip Matějka, Ph.D., continued his equally prestigious ERC Starting Grant on “Behavioral and Policy Implications of Rational Inattention”, which he obtained in 2016. These are the first and so far only ERC grants awarded in the field of economics in the Czech Republic. 2018 was the third year of the SHARE project (ESFRI project of European Research Infrastructures) coordinated by Radim Boháček, Ph.D., the aim of which is to analyze the employment, health and other socioeconomic aspects of the elderly population in Europe. Marek Kapička, Ph.D., finished his research within the 7th Framework Program MSCA Career Integration Grant on the topic of “Dynamic Optimal Taxation with Human Capital Formation” (OPTITAX). Prof. Jan Švejnar, Ph.D., finished coordinating the large GA ČR excellence (consortium) project on „The Relationships Between Skills, Schooling and Labor Market Outcomes: A Longitudinal Study” (SKILLS). Michael L. Smith, Ph.D. finished as a co-investigator of the GA ČR excellence grant on “Dynamics of Change in Czech Society” (DYNAMICS). Appendix B contains detailed information about grants and research projects from the European Commission, GA ČR, the Technology Agency of the Czech Republic and other agencies.

The great reputation of research conducted at EI is also documented by prestigious awards. Prof. Gérard Roland, Ph.D., a member of the CERGE-EI Executive and Supervisory Committee based at the University of California, Berkeley, received an honorary medal De Scientia et Humanitate Optime Meritis, which is

awarded by the Czech Academy of Sciences to eminent personalities for their meritorious contributions in the area of science and humanitarian ideas. The honorary medal ceremony, which was hosted by the President of the CAS Prof. RNDr. Eva Zažímalová, CSc., included a public lecture on “Transition Away From Communism: Past, Present and Future”. Prof. Jan Švejnar, Ph.D., received double recognition, namely the Distinguished Honorary Fellow of the Year award by the European International Business Academy (EIBA) and the title of Honorary Senator at the University of Ljubljana in Slovenia. The international visibility of EI is reinforced by the membership of its researchers on the editorial boards of top journals, including the most prestigious ones, such as the *American Economic Review* (Doc. Mgr. Jakub Steiner, Ph.D.), the *Review of Economic Studies* (Doc. Mgr. Jakub Steiner, Ph.D., doc. RNDr. Filip Matějka, Ph.D.) and the *Journal of Economic Theory* (Doc. Mgr. Jakub Steiner, Ph.D.).

EI participates in the education of early-career researchers. EI cooperates with CERGE and the Faculty of Social Sciences at Charles University in the operations of the doctoral program in economics and econometrics. The doctoral program is accredited in the Czech Republic, and also has the right to award Ph.D. degrees in economics on the basis of a permanent charter granted by the New York State Board of Regents in the United States, the Ph.D. degree thus being fully recognized in the USA. CERGE-EI Ph.D. graduates have been successful in finding jobs at top scientific research institutions, both in the Czech Republic and abroad, including in the last three years, for example, at the Universidad Carlos III de Madrid, the Woodrow Wilson School of Public and International Affairs in Princeton University, the University of Munich, the University of Bonn, the Max Planck Institute for Tax Law and Public Finance in Munich, the Higher School of Economics in Moscow and the European University Institute in Florence. The high quality of doctoral dissertations is further vindicated by winning prestigious student awards. PhDr. Ludmila Matysková, Ph.D., and Ing. Matěj Bělín, M.A., followed-up on the successes of their peers and gained first and third prizes in the competition of the Czech Economic Society called “Young Economist of the Year 2018”. The paper by PhDr. Ludmila Matysková, Ph.D., on “Bayesian Persuasion with Costly Information Acquisition” also won first prize in the Czech Econometric Society competition for the best student article in theoretical economics in 2018. Finally, PhDr. Radek Janhuba, Ph.D., won second spot in the Jacques Derrida Prize for Social Sciences and Humanities 2018 awarded by the CEFRES platform.

A number of EI faculty and junior researchers conducted research visits to top universities and research institutions abroad: Olexiy Kyrychenko, M.A., and Klára Svitáková, M.A., were at Princeton University, Geghetsk Afunts, M.A., Mgr. Vladimír Novák, M.A., and Doc. Krešimir Žigić, Ph.D. were at Columbia University, Doc. PhDr. Michal Bauer, Ph.D., Doc. RNDr. Filip Matějka, Ph.D., and Filip Pertold, Ph.D. were at the University of California, Mykola Babiak, M.A. was at Warwick Business School, Kristína Jablonická, M.A. was at the German Institute for Economic Research, Taras Hrendash, M.A. was at the Max Planck Institute for Innovation and Competition, and Ghadiri Abkenar Taghi, M.A. was at the Institute for Employment Research in Germany.

As a result of long-term partnerships, EI has frequently been visited by high-profile professors from top universities, for example, Prof. Gérard Roland, Ph.D., from the University of California, Berkeley and Prof. Jakub Kastl, Ph.D., from Princeton University. For the purpose of specific research collaboration, EI has also been visited, for example, by Prof. Simon Clark, Ph.D., from the University of Edinburgh, Michal Fabinger, Ph.D., from the University of Tokyo, Joshua B. Millner, Ph.D., from the University of Alicante and Prof. Stanley Zin, Ph.D., from the Leonard N. Stern School of Business, New York University.

As a part of the joint workplace of CERGE-EI, EI organizes a highly acclaimed series of research seminars with a dominant presence of leading foreign experts. In 2018, seminars were given at CERGE-EI by dozens of foreign guests, including from Bocconi University, Carnegie Mellon University, Central European University, Columbia University, Copenhagen Business School, European University Institute, Ifo Institute for Economic Research, KU Leuven, New York University, Stockholm University, World Bank, Toulouse School of Economics, Universitat Autònoma de Barcelona, Universitat Pompeu Fabra, Université Libre de Bruxelles, University Carlos III de Madrid, University College London, the University of Chicago, the University of Oxford, the University of Pennsylvania, the University of Toronto, the University of Warwick, and Yale University. The following high-profile guests deserve to be mentioned by name: Prof. Christian Dustmann, Ph.D., from University College London, Prof. Johannes Horner, Ph.D., from Yale University and Prof. Stephanie Schmitt-Grohé, Ph.D., from Columbia University.

EI further organized or co-organized a number of events with the participation of top international experts. For example, the 30th Annual Review of Economics Studies (REStud). This event brought seven of the most promising graduating doctoral students in economics and finance in the world to present their research at three places in Europe. REStud took place at Queen Mary University of London, the University of Copenhagen and EI. Young talents from Harvard, MIT, Princeton and Stanford were among the presenting students. As in the previous year, EI organized a public presentation of the *EEAG Report on the European Economy 2018* that CESifo publishes annually and presents on the European tour. The report gives growth forecasts of the European economy and reflects on current European topics. The president of the CESifo Group Clemens Fuest introduced the report. Member of the Czech National Bank Marek Mora added his comments and the Czech perspective on the report. As a participant of the project *A Dynamic Economic and Monetary Union (ADEMU)*, EI cohosted a seminar entitled “Risk Sharing and Macroeconomics Interdependencies” that was attended by renowned foreign experts.

EI introduced its Mentoring program for Women Researchers, a free mentoring program supporting women in their Ph.D. studies, helping them to define career goals and the steps needed to achieve them. The program was funded by the U.S. Embassy. The successful Economic Discovery Hub (EDH) project continued throughout the year with over 30 courses and practical workshops. This free educational platform aims to introduce financial, analytical and moduled programs to the students and graduates, as well as interested public. Participants of the EDH activities also get information and experience useful for their future studies or career in the field of finance or economics. EI also focused on promoting economic research among high school students with another series of the program entitled “Projects in Applied Economics for Talented High School Students”. This program helps students to understand the basics of Economics and Statistics, learn and apply research methods and run their own research projects under the supervision of young and well-experienced researchers.

A couple of events linked to the 100th anniversary of the foundation of independent Czechoslovakia took place in 2018. Prof. Jan Švejnar, Ph.D., gave a public lecture on the transformation of the Czech economy and society focusing on the history of the Czech economy. The lecture was a part of the program of the Week of Science and Technology of the Czech Academy of Sciences. To mark this anniversary, a networking event “100 Years of U.S.-Czech Economic Relations: Towards the Next 100” was organized in cooperation with the U.S. Embassy in Prague. His Excellency U.S. Ambassador Stephen B. King gave a keynote speech at this event.

Orders within the main activities of EI

The educational "Undergraduate Program in Central European Studies" (UPCES) was included among the orders within the main activities in 2018, which EI runs in cooperation with the Faculty of Humanities of Charles University and the Faculty of Social Sciences of Charles University. The program is comprised primarily of B.A. students from American universities studying abroad. The program is also partly open to students of Charles University and the Erasmus program. Participants study basic economic questions and topics related to the Central European region.

The following are other important orders within the main activities:

IMD World Competitiveness Center: participation in the collection of statistical data and questionnaire research for the "IMD World Competitiveness Yearbook 2018"

OGResearch Ltd.: analytical and data support and consultation on the formulation of macroeconomics forecasts in the context of the use of results of the project "Internetový portál a makroekonomické modely pro prognózování a měnověpolitickou analýzu v rozvojových zemích (LF11018 / Eureka GRASP (E! 5461))" [Internet Portal and Macroeconomics Models for Forecasting and Monetary Policy Analysis in Developing Countries (Eureka GRASP)]

Promotion of Ernst & Young, s. r. o. and Deloitte CZ Services s. r. o. within Economics Discovery Hub activities, organization of workshops.

Cooperation agreements

Czech Statistical Office: Smlouva o poskytování důvěrných statistických údajů pro účely vědeckého výzkumu [Agreement to Provide Classified Statistical Data for Research Purposes]

Charles University, Faculty of Social Sciences: Smlouva o vzájemné spolupráci při uskutečňování navazujícího magisterského studijního programu Ekonomická teorie, oboru Ekonomie, akreditovaného na FSV UK [Cooperation agreement on the follow-up master's degree program: Economic theory, field of study: Economics, accredited by Charles University, Faculty of Social Sciences]

Charles University, Faculty of Social Sciences, and CERGE: Dohoda o vzájemné spolupráci při uskutečňování doktorského studijního programu Ekonomie a ekonometrie [Cooperation agreement on the doctoral degree program: Economics and econometrics]

Appendices A and B contain a complete list of the key results characterizing the research activity of EI in 2018.

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

EI promotes its activities and the results of its work via its own website and social networks (Facebook, Twitter, LinkedIn, Flickr, YouTube, and Instagram). The institution actively participates in the promotional activities of the Czech Academy of Sciences and seeks to multiply the impact of online content by sharing it among its audience. Following tradition, EI joined the Week of Science and Technology of the Czech Academy of Sciences in 2018. A large number of visitors took the opportunity to visit the home of EI at Schebek Palace. Prof. Jan Svejnar's public lecture on the transformation of the Czech economy during the existence of the independent state also attracted a big audience. With the aim of introducing EI activities to the public and potential students, the workplace held an Open Day on several dates. For the first time, EI joined the Open House architecture festival. More than 2 000 visitors

came and learned about the history of Schebek Palace, saw its unique interior, including the rich resources of the library of the CERGE-EI joint workplace.

The popularization of science is largely provided by researchers who are involved in the IDEA project – see also Part III. Particularly intensive is the involvement in the Strategy AV21 – a program of the Czech Academy of Sciences, which aims to foster and broadly promote cutting-edge research focused on the problems and challenges facing contemporary society. Doc. Ing. Daniel Münich, Ph.D., is the chief coordinator of the *Effective Public Policies and Contemporary Society* program, within which IDEA has focused on themes like education, education policies and labor market, demographic aging, the impact of the tax benefit system and public expenditures, and effective environmental and energy policies. A special activity of the Strategy AV21 program is devoted to R & D & I analysis, focusing on rigorous and independent analysis of research, development and innovation issues. In 2018, IDEA published a total of 13 studies with the support of this program, which are available in public libraries and on the IDEA website <https://idea-en.cerge-ei.cz/publicationslist> (in Czech - only summaries are available on the English website). Besides the studies IDEA also produced interactive applications enabling the monitoring of trends in publication performance of research organizations. These interactive web tools can be seen at <https://idea.cerge-ei.cz/seznam-publikaci/idea-aplikace>. The public release of all studies and applications was accompanied either by press releases for the media, active collaboration with journalists, and some studies were presented at public events and seminars. Video recordings of important seminars are available at <https://idea.cerge-ei.cz/udalosti/>. Furthermore, we present important seminars and studies.

In March 2018, IDEA organized a public event entitled “Access to Confidential Micro Data for Research and Policy Analysis” with the keynote given by Dr. Zsolt Németh (Hungarian Central Statistical Office) who presented good practice from Hungary. Based on that, the seminar inspired the representatives of the Czech Statistical Office to open SafeCentre in January 2019 for providing microdata to Czech researchers.

In April 2018, IDEA organized a series of events in collaboration with the German Institute for Labor Market and Employee Research (IAB) under the common title “How to Govern the Country Better? An Example of Good Practice from Germany for Employment Policy”. The event presented examples of IAB research with significant impact on public policies in Germany in parallel seminars, and the discussion panel evaluated the practical use of the IAB research example for the Czech Republic.

In May 2018, IDEA organized a seminar entitled “The Low-skilled on the Czech Labor Market”. The research focused on the characteristics of people with low skills in the Czech Republic, their position on the labor market, and discussed appropriate forms of interventions to increase their integration on the labor market. The seminar presented the study entitled *The Low-skilled in the Czech Republic* by Alena Bičáková, Ph.D. and Klára Kalíšková, Ph.D.

In October 2018, IDEA organized a public event with a panel discussion in collaboration with the Institute of Sociology of the Czech Academy of Sciences, and the Platform for Social Housing called “End Homelessness Now: Lessons from the US and a Way Forward for the Czech Republic”. The keynote speaker was Prof. Dennis Culhane, Ph.D. (University of Pennsylvania), who provided an overview of homelessness in the US and the use of homelessness services.

In December 2018, IDEA organized a public lecture and a panel discussion in cooperation with the Swiss Embassy in the Czech Republic with keynote speaker Prof. Ursula Renold named “On the Mysteries of the Swiss Dual Vocational

Education and Training”. The lecture focused on the economy of the Swiss system of education, its institutional set-up, integrated incentives and the role of key stakeholders in terms of funding, regulation and coordination.

The following IDEA studies had the largest media impact (summaries of the studies are available in English only):

[Senior guide: How not to lose income while taking early retirement](#). The study quantifies the financial implications of six possible choices of seniors who left their job by “agreement” two years before reaching retirement age.

[Obesity in the Czech Republic: An international comparison using data from the SHARE project](#). The study shows that Czech seniors aged 50–70 have a very high level of obesity (BMI > 29.99) in international comparison.

[Czech teachers’ intellectual skills in international and generational comparison](#). The study shows that the heterogeneity of skills among Czech teachers is at the average international level, but there is a very dynamic increase in the heterogeneity of reading and ICT skills among the younger generation of teachers.

[The consequences of the postponed abolishment of super-gross wages](#). The super-gross wage, introduced in 2008, has already faced several abolition attempts. The proposed abolition of super-gross wages and accompanying changes would reduce the tax burden on almost all employees and self-employed people.

EI researchers were actively involved in popularizing economic science among the general public in the Czech Republic and abroad. They contributed to current public policy debates by explaining their expert ideas in popular articles and media interviews and by participating in expert government committees. In 2018, EI researchers contributed to the popularization of science via 12 articles in print and more than 300 other appearances and quotations in the mass media. The quotations by IDEA researchers can be found (in Czech) at <https://idea.cerge-ei.cz/media/citace>.

IV. Evaluation of other activities

In 2018, the orders in economic activity reached a profit amounting to CZK 206 000 and enabled EI to support activities for which it was founded. Among the orders were the annual organization and hosting of the prestigious CERGE-EI Graduation Gala with many important guests, such as renowned economists, sponsors and other members of the joint workplace community, and the organisation of a summer school for U.S. undergraduate (B.A.) students.

V. Information on measures to obviate budget deficiencies, and a report on how precautions against deficiencies were fulfilled in the previous year

The Institute’s budget undergoes an annual financial audit. The auditor from 22HLAV Ltd. had no comments about the budget for 2017, and thus there was no need to implement any precautions in 2018.

VI. Financial information on facts important for the evaluation of the economic position of the Institute and which can influence its further development*

The annual balance sheet for 2018 is included in the annual report (see appendices). According to the balance sheet, the budget experienced no difficulties and shows a profit.

VII. Expected development of institutional activities*

EI received an operating subsidy from the Czech Academy of Sciences amounting to CZK 43 994 000 in 2018, of which CZK 5 967 000 was for the Strategy AV21 project and J. E. Purkyně Fellowship. The Czech Academy of Sciences contribution amounted to 44.4% of the total annual income of the Institute.

Furthermore, EI also received CZK 22 577 000 for research and development, of which CZK 12 808 000 was from the Czech Science Foundation (GA ČR), CZK 722 000 from the Technology Agency of the Czech Republic and CZK 9 769 000 was from other departments.

Other costs were covered mainly by special purpose funds for science and research (such as Project SHARE, under the ESFRI project of European Research Infrastructures, Project SHARE CZ+, the GA ČR grant projects: eight individual grants and two other projects aimed at supporting excellence in basic research, two ERC grants in H2020, one grant from the Technology Agency of the Czech Republic, one grant under the International Visegrad Fund, one FP7 project. The remaining funds were covered by other activities as a part of the main activity of the Institute.

Direct institutional support from the Czech Academy of Sciences was increased by CZK 1 786 000 in 2018 compared to 2017. We greatly appreciate this step by the management of the Academy. Even though the current composition of finances needed for the operation of the Institute has improved, it will still not be fully sufficient (the share of purpose-oriented funds, which are an unstable component of income, is too high, as it is in all of CAS). The overall use structure of institutional funds from the CAS is not unusual and due to the ability of the workplace to gain other funds from different sources, the effectiveness of its use is higher than at many other workplaces. However, given that the Institute has so far been able to raise additional funds from other sources (a high success rate in obtaining GA ČR grants, the international infrastructure project SHARE, SHARE CZ+, ERC grants, and other significant grants and research and teaching activities), there is a solid basis for smooth operation in the future. Increased institutional funds will be used to avert the threats that EI will face in the forthcoming year: the completion of two GA ČR projects of excellence and the uncertainty of obtaining other significant grants and projects, and the relatively low wages for core team workers on an international scale.

One of the Institute's priorities is to continue to be proactive in raising special purpose funds to finance science and research from both domestic and foreign grant agencies. The information from the current period shows that it is realistic to continue to receive requests for expert studies at the governmental level and/or from the private sector in the future. Nevertheless, these funds cannot be the main source of funding for basic and applied research of the institution.

* 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 carries 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 the Clean Air Act No. 201/2012 Coll., and the Act on the Permissible Level of Pollution No. 415/2012 Coll., reports entitled "Air Notification for 2018" were filed by the requested deadlines. The Institute permanently undertakes the collection of sorted waste. Waste (sorted and municipal) is liquidated by a specialist company (Prague Services plc). Potentially dangerous waste generated by the operation of the Institute is removed and disposed of by appropriate companies. Since 2017, our Institute has been involved in the Green Company project; and thus a box is placed in the building for electronic waste recycling, including from employees' households.

IX. Activities in the field of labor relations*

1/ Number of new employment contracts	31
for an open-ended period	0
for a fixed period	31
2/ Number of terminated employment contracts	34
3/ Number of people with whom contracts for services were signed	9
4/ Number of external people with whom agreements for specific tasks were signed	130

The obligation to employ people with disabilities in 2018 was 3.25 people and was met by the employment of 1.32 people. The rest of the obligation was solved through purchasing goods from sheltered workshops to the amount of CZK 101 982.78 and payment to the state budget to the amount of CZK 114 752.

stamp

Doc. Sergey Slobodyan, Ph.D.
Acting Director
Economics Institute of the CAS

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



22HLAV
audit & consult

MSI Global Alliance
Independent Member Firm

INDEPENDENT AUDITOR'S REPORT

on the 2018 Financial Statements

of

Národohospodářský ústav AV ČR, v.v.i.

Prague, 25th April 2019



INTRODUCTORY DATA

Audited entity

Národohospodářský ústav AV ČR, v.v.i.
Politických vězňů 936/7, Praha 1, 111 21
ID: 679 85 998

Subject of activity:

- the implementation of scientific research in economics and contributing to the exploitation of its results and provide a research infrastructure

Audit Report receiver

founder - Akademie věd České republiky - organizační složka státu - after a discussion with a statutory body

Subject of the audit

Financial Statements for the year ended 31 December 2018 – accounting period 1.1.2018 – 31.12.2018

Audit dates

interim: 29.10.2018 – 12.11.2018
final: 4.2.2019 – 25.4.2019

Audit performed and Audit Report prepared by

22HLAV s.r.o.
Všebořická 82/2, Ústí nad Labem
The Chamber of Auditors license no. 277
Member of MSI Global Alliance,
Legal & Accounting Firms

responsible auditor: Ing. Kamila Neradová, The Chamber of Auditors license no. 2091

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INDEPENDENT AUDITOR'S REPORT

for the founder of **Národohospodářský ústav AV ČR, v.v.i.**

Financial Statements Audit Report

Opinion

We have audited the accompanying financial statements of **Národohospodářský ústav AV ČR, v.v.i.** (hereinafter also the "Organization") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2018, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Organization, see Note 1 to the financial statements.

In our opinion, the financial statements **give a true and fair view of the financial position of Národohospodářský ústav AV ČR, v.v.i. as at 31 December 2018 and of its financial performance for the year then ended** in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Director is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

We did not receive any other information by the date of our report, so we do not comment on them. If we become aware of material misstatement, we are required to pass on this information to those charged with the management of the entity.

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Responsibilities of the Organization's Director and Supervisory Board for the Financial Statements

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

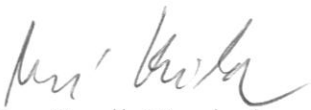
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the Director and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Všebořická 82/2, 400 01 Ústí nad Labem
The Chamber of Auditors license no. 277


Ing. Kamila Neradová
The Chamber of Auditors license no. 2091

In Prague, 25th April 2019



This Auditor's Report includes the following attachments:

1. Balance sheet as of 31.12.2018
2. Income statement for the year ended 31.12.2018
3. Notes for the year ended 31.12.2018

This Audit Report is a translation of the Czech Audit Report for the audit of the 2018 financial statements.

BALANCE SHEET

Národohospodářský ústav AV ČR, v.v.i.

as at December 31st, 2018

(in thousand of Czech Crowns)

Politických vězňů 936/7

110 00 Praha 1

ID number

679 85 998

ASSETS

	Row	Balance as at 1.1.2018	Balance as at 31.12.2018
A.			
Total fixed assets	1	191,913	203,538
I.			
Total intangible fixed assets	2	2,477	4,645
1. Intangible research and development results	3		
2. Software	4	1,896	1,693
3. Valuable rights	5		
4. Small intangible fixed assets	6	581	581
5. Other intangible fixed assets	7		
6. Intangible fixed assets under construction	8	0	2,371
7. Advances payments for intangible fixed assets	9		
II.			
Total tangible fixed assets	10	235,620	245,101
1. Land	11	55,523	55,523
2. Works of art, objects and collections	12		
3. Constructions	13	155,878	170,336
4. Equipment	14	12,232	10,469
5. Perennial corps	15		
6. Breeding and draught animals	16		
7. Small tangible fixed assets	17	4,633	4,604
8. Other tangible fixed assets	18		
9. Tangible fixed assets under construction	19	7,353	4,170
10. Advances payments for tangible fixed assets	20		
III.			
Total fixed financial assets	21	0	0
1. Shares - controlled and controlling organizations	22		
2. Shares - substantial influence	23		
3. Debt securities held to maturity	24		
4. Loans to organisational units	25		
5. Other long-term loans	26		
6. Other fixed financial assets	27		
IV.			
Accumulated depreciation of total fixed assets	28	-46,184	-46,208
1. Accumulated depreciation - intangible research and development results	29		
2. Accumulated depreciation - software	30	-1,808	-1,627
3. Accumulated depreciation - valuable rights	31		
4. Accumulated depreciation - small intangible fixed assets	32	-581	-581
5. Accumulated depreciation - other intangible fixed assets	33		
6. Accumulated depreciation - constructions	34	-28,176	-31,345
7. Accumulated depreciation - equipment	35	-10,986	-8,052
8. Accumulated depreciation - perennial corps	36		
9. Accumulated depreciation - breeding and draught animals	37		
10. Accumulated depreciation - small tangible fixed assets	38	-4,633	-4,604
11. Accumulated depreciation - other tangible fixed assets	39		
B.			
Total short-term assets	40	70,367	73,316
I.			
Total inventory	41	0	0
1. Material in stock	42		
2. Material in transit	43		
3. Work in progress	44		





4.	Semi-products from internal production	45		
5.	Finished products	46		
6.	Animals	47		
7.	Goods stocked and in shops	48		
8.	Goods in transit	49		
9.	Advance payments for inventory	50		
II.	Total receivables	51	34,485	45,091
1.	Trade receivables	52	460	3,305
2.	Bills of exchange to be collected	53		
3.	Receivables for discounted securities	54		
4.	Advance payments operating	55	83	106
5.	Other receivables	56	2	0
6.	Receivables from employees	57	54	2
7.	Receivables from social security and healthcare insurance institutions	58		
8.	Income tax	59	0	96
9.	Other direct taxes	60		
10.	Value added tax	61		
11.	Other taxes and fees	62		
12.	Claims for subsidies and account settlement with the state budget	63		
13.	Claims for subsidies and account settlement with budgetary bodies of ter. adm. units	64		
14.	Receivables from association members	65		
15.	Receivables from fixed term transactions	66		
16.	Receivables from issued bonds	67		
17.	Other receivables	68	118	5,335
18.	Estimated receivable	69	33,767	36,247
19.	Adjustments to receivables	70		
III.	Total short-term financial assets	71	35,467	27,637
1.	Cash	72	49	71
2.	Valuables	73	156	71
3.	Bank accounts	74	35,263	27,495
4.	Shares and similar securities for trading	75		
5.	Debt securities for trading	76		
6.	Other securities	77		
7.	Cash in transit	78		
IV.	Total other assets	79	415	588
1.	Deferred expenses	80	415	551
2.	Deferred income	81		37
	Total assets	82	262,280	276,854

LIABILITIES

		Row	Balance as at 1.1.2018	Balance as at 31.12.2018
A.	Total internal sources	1	215,637	224,737
I.	Total assets	2	214,364	224,028
1.	Equity	3	191,913	203,538
2.	Funds	4	22,451	20,490
3.	Diferences from revaluation of assets and liabilities	5		
II.	Total profit / loss	6	1,274	708
1.	Profit / loss account	7	x	708
2.	Profit / loss account - authorisation procedures	8	1,274	0
3.	Retained earnings, accumulated losses from previous years	9		
B.	Total other sources	10	46,643	52,117
I.	Total reserves	11	1,800	1,079
1.	Reserves	12	1,800	1,079
II.	Total long-term payables	13	0	0
1.	Long-term bank loans	14		
2.	Issued bonds	15		
3.	Payables under rent contracts	16		
4.	Long-term advances received	17		



	5. Long-term bills of exchange to be paid	18		
	6. Estimated payables	19		
	7. Other long-term payables	20		
III.	Total short-term payables	21	44,843	50,915
	1. Trade payables	22	5,875	5,919
	2. Bills of exchange to be paid	23		
	3. Advances received	24	1,591	773
	4. Other payables	25		
	5. Payroll payables	26	2,687	4,205
	6. Other payables to employees	27	14	162
	7. Payables to social securities and health insurance	28	1,392	2,327
	8. Income tax	29	191	0
	9. Other direct taxes	30	483	951
	10. Value added tax	31	-128	1,371
	11. Other taxes and fees	32		
	12. Payables to the state budget	33	32,515	34,963
	13. Payables to budgetary bodies of territories self-administrative units	34		
	14. Payables for unpaid subscribed shares and participations	35		
	15. Payables to association members	36		
	16. Payables from fixed term transactions	37		
	17. Other payables	38	164	170
	18. Short-term bank loans	39		
	19. Discount credits	40		
	20. Issued short-term bonds	41		
	21. Own bonds	42		
	22. Estimated payables	43	58	74
	23. Other short-term financial support	44		
IV.	Total other liabilities	45	0	124
	1. Accrued expenses	46		124
	2. Deferred revenues	47		
	Total liabilities	48	262,280	276,854

Date:	Signature of statutory body	Person responsible for preparation of financial statements (name and signature)
March 25th, 2019	Sergey Slobodyan, Ph.D. 	Ing. Ivana Burianová, Ing. Iveta Marková 

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



PROFIT AND LOSS STATEMENT

as at December 31st, 2018

(in thousand of Czech Crowns)

ID number

679 85 998

Národohospodářský ústav AV ČR, v.v.i.

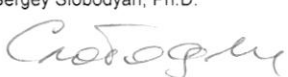
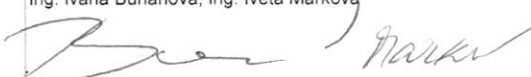
Politických vězňů 936/7

110 00 Praha 1

	Row	Balance as at 31. 12. 2018		
		Main activity	Supplementary activity	Total
A.				
	Expenses	x	x	x
I.	Consumed purchases and purchased services	25,392	651	26,043
1.	Consumption of material, energy and other non-inventory items	4,432	17	4,449
2.	Costs of goods sold			0
3.	Repairs and maintenance	3,756		3,756
4.	Travel expenses	1,931		1,931
5.	Representation costs	133	3	135
6.	Other services	15,141	631	15,772
II.	Changes in inventories by their own activities and activation	0	0	0
7.	Change in inventory of own products			0
8.	Activation of material, goods and interior. services			0
9.	Activation of fixed assets			0
III.	Total personal expenses	65,177	2	65,179
10.	Wages and salaries	48,868	2	48,871
11.	Statutory social insurance	14,909		14,909
12.	Other social insurance			0
13.	Tax deductible social expenses	1,400		1,400
14.	Other social expenses			0
IV.	Total taxes and fees	118	0	118
15.	Taxes and fees	118		118
V.	Total other expenses	4,136	1	4,137
16.	Contractual fines, delay interests, other fines and penalties	195		195
17.	Bad debt write off			0
18.	Interest expenses			0
19.	Exchange rate losses	199	0	200
20.	Gifts	4		4
21.	Shortages and damages			0
22.	Other expenses	3,738	0	3,738
VI.	Total depreciation expenses, sold assets, addition and utilization to reserves and adjustments	2,788	0	2,788
23.	Depreciation expenses of tangible and intangible fixed assets	3,509		3,509
24.	Sold fixed assets			0
25.	Sold securities and shares			0
26.	Sold material			0
27.	Addition and utilization to reserves and adjustments	-721		-721
VII.	Total contributions provided	0	0	0
28.	Member contributions provided and contributions settled by organisational units			0
VIII.	Total income tax	0	0	0
29.	Income tax			0
	Total expenses	97,612	654	98,265
B.	Revenues	x	x	x
I.	Total operating grants	66,571	0	66,571
1.	Operating grants	66,571		66,571



II.	Total contributions received	43	0	0	0
2.	Contributions received and settled by organisational units	44			0
3.	Contributions received (donations)	45			0
4.	Member contributions received	46			0
III.	Revenues of own services and merchandise	47	11,720	500	12,220
IV.	Total other revenues	48	19,823	360	20,183
5.	Contractual fines, delay interests, other fines and penalties	49			0
6.	Payments for debts written off	50			0
7.	Interest income	51	6		6
8.	Exchange rate gains	52	353	0	353
9.	Settlement of funds	53	14,569	360	14,929
10.	Other revenues	54	4,895	0	4,896
V.	Total revenues from assets sold	55	0	0	0
11.	Revenues from disposals of fixed assets	56			0
12.	Revenues from disposals of securities and shares	57			0
13.	Revenues from disposals of materials	58			0
14.	Revenues from short-term financial assets	59			0
15.	Revenues from long-term financial assets	60			0
	Total revenues	61	98,113	860	98,973
C.	Profit / Loss before tax	62	502	206	708
D.	Profit / Loss after tax	63	502	206	708

Date:	Signature of statutory body	Person responsible for preparation of financial statements (name and signature)
March 25th, 2019	Sergey Slobodyan, Ph.D. 	Ing. Ivana Burianová, Ing. Iveta Marková 

Národohospodářský ústav AV ČR, v. v. i.
 Politických vězňů 7
 111 21 Praha 1
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 (1)



Annex to the 2018 Financial Statement for the year ended 31. 12. 2018

Economics Institute of the Czech Academy of Sciences
Politických vězňů 936/7, 111 21 Prague 1

Accounting period: 1. 1. 2018 – 31. 12. 2018

1. General identification data

Description of the organization

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

The EI was founded by the Czech Academy of Sciences – an organizational part 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, 111 21 Prague 1
Identification number:	679 85 998
Statutory body as of the date of the financial statement:	Doc. Ing. Michal Kejak, M. A., CSc. – Director
Statutory Body at the date of preparation of the financial statements:	Sergey Slobodyan, Ph.D. - Acting Director

Effective from January 1, 2019 the statutory body has changed. Sergey Slobodyan, Ph.D has been authorized as EI Acting Director.

The EI's organizational structure :

- Organizational-administrative division (library, odd. IT department, secretariat, personnel department),
- Economic division (technically-economic management),
- Research division,
- Doctoral studies division,
- Development and PR division,
- International academic program division.

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

Main activities:

- To engage in scientific research in the field of economy theories, both normative and positive, at the macro-level and micro-level,
- To contribute, through its activity, to the growth of knowledge and education level; and to the application of results of scientific research in practice,
- To obtain, process and disseminate scientific information; and to publish scientific publications (monographs, collection, magazines etc.),
- To provide scientific evaluations, opinions and recommendations,
- To perform consultation and advisory activities,



- In cooperation with universities, to run doctorals study programs and train scientific workers, to organize lectures, exercices and practices for students.
- Within the framework of its activity, to develop international cooperation, including joint research with foreign partners; to receive and send out fellows, exchange of scientific findings and prepare joint publications,
- To organize domestic and international scientific meetings, conferences and seminars and ensure research infrastructure, including the provision of accomodation to the EI's own employees and guests.

The EI carries out tasks realted with main activities independently and in cooperation with universities and other scientific and specialized institutions.

Other activities:

- Advisory, consulting activities and expert studies and evaluations in the relevant disciplines of the EI's scientific activities,
- Organization of courses and training, 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 licence 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 shall not exceed 20% of the total work capacity at the EI.

No changes or amendmends ocured in 2018 in the Register of Public Research Institutions.

2. Personnel costs

A total of 147 people were employed at the EI as at 31. 12. 2018; the average number of the employees in 2018 was 81.42 people.

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

Neither the members of the EI management and supervisory bodies nor their family members have any participation in persons with whom the organization has entered into commercial contracts or other contractual relationships in 2018.

(thousand of CZK)

Total salary costs:	CZK	48, 871
Statutory social costs:	CZK	1, 400
Statutory insurance:	CZK	14, 909
Total personnel costs:	CZK	65, 179
Inclusive of the Supervisory Board bonus:	CZK	208

Social insurence commitments amounting to CZK 1 622 179 and health insurence commitments amounting to CZK 705 021 payable after 31 December 2018 were paid on the 7th January 2019.



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 the 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 Coll. on the Public Research Institutions, Act No. 420/2005 Coll., Act No. 130/2002 Coll. 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 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 exchanges rates

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 on the day 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, and 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 at 31 December of the relevant year using the CNB exchange rate.

Accounting methods

Effective from January 1, 2018 there were transferred from supplementary activity to a main activity educational programs UPCES (Undergraduate Program in Central European Studies) comprised primarily of B.A. students from American universities studying abroad; and the Masters in Applied Economics (MAE) program, comprised of students who, upon successful completion of the course, receive an American M.A. degree.

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.

Asset write-offs

Long-term assets are written off into the costs based on the estimated lifespan of the given assets. Minor tangible assets (defined by an 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 accounts 990x. In some cases minor tangible assets are registered with an acquisition price lower than CZK 3,000 (e.g. electric hand tools, electrical equipment which undergoes mandatory inspection, mobile phones, iPods, etc.)

Minor intangible assets (defined by an acquisition price exceeding CZK 7,000 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 38, Paragraph 10 of Decree No. 504/2002 Coll., are applied.



4. Supplementary information on the balance sheet

4.1. Long-term assets (thousands of CZK) – Acquisition price

	Opening balance	Gain	Loss	Closing balance	Corrections as at 1.1.18	Write-offs	Corrections as at 31.12.18
Software	1,896	0	203	1,693	-1,808	23	-1,627
Minor intangible assets	581	0	0	581	-581	0	-581
Long-term incomplete intangible assets	0	2,371	0	2,371	0	0	0
Buildings	155,878	14,458	0	170,336	-28,175	3,170	-31,345
Machinery and equipment	12,232	1,489	3,252	10,469	-10,986	317	-8,052
Land	55,523	0	0	55,523	0	0	0
Long-term incomplete tangible assets	7,353	12,781	15,964	4,170	0	0	0
Minor tangible assets	4,634	0	30	4,604	-4,634	0	-4,604
Advances	0	0	0	0	0	0	0
Total 2018	238,097	31,099	19,449	249,747	-46,184	3,510	-46,209

Total amount of minor assets not stated in the balance sheet, in acquisition prices (thousand of CZK)

	Opening balance	Acquisition	Disposal	Closing balance
Account 9901 – tangible assets	6,415	1,329	9	7,735
Account 9902 - software	592	100	0	692
Account 9903 - IT	4,447	1,010	0	5,457
Total	11,454	2,439	9	13,884

Based on inventory, a fully written off minor tangible fixed assets at the amount of CZK 29,682 was discarded. Furthermore, there were discarded long term assets in the amount of 3,455 ths. CZK due to his damage, wear and tear.

The biggest growth of assets in 2018 (thousands of CZK):

- Air conditioning CZK 1,487
- Technical appreciation of the building CZK 14,458

Technical appreciation of the building – in 2018 the reconstruction and modernization of a classroom in the 4th floor as well as its adjacent spaces were finalized.

Balance of the accounts 041 and 042 (Intangible and tangible fixed assets under construction) consist mainly purchases of AV technology. The technology instalation has been done at the beginning of 2019.

The long-term assets fund (account 901) to thousands of CZK 203, 538 as of 31. 12. 2018.



4.2. Receivables (thousands of CZK)

	Year ended 31. 12.2015	Year ended 31. 12.2016	Year ended 31. 12.2017	Year ended 31. 12.2018
311 – Trade receivables	575	249	460	3,305
314 – Operating advances	201	86	83	106
316 – Other (re-invoicing)	0	0	2	0
335 – Receiv. from employees	39	61	54	2
341 – Advance for an income tax	24	44	0	96
378 – Other receivables	36	495	118	5,335
388 – Estimated asset accounts	0	28,066	33,767	36,247
391 - Provision for doubtful receivables	0	-9	0	0
Total	875	28,992	34,484	45,091

As at 31. 12. 2018 the company reports overdue receivables at the amount of CZK 1,000 of which CZK 1,000 is within 30 days after the due date. No adjustments were created for receivables in 2018.

Account 378 – advance payment given to the University of Zurich, co-beneficiary of ERC BEHAVFRICIONS project.

Account 3889 “Estimated asset accounts claim to a non-investment subsidy of the main dealer” at the amount to thousands of CZK 21,187 creates a claim for subsidy, at the amount of depleted resources. Providers of these subsidies are Grant Agency of the Czech Republic, Technology Agency of the Czech Republic and Ministry of Education, Youth and Sports.

Account 38891 “Estimated asset accounts claim to a non-investment subsidy of the co-dealer” at the amount to thousands of CZK 11,513 creates a claim for subsidy, at the amount of depleted resources. Providers of these claimed subsidies are Grant Agency of the Czech Republic, Technology Agency of the Czech Republic.

Balance of an account 3881 „Estimated accrued revenues“ in the amount of 3.547 ths. CZK is consisted by claimed subsidies from foreign providers. The claim is equal to the unspent subsidy in 2018.

Individual subsidies will be dealt with in 2019.

4.3. Other assets

The total amount on transitional active accounts is thousands of CZK 588.

Prepaid expenses at the amount thousands of CZK 551 mainly represent insurance, subscription of newspapers, periodics and online databases that are charged for a period in which the costs occur (according the accrual principles). Accrued income in the amount of 37 ths. CZK represent insurance benefit received in 2019 resulting from a damage caused in 2018 (flooded room in the 3rd floor of building).

4.4. Monetary funds

Monetary fund accounts are fully covered with cash in bank accounts (thousands of CZK):

Funds	Account No.	Year ended 31.12.17	Creation 2018		Withdrawal	Year ended 31.12.18	Change in 2018
			Allocation from the economic profit	Other sources			
Social Fund	912	1,378	0	838	759	1,457	79
Reserve Fund	914	4,997	70	0	4,750	317	-4,680
Purpose Specific Fund	915	11,784	0	19,021	14,387	16,418	4,634
Fixed Assets Reproduction Fund	916	4,292	1,204	11,955	15,152	2,299	-1,993
Total		22,451	1,274	31,814	35,048	20,491	-1,960



4.5. Payables and reserves

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

	Year ended 31.12.2015	Year ended 31.12.2016	Year ended 31.12.2017	Year ended 31.12.2018
Short - term payables	8,929	38,026	44,843	50,915
of which: trade payables	1,263	4,200	5,875	5,919
Long - term payables	0	0	0	0
Provision for maintenance	2,100	2,676	1,800	1,079

In 2018, a reserve was drawn for a repair of study room at the amount thousands of CZK 721.

The remaining part of the reserve will be drawn in 2019.

As at 31. 12. 2018 (thousands of CZK)

Due payables for social security and contribution to the social employment policy	1,622
Due payables for public health insurance	705
Other registered tax arrears	951

Paid for on 7. 1. 2019.

4.6. Other passives

Other liabilities amounted of 124 ths. CZK. This amount is represented by accrued expenses, i.g. costs of year 2018 documented in 2019.

4.7. Comprehensive income *

	Expenses main activity	Revenues main activity	Comprehensive income - main activity	Expenses other activity	Revenues other activity	Comprehensive income - other activity
2018	97,612	98,113	501	654	860	206
2017	82,913	83,842	928	8,513	9,050	537
2016	74,156	74,608	452	4,641	4,864	223
2015	86,596	87,172	576	4,403	4,569	166
2014	87,808	89,059	1,251	4,045	4,317	272
2013	84,779	85,003	224	3,818	3,873	55
2012	72,847	74,170	1,323	2,869	2,902	33

*Income before taxation

Effective from January 1, 2018 there were transferred from supplementary activity to a main activity educational programs UPCES (Undergraduate Program in Central European Studies) comprised primarily of B.A. students from American universities studying abroad; and the Masters in Applied Economics (MAE) program, comprised of students who, upon successful completion of the course, receive an American M.A. degree. The UPCES program is provided by EI in cooperation with the Faculty of Humanities of Charles University and the Faculty of Social Sciences of Charles University and is open to students of Charles University and Erasmus program. Participants learn about the basic issues and problems of Central Europe

4.8. Profit and loss, Income tax

Based on the Supervisory Board decision, the 2017 profit amounted of CZK 1.274 ths. CZK was transferred to the NHU funds, of which 70 ths. CZK to the reserve fund and 1.204 ths. CZK to the asset reproduction fund.



Profit/loss was determined as the difference between the costs and revenues of the main and supplementary activities and is presented in the Profit and Loss Statement. For the purposes of determining the tax base, the provisions of the Income Taxes Act No. 586/1992 Coll. were used. The tax base was reduced in accordance with § 20 para. 7 of Income tax law. Monies gained by this reduction of taxes will be used in following taxation period to cover costs (expenditure) of education and costs of scientific and research activities.

The profit before tax for the 2018 amounted of 708.341,65 CZK. Income tax for the period of 1.1.2018 – 31.12.2018 was 0 CZK.

5. Other supplementary information

Supplementary activity in the profit and loss statement pursuant to Act No. 341/2005 Coll., on Public Research Institutions, corresponds with economic activity in the profit and loss statement pursuant to Decree No. 504/2002 Coll., which implements some of the provisions of the Act No. 563/1991 Coll., on Accounting for accounting units, the principle activity of which is not commercial enterprise and which use double-entry bookkeeping.

In summary lines of the balance sheet and profit and loss statement you cannot find totals of each individual rounded item, but instead their rounded totals and therefore for some items the amount on the summary line does not correspond to a summary of each individual item in thousands of CZK.

The organization has insured property in the amount of CZK 260 million and liability insurance for the insured amount of CZK 30 million.

In 2018, the EI received an operating subsidy amounting to CZK 43.994.000, of which 4.774.000 for the project Strategy AV21. Furthermore, the EI also received CZK 22.577.000 for research and development; of which CZK 12.808.000 was from the Grant Agency CR, CZK 722.000 from the Technology Agency CR and CZK 9.047.000 was from other departments.




In other operational income, the income from rent – CZK 1.340.000 is included and a pro rata portion of depreciation of long term assets, which were bought from the subsidy of CZK 3.328.000 is also posted there.

In the given accounting period, the auditor received a financial reward totaling CZK 79.000 for the audit of the Financial statements of the period 2018.

In 2018 the EI was a recipient of the donations below:

CERGE-EI Foundation - dar 11 855 USD	CZK 260 146,12
CERGE-EI Foundation - dar IDEA 22 760 USD	CZK 499 445,44
CERGE-EI Foundation - dar na GALA 15 600 USD	CZK 342 326,40
CTR group a.s.	CZK 200 000
John James Stack	CZK 18 000
Centrum andragogiky, s.r.o.	CZK 10 000

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	Person responsible for the financial statement
March 25th, 2019	Sergey Slobodyan, Ph.D. 	Ing. Iveta Marková 	Ing. Ivana Burianová, MBA 



Appendix A – PUBLICATIONS¹

Publications in Refereed Journals in 2018 (with impact factor)

Adam, T., Benecká, S., Matějů, J. Financial stress and its non-linear impact on CEE exchange rates. *Journal of Financial Stability*. 2018, **36**(June), 346-360. ISSN 1572-3089. IF 2.032.

Bauer, M., Cahlíková, J., Chytilová, J., Želinský, T. Social contagion of ethnic hostility. *Proceedings of the National Academy of Sciences of the United States of America*. 2018, **115**(19), 4881-4886. ISSN 0027-8424. IF 9.504.

Bauer, M., Fiala, N., Lively, I. Trusting former rebels: an experimental approach to understanding reintegration after civil war. *Economic Journal*. 2018, **128**(613), 1786-1819. ISSN 0013-0133. IF 2.946.

Bogaard, H., Švejnar, J. Incentive pay and performance: insider econometrics in a multi-unit firm. *Labour Economics*. 2018, **54**(October), 100-115. ISSN 0927-5371. IF 1.066.

Boháček, R., Kejak, M. Optimal government policies in models with heterogeneous agents. *Journal of Economic Theory*. 2018, **176**(July), 834-858. ISSN 0022-0531. IF 1.204.

Gaulé, P., Piacentini, M. An advisor like me? Advisor gender and post-graduate careers in science. *Research Policy*. 2018, **47**(4), 805-813. ISSN 0048-7333. IF 4.661.

Gaulé, P. Patents and the success of venture-capital backed startups: using examiner assignment to estimate causal effects. *Journal of Industrial Economics*. 2018, **66**(2), 350-376. ISSN 0022-1821. IF 1.036.

Gossner, O., Steiner, J. On the cost of misperception: general results and behavioral applications. *Journal of Economic Theory*. 2018, **177**(September), 816-847. ISSN 0022-0531. IF 1.204.

Hanousek, J., Shamshur, A., Trešl, J. Investiční rozhodování firem v korupčním prostředí ve střední a východní Evropě [*Innovation decisions in uncertain business environments in CEE countries*]. *Politická ekonomie*. 2018, **66**(3), 287-301. ISSN 0032-3233. IF 0.380.

Hernando-Veciana, Á., Michelucci, F. Inefficient rushes in auctions. *Theoretical Economics*. 2018, **13**(1), 273-306. ISSN 1933-6837. IF 1.737.

Jurajda, Š., Janhuba, R. Gender in banking and mortgage behavior. *Applied Economics Letters*. 2018, **25**(20), 1432-1435. ISSN 1350-4851. IF 0.504.

Kovářík, J., Mengel, F., Romero, J. G. Learning in network games. *Quantitative Economics*. 2018, **9**(1), 85-139. ISSN 1759-7323. IF 1.420.

Maćkowiak, B., Matějka, F., Wiederholt, M. Dynamic rational inattention: analytical results. *Journal of Economic Theory*. 2018, **176**(July), 650-692. ISSN 0022-0531. IF 1.204.

Mittag, N. Two simple methods to improve official statistics for small subpopulations. *Survey Research Methods*. 2018, **12**(3), 181-192. ISSN 1864-3361. IF 0.938.

¹ Only publications with authors or co-authors who are employees of the Economics Institute of the CAS are shown here.

Münich, D., Matějů, P., Straková, J., Smith, M. Structural embeddedness of students' professional expectations: the Czech Republic and Taiwan in comparative perspective. *Compare-A Journal of Comparative and International Education*. 2018, **48**(6), 973-991. ISSN 0305-7925. IF 1.828.

Novotný, J., Urga, G. Testing for co-jumps in financial markets. *Journal of Financial Econometrics*. 2018, **16**(1), 118-128. ISSN 1479-8409. IF 1.686.

Otrachshenko, V., Popova, O., Solomin, P. Misfortunes never come singly: consecutive weather shocks and mortality in Russia. *Economics and Human Biology*. 2018, **31**(September), 249-258. ISSN 1570-677X. IF 2.675.

Payne, B. C., Trešl, J., Friesen, G. C. Sentiment and stock returns: anticipating a major sporting event. *Journal of Sports Economics*. 2018, **19**(6), 843-872. ISSN 1527-0025. IF 1.107.

Pertold, F., Westergaard-Nielsen, N. Firm insurance and sickness absence of employees. *International Journal of Manpower*. 2018, **39**(1), 133-151. ISSN 0143-7720. IF 0.661.

Protivínský, T., Münich, D. Gender bias in teachers' grading: what is in the grade. *Studies in Educational Evaluation*. 2018, **59**(December), 141-149. ISSN 0191-491X. IF 1.099.

Rečka, L., Ščasný, M. Brown coal and nuclear energy deployment: effects on fuel-mix, carbon targets, and external costs in the Czech Republic up to 2050. *Fuel*. 2018, **216**(March), 494-502. ISSN 0016-2361. IF 4.908.

Sidorkin, O., Vorobyev, D. Political cycles and corruption in Russian regions. *European Journal of Political Economy*. 2018, **52**(March), 55-74. ISSN 0176-2680. IF 1.246.

Slobodyan, S. Pitfalls of coordination? *International Journal of Central Banking*. 2018, **14**(3), 337-346. ISSN 1815-4654. IF 1.268.

Velev, J. P., Payne, B. C., Trešl, J., Toledo, W. Implied volatility across geographical markets and asset classes. *Journal of Derivatives*. 2018, **25**(4), 7-23. ISSN 1074-1240. IF 0.500.

Publications in Refereed Journals in 2018 (no impact factor)

Brada, J. C., Wachtel, P. Comparative Economic Studies and comparative economics: six decades and counting. *Comparative Economic Studies*. 2018, **60**(4), 638-656. ISSN 0888-7233.

Federičová, M., Pertold, F., Smith, M. L. Children left behind: self-confidence of pupils in competitive environments. *Education Economics*. 2018, **26**(2), 145-160. ISSN 0964-5292.

Korbel, V., Paulus, M. Do teaching practices impact socio-emotional skills? *i.Education Economics*. 2018, **26**(4), 337-355. ISSN 0964-5292.

Books in 2018

Chapters in Books in 2018

Anatolyev, S., Khabibullin, R., Prokhorov, A. Estimating asymmetric dynamic distributions in high dimensions. In: Alcock, J., Satchell, S., eds. *Asymmetric dependence in finance: diversification, correlation and portfolio management in market downturns*. Chichester: Wiley, 2018, p. 169-220. ISBN 9781119289012.

Tsai, S. L., Smith, M. L., Hauser, R. M. Gender gaps in student academic achievement and inequality. In: Park, H., Kao, G., eds. *Research in the sociology of education*. 20. Bingley: Emerald Publishing, 2018, p. 181-218. ISBN 978-1-78769-078-3.

Other External Publications in 2018

Audzei, V., Slobodyan, S. *Sparse restricted perception equilibrium*. Praha: Czech National Bank, 2018. 43 p. CNB Working Paper Series, 8/2018. ISSN 1803-7070.

Bartoš, V., Bauer, M., Chytilová, J., Lively, I. *Effects of poverty on impatience: preferences or inattention?* London: Centre for Economic Policy Research, 2018. 62 p. CEPR discussion paper series, 13102. ISSN 0265-8003.

Bauer, M., Cahlíková, J., Celik Katreniak, D., Chytilová, J., Cingl, L., Želinský, T. *Anti-social behavior in groups*. London: Centre for Economic Policy Research, 2018. 51 p. CEPR discussion paper series, 13315. ISSN 0265-8003.

Bedoya, G., Bittarello, L., Davis, J., Mittag, N. *Distributional impact analysis: toolkit and illustrations of impacts beyond the average treatment effect*. Bonn: IZA, 2018. 67 p. IZA discussion paper series, 11863.

Bohatá, M., Putnová, A., Rašticová, M., Bédiová, M., Cebáková, A. *Metodika hodnocení společenské efektivity institucí vykonávajících veřejné politiky [Methodology for assessing social effectiveness of institutions executing public policies]*. 2018.

Borga, L. G. *The role of early intervention on childhood skill formation*. Prague: Charles University, CERGE, 2018. 117 p.

Gorodnichenko, Y., Revoltella, D., Švejnar, J., Weiss, C. T. *Resource misallocation in European firms: the role of constraints, firm characteristics and managerial decisions*. Bonn: IZA, 2018. 43 p. IZA discussion paper series, 11401.

Hagemejer, J., Švejnar, J., Tyrowicz, J. *Are rushed privatizations substandard? Analyzing firm-level privatization under fiscal pressure*. Warszawa: FAME, GRAPE, 2018. 32 p. GRAPE Working Papers, 27. ISSN 2544-2473.

Hagemejer, J., Švejnar, J., Tyrowicz, J. *Are rushed privatizations substandard? Analyzing firm-level privatization under fiscal pressure*. Bonn: IZA, 2018. 37 p. IZA discussion paper series, 11517.

Janhuba, R. *Essays on sports economics*. Prague: Charles University, CERGE, 2018. 125 p.

Kapička, M., Kydland, F. E., Zarazaga, C. E. *Argentina's "missing capital" puzzle and limited commitment constraints*. Dallas: Federal Reserve Bank of Dallas, 2018. 26 p. 1815.

Kovač, D. *Essays on conflicts and human capital accumulation*. Prague: Charles University, CERGE, 2018. 130 p.

Matysková, L. *Essays on information economics*. Prague: Charles University, CERGE, 2018. 76 p.

Matysková, L., Rogers, B., Steiner, J., Sun, K.-K. *Habits as adaptations: an experimental study*. London: Centre for Economic Policy Research, 2018. 25 p. CEPR discussion paper series, 13300. ISSN 0265-8003.

Meyer, B. D., Mittag, N. *Misreporting of government transfers: how important are survey design and geography?* Bonn: IZA, 2018. 34 p. IZA discussion paper series, 12038.

Meyer, B. D., Mittag, N., Goerge, R. M. *Errors in survey reporting and imputation and their effects on estimates of food stamp program participation*. Bonn: IZA, 2018. 34 p. IZA discussion paper series, 11776.

Pleticha, P. *Entrepreneurship in the information age: an empirical analysis of the European regions*. Prague: Charles University, IES FSV, 2018. 23 p. IES Working Papers, 26/2018.

Sargsyan, V. *Integration of migrants in European countries: first and second generations*. Praha: CERGE-EI, 2018. 27 p. CERGE-EI discussion paper series, 2018 - 251.

Sargsyan, V. *Essays on citizenship policies and immigrant integration*. Prague: Charles University, CERGE, 2018. 97 p.

Sidorkin, O., Vorobyev, D. *Extra votes to signal loyalty: regional political cycles and national elections in Russia*. Regensburg: Institut für Ost- und Südosteuropaforschung, 2018. 30 p. IOS Working Papers, 376. ISSN 2199-9465.

Records are available at ASEP database

(<http://www.library.sk/i2/i2.entry.cls?ictx=cav&language=2&op=esearch>)

Citation analysis for 2018

Citation analyses are regularly created by the Jan Kmenta CERGE-EI Library. A record is kept of how many times individual authors were cited in the Web of Science Core Collection database (using Cited Reference Search, without Proceedings) and in the Scopus database (Scopus documents only). Self-citations are excluded. Data are current as of January 2019.

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 Web of Science Citation Report (Core Collection).

EI 2018			
NAME	WoS	Scopus	h-index
Senior Researchers			
Stanislav ANATOLYEV	22	23	6
Jozef BARUNÍK	171	177	10
Michal BAUER	54	56	6
Alena BIČÁKOVÁ	7	0	1
Marie BOHATÁ	4	2	2
Radim BOHÁČEK	3	4	2
Josef BRADA	66	68	14
Zdeněk DRÁBEK	23	9	6
Patrick GAULÉ	34	27	6
Max GILLMAN	16	17	9
Jan HANOUSEK	71	97	13
Julie CHYTILOVÁ	52	55	6
Byeongju JEONG	2	3	3
Štěpán JURAJDA	38	28	9
Marek KAPIČKA	11	8	4
Michal KEJAK	5	9	8
Miloš KOPA	38	56	12
Jaromír KOVÁŘÍK	25	36	6
René LEVÍNSKÝ	4	6	2
Jitka MALEČKOVÁ	48	57	4
Filip MATĚJKA	31	38	5
Fabio MICHELUCCI	1	3	3
Nikolas Karl MITTAG	20	2	1
Daniel MÜNICH	40	30	6
Andreas ORTMANN	128	118	15
Olga POPOVA	9	13	1
Mariola PYTLÍKOVÁ	89	85	7
Ondřej RYDVAL	8	9	4
Anastasiya SHAMSHUR	7	12	2
Ctirad SLAVÍK	1	1	2
Sergey SLOBODYAN	12	16	6
Michael Lee SMITH	6	13	5
Martin SRHOLEC	95	100	10
Jakub STEINER	10	11	5
Jan SVEJNAR	142	143	22

Jiří TREŠL	7	5	1
Jan ZÁPAL	12	7	5
Krešimir ŽIGIĆ	6	7	4
Pavla ŽÍŽALOVÁ	17	17	6
Postdoctoral Fellows			
Klára KALÍŠKOVÁ	4	2	2
Ján PALGUTA	10	6	1
Alexandra PROKOSHEVA	4	5	2
Sherzod TASHPULATOV	3	2	2
Dmytro VIKHROV	5	5	3
Total EI	1361	1388	

Internal publications

CERGE-EI Working Papers (ISSN 1211-3298)

- 614. Matysková, L. Bayesian Persuasion with Costly Information Acquisition, March 2018, 40 p.
- 615. Hradil, V. Does Minimum Wage Affect Workplace Safety?, March 2018, 35 p.
- 616. Borgia, L.G and Pidkuyko, M. Whoever Has Will Be Given More: Child Endowment and Human Capital Investment, March 2018, 41 p.
- 619. Anatolyev. S., Seleznev. S., and Selezneva. V. Formation of Market Beliefs in the Oil Market, June 2018, 44 p.
- 621. Jehiel, P. a Steiner, J. Selective Sampling with Information-Storage Constraints, July 2018, 41 p.
- 622. Bičáková, A., Cortes, G.M., and Mazza, J. Caught in the Cycle: Economic Conditions at Enrollment and Labor Market Outcomes of College Graduates, July 2018, 51 p.
- 623. Bartoš, V., Bauer, M., Chytilová, J., and Lively, I. Effects of Poverty on Impatience: Preferences or Inattention? August 2018, 40 p.
- 628. Jibuti, D. Discrimination Against Workers with Visible Tattoos: Experimental Evidence from Germany, October 2018, 37 p.
- 629. Sargsyan, V. Social Integration of Immigrants and the Attitude of the Native Population in European Countries, November 2018, 39 p.
- 630. Palguta, J. and Pertold, F. Do Higher Wages Produce Career Politicians? Evidence from Two Discontinuity Designs, November 2018, 56 p.
- 632. Bauer, M., Cahlíková, J., Celik Katreniak, D., Chytilová, J., Cingl, L., and Želinský, T. Anti-social Behavior in Groups, November 2018, 51 p.
- 634. Agarwal, R. and Gaulé, P. Invisible Geniuses: Could the Knowledge Frontier Advance Faster? December 2018, 63 p.

Publications within the IDEA project

Bičáková, A., Kalíšková, K. *The low-skilled in the Czech Republic*. Praha: Národohospodářský ústav AV ČR, v. v. i., 2018. 54 p. Studie IDEA, 3/2018. ISBN 978-80-7344-445-7.

Hanousek, J., Jurajda, Š. *Názvy firem a jejich vliv na firemní výkonnost* [Company names and their influence on company productivity]. Národohospodářský ústav AV ČR, v. v. i., 2018. 16 p. Studie IDEA, 2/2018.

Kalíšková, K., Šoltés, M. *Dopady odkládaného zrušení superhrubé mzdy* [The consequences of the postponed abolishment of super gross wages]. Národohospodářský ústav AV ČR, v. v. i., 2018. 24 p. Studie IDEA, 12/2018. ISBN 978-80-7344-476-1.

Krajčová, J., Münich, D. *Intelektuální dovednosti českých učitelů v mezinárodním a generačním srovnání* [Czech teachers' intellectual skills in international and generational comparison]. Národohospodářský ústav AV ČR, v. v. i., 2018. 32 p. Studie IDEA, 3/2018. ISBN 978-80-7344-467-9.

Münich, D., Smolka, V. *Vyšší platy učitelů, sliby, sliby, sliby* [Higher teachers' salaries: Promises, promises, promises]. Národohospodářský ústav AV ČR, v. v. i., 2018. 24 p. Studie IDEA, 5/2018. ISBN 978-80-7344-462-4.

Münich, D., Protivínský, T. *Co skrývají známky na vysvědčení?* [What's behind the grades on Czech school certificates.]. Národohospodářský ústav AV ČR, v. v. i., 2018. 24 p. Studie IDEA, 1/2018. ISBN 978-80-7344-444-0.

Palguta, J., Pertold, F. *Dopady vyšších platů politiků na volby do zastupitelstev obcí* [The impact of higher wages of politicians on municipal elections]. Národohospodářský ústav AV ČR, v. v. i., 2018. 20 p. Studie IDEA, 11/2018. ISBN 978-80-7344-468-6.

Pertold, F. *Dopady zavedení karenční doby v roce 2008 na pracovní neschopnost* [The impacts of introducing the waiting period in 2008 for sick leave]. Národohospodářský ústav AV ČR, v. v. i., 2018. 16 p. Studie IDEA, 13/2018. ISBN 978-80-7344-477-8.

Pertold-Gebicka, B. *Dopady reformy rodičovských příspěvků v roce 2008 na pracovní zařazení matek* [Impact of parental benefits reform in 2008 on mothers' occupational allocation]. Národohospodářský ústav AV ČR, v. v. i., 2018. 20 p. Studie IDEA, 8/2018. ISBN 978-80-7344-465-5.

Pertold, F., Šatava, J. *Obezita v České republice: mezinárodní srovnání s využitím dat z projektu SHARE* [Obesity in the Czech Republic: an international comparison using data from the SHARE project]. Národohospodářský ústav AV ČR, v. v. i., 2018. 28 p. Studie IDEA, 9/2018. ISBN 978-80-7344-466-2.

Pertold, F., Zapletalová, L. *Komu školka (ne)pomůže? Zkušenost ze série reforem předškolní péče v Německu* [Who does preschool (not) help? Experience from a series of reforms to early and preschool care in Germany]. Národohospodářský ústav AV ČR, v. v. i., 2018. 20 p. Studie IDEA, 6/2018. ISBN 978-80-7344-463-1.

Šatava, J. *Průvodce seniora: Jak neprodělat při předčasném odchodu ze zaměstnání* [Senior guide: How not to lose income while taking early retirement]. Národohospodářský ústav AV ČR, v. v. i., 2018. 32 p. Studie IDEA, 7/2018. ISBN 978-80-7344-464-8.

CERGE-EI, a joint workplace of the Economics Institute of the Czech Academy of Sciences and Charles University, published 14 CERGE-EI Research Seminar Series Papers, which in some cases may have been reprints of already published work.

Appendix B – RESEARCH PROJECTS AND GRANTS

Projects Aimed to Support Excellence in Basic Research

Title: *Vztahy mezi dovednostmi, vzděláváním a výsledky na trhu práce: longitudinální studie (SKILLS) [The Relationships between Skills, Schooling and Labor Market Outcomes: A Longitudinal Study]*

Grant Agency: Czech Science Foundation – Grantová agentura České republiky

Grant No.: P402/12/G130

Coordinator: Jan Švejnar

Partners: David Greger, Pedagogical Faculty, Charles University, Prague
Daniel Münich
Jiří Večerník, National Training Fund, Prague

Starting Date: January 2012

Ending Date: December 2018

Annotation: The project aims to propose multidisciplinary research jointly with its data collection program to investigate the formation of skills and their role on the labor market in the Czech Republic. A team of labor and experimental economists, sociologists, and educational experts will design and collect new surveys and experimental data sets to produce currently unavailable information on individuals, families and schools with regard to the formation of skills, attitudes and preferences. Using these new, as well as existing data, the project will conduct a series of studies in four major areas of research: the relationship between skills and labor market outcomes, including earnings and employment; the formation of preferences related to skill development; the allocation of students among schools and the effects of sorting on achievement; and the determinants of the distribution of school and teacher effectiveness, with its related methodological issues. This research is expected to generate findings relevant to Czech policy formation as well as cutting-edge research that will be published in leading journals.

Title: *Dynamika změny v české společnosti (DYNAMICS) [Dynamics of Change in Czech Society]*

Grant Agency: Czech Science Foundation – Grantová agentura České republiky

Panel No.: P404

Grant No.: 14-36154G

Coordinator: Pat Lyons, Institute of Sociology of the CAS, v.v.i., Prague

Partners: Michael L. Smith
Tomáš Katrňák, Masaryk University, Brno

Starting Date: January 2014

Ending Date: December 2018

Annotation: This project will examine the dynamics of change in Czech society using a household panel survey research design. Applying insights from sociology, economics and politics, this study will examine five themes: family life, time use and income management; education and the labor market; social stratification; housing choices and inequalities; and political participation and civil society. Theories and models of many facets of social change will be examined using individuals' attitudes, preferences and behavior within the context of the household. Time use data and repeated surveys of children will

provide evidence of how daily life is spent and the process of socialization in which the next generation of citizens is prepared for participation in Czech society. Advanced statistical methods will be used to test explanatory models. This project will both chart the process of social change as well as contribute to the training of the next generation of Czech social scientists.

European Commission Grants and Research Projects

Title: *Dynamic Optimal Taxation with Human Capital Formation (OPTITAX)*
Program: Seventh Framework Programme, Marie-Curie Action: Career Integration Grants
Granting Body: European Commission
Contract No.: 631738
Coordinator: Marek Kapička
Starting Date: May 2014
Ending Date: April 2018 (prolonged to September 29, 2018)

Title: *Behavioral and Policy Implications of Rational Inattention (INATTENTION)*
Program: H2020, ERC Starting Grant
Granting Body: European Commission
Contract No.: 678081
Coordinator: Filip Matějka
Starting Date: April 2016
Ending Date: March 2021

Title: *Behavioral Implications of Information-Processing Frictions (BEHAVFRICTIONS)*
Program: H2020, ERC Consolidator Grant
Granting Body: European Commission
Contract No.: 770652
Coordinator: Jakub Steiner
Partners: University of Zurich
Starting Date: June 2018
Ending Date: May 2023

Strategy AV21 Research Programs

Title: *Efektivní veřejné politiky a současná společnost [Effective public policies and contemporary society]*
Program: Strategie AV21 Akademie věd České republiky [Strategy AV21 of the Czech Academy of Sciences]
No.: -
Granting Body: The Czech Academy of Sciences
Coordinator: Daniel Münich
Contracting Parties: Institute of Sociology of the CAS, Institute of Ethnology of the CAS, Institute of State and Law of the CAS
Starting Date: January 2015
Ending Date: 2019

Annotation: *The aim of the project is to promote excellent research results in public and media. IDEA, as the main coordinator of the program, cooperates with other research institutions (Institute of Sociology of the CAS, Institute of Ethnology of the CAS, Institute of State and Law of the CAS). The program aims to promote scientific outcomes by writing academic and public policy studies and organizing research seminars, conferences and press conferences. IDEA's main research topics in this program are education (mainly teachers' wages), gender, tax-benefits analysis, taxes and social benefits, demography, pension system, energetics and environment.*

Title: *Mimořádná aktivita Analýzy VaVal [auxiliary activity Analyses of RDI]*
Program: Strategie AV21 Akademie věd České republiky [Strategy AV21 of the Czech Academy of Sciences]
No.: -
Granting Body: The Czech Academy of Sciences
Coordinators: Daniel Münich, Martin Srholec
Starting Date: September 2015
Ending Date: 2019

Annotation: The aim of the project is to provide evidence-based support for Research, Development and Innovation (RDI) policies in the Czech Republic and beyond. The main topics of this activity are the evaluation of research results and organizations, including bibliometric and scientometric studies, and evaluation of government support programmes for RDI, both direct, through subsidies and grants, and indirect, through tax credits. The project is organized under the auspices of IDEA and the results are widely disseminated as studies, interactive web applications, seminars and promoted in both traditional and new media.

Other Grants and Research Projects in Progress

Title: *Inovační aktivity v globálních produkčních sítích: evidence z českého podnikatelského sektoru [Innovation activities in global production networks: Evidence from Czech business enterprises]*
Grant Agency: Czech Science Foundation - Grantová agentura České republiky
Panel No.: P403
Grant No.: 17-09628S
Coordinator: Pavla Žížalová
Partner: Martin Srholec, CERGE, Charles University
Starting Date: January 2017
Ending Date: December 2019

Title: *Ekonomické a sociální determinanty nesnášenlivosti [Economic and Social Determinants of Hostility]*
Grant Agency: Czech Science Foundation - Grantová agentura České republiky
Panel No.: P402
Grant No.: 17-13869S
Coordinator: Julie Chytilová
Starting Date: January 2017
Ending Date: December 2019

Title: *Informace v teorii her [On Informational Aspects in Games]*
Grant Agency: Czech Science Foundation - Grantová agentura České republiky
Panel No.: P402
Grant No.: 17-19672S
Coordinator: René Levínský
Partner: Miroslav Zelený, Faculty of Mathematics and Physics, Charles University
Starting Date: January 2017
Ending Date: December 2019

Title: *Behaviorální heterogenita ve strategických situacích [Behavioral Heterogeneity in Strategic Situations]*
Grant Agency: Czech Science Foundation - Grantová agentura České republiky
Panel No.: P402
Grant No.: 17-25222S
Coordinator: Jaromír Kovářík
Starting Date: January 2017
Ending Date: December 2019

Title: *Ekonomický dopad investičních sporů [The Economic Impact of Investment Disputes]*
Grant Agency: Czech Science Foundation - Grantová agentura České republiky
Panel No.: P402
Grant No.: 18-04630S
Coordinator: Zdeněk Drábek
Starting Date: January 2018
Ending Date: December 2020

Title: *Etika ve veřejné správě [Ethics in Public Administration]*
Grant Agency: Technology Agency of the Czech Republic – Technologická agentura České republiky
Grant No.: TL01000260
Coordinator: Marie Bohatá
Partners: Martina Rašticová, Faculty of Business and Economics, Mendel University in Brno (MENDELU)
Anna Putnová, Faculty of Business and Management, Brno University of Technology (VUT)
Starting Date: February 2018
Ending Date: June 2021

Title: *Survey of Health, Ageing and Retirement in Europe - účast České republiky (SHARE-CZ)*
Grant Agency: Ministry of Education, Youth and Sports – Ministerstvo školství, mládeže a tělovýchovy České republiky
Grant No.: LM2015052
Coordinator: Radim Boháček
Starting Date: January 2016
Ending Date: December 2019

Title: *SHARE-CZ+ Národní výzkum stárnutí [SHARE-CZ+ National Research on Aging]*
Grant Agency: Ministry of Education, Youth and Sports – Ministerstvo školství, mládeže a tělovýchovy České republiky
Grant No.: CZ.02.1.01/0.0/0.0/16_013/0001740
Coordinator: Radim Boháček
Starting Date: January 2017
Ending Date: December 2020

Title: *Linking Data to Measure Material Well-Being and Improve Surveys*
Grant Agency: Alfred P. Sloan Foundation
Grant No.: -
Coordinator: Bruce D. Meyer, Harris School of Public Policy, University of Chicago, USA
Local scientist in charge: Nikolas Mittag
Starting Date: June 2017
Ending Date: May 2020

Other Grants and Research Projects Completed in 2018

Title: *Správa a řízení společností v mezinárodním prostředí - Nové poznatky [International Governance: Revisited]*
Grant Agency: Czech Science Foundation - Grantová agentura České republiky
Panel No.: P403
Grant No.: 16-20451S
Coordinator: Jiří Trešl
Starting Date: January 2016
Ending Date: December 2018

Title: *Worker Flows, Match Quality and Productivity – Evidence from European Micro Data*
Program: Leibniz-Gemeinschaft (Senatsausschuss Wettbewerb – SAW)
Grant no.: SAW-16-RWI-2
Coordinator: Ronald Bachmann, Leibniz Institute for Economic Research (dříve Rheinisch-Westfälisches Institut für Wirtschaftsforschung), Germany
Partners: Sebastian Braun, Kiel Institute, Germany
Kenneth Lykke Sørensen, Aarhus University, Denmark
Filippo di Mauro, Competitiveness Research Network
Joel Stiebale, Heinrich Heine University Düsseldorf, Germany
Henning Weber, Deutsche Bundesbank, Germany
Local scientist in charge: Nikolas Mittag
Starting date: January 2016
Ending date: December 2018

Appendix C

Annual Report of the Economics Institute of the CAS, about the provision of information according to law no. 106/1999 Coll. on free access to information, as amended, for the period from January 1, 2018 to December 31, 2018

a)	Number of applications demanding information	0
	Number of issued decisions about the rejection of applications	0
b)	Number of submitted appeals to rejected decisions	0
c)	Number of court decisions regarding the re-examination of the legality of the decision to reject an application	0
d)	Number of exclusive licenses provided	0
e)	Number of complaints submitted according to § 16a of the law	0