

Annual Report 2008

Institute for Economic and Social Reforms – INEKO
www.ineko.sk

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Structure of the Institute

INEKO is a member of INEKO Group which is being created by several existing research institutes: The Center for Economic Development (CPHR, or CED), Transparency International Slovakia (TIS), Business Alliance of Slovakia (PAS), Junior Achievement Slovakia (JAS) and Slovak Governance Institute (SGI).

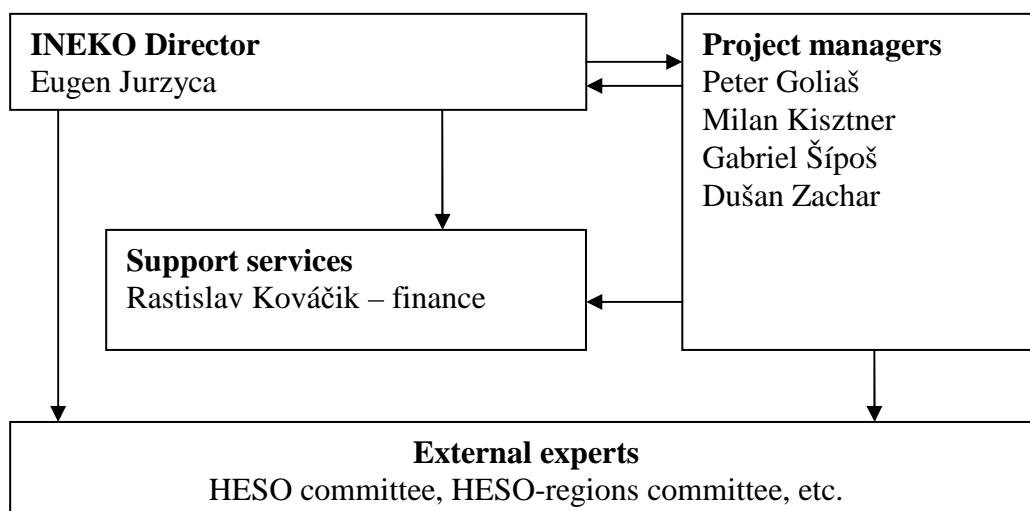
The INEKO Group's goal was to bring different NGOs physically to one area and thus, to encourage common building of infrastructure. This goal has been accomplished – we work together, we built common infrastructure, we can share knowledge and some facilities, which makes our work more efficient. The intensity of cooperation within INEKO Group reached its peak between 2000 and 2003, when INEKO largely financed the infrastructure of INEKO Group members (rent, energy, office equipment, phone, internet, etc.). In 2004 this support was gradually declining and ceased completely since 2005. Nowadays, all members cover their entire infrastructure individually. However, all institutes cooperate further on an informal (discussions, consultations) as well as formal basis (common projects, personal links).

The Institute is governed by the Board and managed by a Director. The Board includes the heads of the separate organizations that have established the Institute and some other individuals. It has a rotation membership lasting 5 years. In 2008, the Board had following members: Ján Figel', Grigorij Mesežnikov, Ľuboš Vagač, Rastislav Kováčik, Eugen Jurzyca, Ján Tóth, David Frankel. The Director has been appointed by the Board and the Board members have been appointed by the founders¹. The Board members meet irregularly to discuss the results of INEKO projects and plans for the future.

The Institute budget supports two broad functions: the management, infrastructure and service staff to coordinate effective policy research, and selected projects.

The Institute has developed a small-specialized staff, which also draws on existing capacity in cooperating organizations. Its work involves identifying barriers to economic efficiency and developing policies designed to remove these barriers. The staff development aims at deepening the know-how in the process of preparation and implementation of reforms. INEKO does not plan to hire experts on selected sectors of the economy. These experts will be contracted externally if needed in a particular project. INEKO people should understand reforms and be capable to propose and realize useful changes across all sectors in the economy. INEKO staff knowledge develops mainly through on-the-job-learning while working on particular reform projects, studying relevant literature and, though financially limited, attending international conferences.

¹ Katarina Vajdova, Daniela Zemanovicova, Eugen Jurzyca.

Organization Chart:

The Institute has also established an international Advisory Committee. Members come from policy research institutes, some outside of Slovakia, business and finance, the media, and other sectors with relevant expertise and commitment to the goals of the Institute. In 2008, the Advisory Committee had following members: Ivan Mikloš, Lajos Bokros, Brigita Šmögnerová, Michal Mejstřík, Peter Weitz in memoriam.

Legal statute: The Institute is incorporated as an association of citizens².

² Act No.: 83/1990 Coll. of Laws on Association of Citizens

Mission & Environment

Mission: The Institute's mission is to support a rational and efficient economic and social reform process in the Slovak Republic (SR), through research, information development and dissemination, advice to senior government, political and self-governing officials, and promotion of the public discussion. It also focuses on those areas of social policy on the regional as well as the European level critical to the economic transformation of the SR. It draws on the best experience available from other transition countries and members of the European Union (EU) and the OECD.

Environment: The Institute's initiative responds to the serious need for independent Slovak support for the economic reform challenges facing the government and the regional entities in the time of implementing the crucial structural reforms. This support is still not available from understaffed public bureaucracies or existing private organizations. In this environment, the Institute leadership identifies 4-5 key areas in which analysis and information is needed to support the reform process. Firstly, the Institute monitors and comments developments in all selected areas. This is less difficult and costly. As soon as it becomes evident, which area becomes subject to a major reform, the Institute narrows its focus and starts in depth analyses of 1-2 selected reforms.

In 2008, the Institute focused on reflecting the situation after the 2006 parliamentary election, when a government of social-democratic party Smer (led by Mr. Fico), SNS (led by Mr. Slota) and HZDS (led by Mr. Mečiar) came into power. After several months it became clear, that the new government was rather backward-looking and anti-reform. For instance, it has virtually canceled healthcare reform and proposed changes in the regulation of natural monopolies that strengthen political influence and put the country several years ago. For the Institute, this means limited space for the cooperation on the reform process. Therefore, we rather focused on involving the independent experts into monitoring and evaluating government steps and on the public education aimed at fostering the reform-friendly environment.

Staff

INEKO had 6 regular employees and fellow workers in 2008.

Director: Eugen Jurzyca



Eugen Jurzyca was born in Bratislava, Slovakia in 1958. He worked for the Center for Economic Development, Antimonopoly Office of the Slovak Republic, he served as a Member of the Bank Council of the National Bank of Slovakia (from December 1, 2000 to December 2001), Member of the Alliance for Transparency and against Corruption, consultant to the OECD and the World Bank. Mr. Jurzyca graduated from the Economics University in Bratislava, he was trained in economics at Georgetown University, Washington, D.C. (1993), and marketing at Open University Bratislava (1991-1992).

Analysts: Peter Goliaš, Milan Kisztner, Gabriel Šípoš, Dušan Zachar
Economic Department: Rastislav Kováčik

Program

The focus of work supported by the Institute is being determined by a careful analysis of public opinion, government priorities and options as well as by the analysis of the Brussels policy. It has already changed and will be a continually changing agenda. In 2008, issues at the center of Slovak government concern and relevant to the Institute's activities included:

- Euro adoption
- social security reform;
- health care reform;
- public finance (tax) reform;
- reform of education.

The Institute has developed a small-specialized staff, which together with the founders and other Board members, as well as Advisors developed the agenda of Institute activities. Its work involves identifying barriers to economic efficiency and developing policies designed to remove these barriers. The identified barriers include:

- lack of the high-quality reform-related information;
- growing populism among politicians;
- difficult orientation in the complicated legislative process;
- still insufficient quality, ethics and economic literacy of media.

Through research, analysis, expert forums and working groups, public discussion and other means, the Institute develops policy options and strategies for presenting these effectively to the relevant audiences. It should be able to provide some of the policy development services that the public administration cannot. By providing feedback on government economic and social measures, organizational support, additional financial resources for research and project development, and coordination of presentations to public officials the Institute has a significant influence on the private, non-commercial contribution to policy.

PROJECTS

HESO-Slovakia

Project “*Evaluation of Economic and Social Measures*” results for the second half of 2007, and the first, second and third quarters of 2008 came out in February, May, September and December 2008 respectively. The results showed mostly negative average ratings of measures evaluated. This means that on average, the measures taken by the government harm the economy. Project results are publicly available on: www.ineko.sk and on the HESO-project web-site: <http://www.ineko.sk/static/heso/> (in Slovak). The Experts’ Committee consisting of up to 60 experts evaluated the most important economic and social measures proposed or adopted in the Slovak Republic as well as in the EU. The evaluation committee consists of experts from Slovakia; some experts are from the Czech Republic, Hungary, Austria, United Kingdom, and Canada. Their opinion should help public to identify which measures have contributed to the economic and social development in Slovakia and which have slowed down the economic and social progress; i.e. which measures they should support and which not. The Institute disseminates project results as a press report. They are frequently quoted by the Slovak media.

In June 2008, the “**SLOVAKIA 2007**” publication was published and afterwards distributed. There are two editions: the Slovak edition (124 pages) and the English edition (94 pages). The „*SLOVAKIA 2007*“ publication maps the HESO (Evaluation of Economic and Social Measures) project results during the period of January 2007 to December 2007. It follows six previous HESO publications, which covered results from the beginning of the Project in April 2000. The publications contain description and evaluation of selected important and/or interesting economic and social measures/reforms of the monitored period in the Slovak Republic as well as in the EU. The electronic editions (both Slovak and English) are publicly available on INEKO webpage.

HESO-Regions

The project **monitoring the best practices of the municipalities and regional administrations** continued with the publication of its results for the last quarter of 2007 and four quarters of 2008. The project results have been disseminated to both local decision-makers as well as to the public through national media. By publishing the results for the last quarter of 2008, INEKO closed the project. However, the Center for Economic Development (CED) started to implement its own version of the project. The main goal of this project was to monitor and evaluate the measures taken by municipalities. It served as a source of the information and expert advice for municipalities and citizens. Thus it should support the implementation of the most successful proposals and discourage the implementation of the least successful ones. For results see <http://www.ineko.sk/heso-regiony/> (in Slovak).

Feedback on Populism: Unrealistic Promises and Inefficient Government Spending

In 2008, we continued in implementation of the three-year project “**Feedback on populism**”. This project is a direct reaction on the result of the parliamentary elections in 2006, after which a government of social-democratic party Smer (led by Mr. Fico), SNS (led by Mr. Slota) and HZDS (led by Mr. Mečiar) came into power in Slovakia. Generous promises to improve social standards of people played a key role in their success. We believe there is a risk that most of the promises have either no or inefficient solutions (the efficiency means the best possible desired results relative to costs involved). This is how we define **populism – popular promises without solutions or with bad (inefficient) solutions**. Populism is dangerous because it does not solve real problems, and, on the opposite, generates new ones. Moreover, it weakens the sense of democratic elections. If the politicians compete more by lying than by solving problems, people lose chances for reasonable choice. It is important to have an independent oversight of government activities, helping people to recognize populist promises and to demand efficient solutions. The project aims at systematic reduction of the populism in two basic ways:

1. Feedback on promises:

The project mirrors all the promises related to social and economic issues government has made through the period 2006-2009 and the real fulfillment of them. Thus, it **puts in contrast promises and reality**. We put emphasis on involving independent experts to monitor government measures, analyze them, and comment on their accord with promises, and, if applicable, the reasons why politicians adjusted their promises over time. This information is being published in media.

In 2008, we published seven analyses contrasting the reality and the pre- and post-election promises of government representatives in seven different sectors of the public governance. The analyses are based mainly on hard (statistical) data that proved to be more effective when revealing populist promises compared to the expert opinion. This is mainly because the government does not listen to the experts’ opinion, but it rather attacks their credibility. The analyses covered following areas:

- **Economic policy** (March 3rd, 2008): The government fulfilled less than half of its promises. It concentrated mostly on fulfilling popular promises and less on useful promises. For example, the government stopped privatization, and slowed down the growth of the household energy prices. On the other hand, it does not meet its promise to improve business environment (most indicators show it is worsening) and it has not decreased tax on gas fuels. The analyses remembered that the leading government party Smer presented 5 proposals to decrease the fuel taxes in the previous election period 2002-2006. At that time, Mr. Fico, who is a leader of the Smer and the prime minister today, wrote an open letter to the biggest Slovak daily Nový Čas where he asked for lowering gas taxes and promised to do so after coming to the power. Nowadays, the prices of motor fuels are on record high but the taxes remain the same. The analysis was frequently quoted by the media. It is available on internet (in Slovak only): http://www.ineko.sk/file_download/275

- **Transport policy** (March 28th, 2008): The government fulfilled minimum of its promises regarding transport. The analysis revealed that the government's promises were unrealistic, that it had no real strategy before elections, and that it fails in managing financially and technically demanding projects. For example, before elections the leading party Smer recommended to start just small public-private partnership (PPP) projects in building highways with maximum 20 kilometers in length and SKK 15 billion in costs. After elections, it started huge PPP projects in building highways with 150 kilometers in length and SKK 150 billion in costs. Before elections, Mr. Vážny from Smer warned against too expensive PPP projects. After elections, he became their strongest supporter as a Minister of Transport. These findings were frequently quoted by the media. The analysis is available on internet (in Slovak only): http://www.ineko.sk/file_download/290

- **Rule of law and transparency** (May 7th, 2008): After almost 2 years in power, the government fulfilled only one third of its promises regarding rule of law and transparency. The main problem is its fight against corruption and for stable legislation, as well as its promise to increase transparency of the government. The reality is different – there are several scandals revealing non-transparency and suspicions of corruption on the highest level of government and public institutions. For example, the Ministry of Defense had to cancel three public procurement tenders for cleaning services that were scandalously overvalued – the Minister of Defense, Mr. Kašický from the party Smer had to step down after enormous media pressure. Other examples are the restitutions of the land at the Slovak Land Fund which transferred land to some private persons connected to the government party HZDS and its leader Mr. Mečiar for a fraction of its market value. In general, the media and the NGOs register decline in transparency of the government. The government also fails in adopting measures that would decrease corruption in the future. The analysis is available on internet (in Slovak only): http://www.ineko.sk/file_download/297

- **Health care** (July 22nd, 2008): In the middle of the election period, the government fulfilled 36% of its promises in health care. The success of the opinion opposition to the government was that it did not fulfill its promise to centralize and nationalize the health insurance market. However, it fulfilled several popular promises that are rather bad for the country. Thus it cancelled symbolic fees for seeing a doctor or staying at a hospital, or stopped privatization of providers. Unfortunately, the government did not fulfill several promises that are rather good for a country such as creating a fund for financing serious illnesses, supporting voluntary health insurance, lowering debts, supporting prevention, or simplifying the annual payroll tax forms. The analysis is available on internet (in Slovak only): http://www.ineko.sk/file_download/322

- **Education, culture and sport** (September 3rd, 2008): After more than two years in power, the government fulfilled 40% of its promises related to education, culture and sport. Particularly, it did not increase funding of these sectors. The state budget for the education, sport and culture went actually down between 2006 and 2008 expressed as a share of GDP. The government also promised to increase the average salary in education to 100% of the average wage in the economy. In reality, it went up from 82% in 2005 only to 83% in 2007. The analysis is available on internet (in Slovak only): http://www.ineko.sk/file_download/334

- **Public finance: state budget and taxes** (October 28th, 2008): After submitting three (out of four) state budgets, the government fulfilled one third of its promises related to spending and collecting money from the tax payers. In contrast to its promises, the government did not

destroy the flat tax, did not introduce tax on monopolies, and did not re-introduce tax on dividends. In spending, the government poured money to the agriculture, but lagged behind promised levels of financing of the health care, education, housing, building highways, R&D, sport, and culture. The government succeeded in adopting euro since 2009, but it did not improve transparency and effectiveness of its spending policies (e.g. public procurement). The analysis is available on internet (in Slovak only): http://www.ineko.sk/file_download/343

- **Social policy** (November 27th, 2008): After two and a half years in power, the government fulfilled 38% of its promises related to building a social state. To the biggest surprise, in 2007, the share of the government expenditure on GDP fell to its historic minimum of 35% (which was the lowest level in the EU), and both the average pension and the minimum wage fell to their historic minimums relative to the average wage in the economy. The government also did not fulfill its promises to reduce the income inequality and the regional differences. However it succeeded in tightening the regulation of the labor market, and in introducing several minor subsidies such as the Christmas subsidy for pensioners, etc. The analysis is available on internet (in Slovak only): http://www.ineko.sk/file_download/350

Besides sector analysis, we also published a **complete analysis of the fulfillment of 50 most popular promises followed by this project** (August 4th, 2008). After two years in power, the government fulfilled 40% of them. The government retreated from several damaging promises (such as canceling the adopted reforms), as well as from many unrealistic promises (such as substantial increase in spending for almost every sector). On the other hand, it succeeded in sustaining macroeconomic stability and adopting euro since 2009. However, it also fulfilled several bad promises (such as partial reversing the health care reform and the labor market reform). The analysis is available on internet (in Slovak only): <http://www.ineko.sk/ostatne/po-2-rokoch-plnia-vladne-strany-svoje-sluby-na-40>

We also continued in providing expert feedback to government and its promises:

In February 2008, we asked 18 local economists about the sources of the unprecedented economic growth in Slovakia in 2007. The results proved that the reforms implemented in 2002-2006 (tax, labor code, pensions) are the most important source of current economic growth. Thus, the survey helped to foster positive public opinion about the reforms and to avoid the “**attack on reforms**”, which was the most popular but also the most damaging promise of the current government. The results of the survey are available (in Slovak only) at: <http://www.ineko.sk/clanky/anketa-ineko-hospodarska-politika-po-roku-2006-zatial-k-rastu-ekonomiky-neprispeva>.

In November 2008, we participated in organizing a group of local economists who expressed their opinion about government pension policy. Two of our experts (Eugen Jurzyca, Peter Goliaš) joined a group of Slovak economists and published a “**Declaration of ten economists about a threat to the second pillar**”. The declaration reacted on the destructive government attack on the mandatory fully funded pillar, where people save money for their pensions. The government plans to spend SKK 10 billion of this money in the state budget for 2009. In order to get this money it needs at least 150,000 people to switch from the second pillar to the first pay-as-you-go pillar. To shake confidence of people, the government started a campaign often using false and deceiving arguments. The declaration revealed false arguments and proposed not to spend money saved in the second pillar.

2. Feedback on the state budget goals:

We believe that the core of government's inefficiency is hidden in the state budget by which the government distributes around one third of country's gross domestic product. We monitor and comment regularly on the (in)efficiency of government spending in selected chapters of the state budget (e.g. health care, education, economy). We involve dozens of experts and recognized authorities in given areas. They help us to **identify public interest** (what the state should finance), **compare this with the reality** (what the state actually finances) and comment on the differences and current inefficiencies. The results are being published in media.

In 2008, INEKO monitored goals of the state budget for 2008 and selected 283 of them for further evaluation of their efficiency. The goals were taken from the following budget chapters: education, sport, economy, science, and health-care. We found out, that **216 of monitored goals are designed to support specific subjects or processes, but not to achieve results. Compared to the previous state budget for 2007, the share of goals that are not result oriented increased from 73% to 76%.** It means that the government has not improved the efficiency of the public spending. It continues in measuring the efficiency mostly by the numbers of decisions issued, analysis written, or projects and organizations supported from the state budget. At the same time, the government puts much less emphasis on the real impact and usefulness of these decisions, projects, and organizations for the society.

In their reaction to our findings, the minister of finance Ján Počiatek as well as the deputy minister of finance František Palko admitted, that the ministry of finance is not satisfied with the programs of all budget chapters. They emphasized, that to improve this is a long term process and the ministry is now working on a new methodology of designing and evaluation of the state budget goals based on their efficiency. They plan to apply this new approach in preparing the state budgets for 2009-2011.

Continuously, we have upgraded 44 desired (results oriented) goals formulated by INEKO and selected experts in 2007. We have also collected data on fulfilling them. In cases when there was no data available, we conducted a survey among approximately 40 experts asking for their opinion. Further, we published both the desired goals and the information on their fulfillment (hard data and experts' opinion) on a web page. At the same time, we collected the data declared by the government about the fulfillment of the goals of the 2007 state budget. Later in 2008, we published analysis that put in contrast the reality on meeting the desired goals and the inefficiency of the state budget goals. For example, we found out that in the economy chapter, our desired goals were fulfilled to less than 25%. The business environment worsened in Slovakia in 2007 and 2008 according to most of local and international indexes. However, the government declared that it fulfilled almost 100% of its (not results oriented) goals from the state budget. We published similar analysis for the education and the sport chapters. All of them proved that the government declares very high fulfillment of its own goals (most of them are not measurable and inefficient), but in reality the fulfillment of the desired goals is very low. The contrast should attract public attention to this problem. The results are available on a project web page: <http://www.ineko.sk/heso-rozpocet/projekt-heso-efektivny-statny-rozpocet>.

Monitoring and Commenting on the Structural Reforms

In 2008, INEKO continued in **monitoring and commenting of the structural reforms in Slovakia**. The main goal of the project is to help the broad public as well as the experts to get a quick and clear overview of the structural reforms. It contributes to the discussion about the outcomes of these reforms so that possible mistakes or pitfalls are avoided. In 2008, we focused particularly on the government measures aimed at modifications of the pension reform, the health care reform, the tax reform, and the reform of education. For the media coverage, please, visit our webpage: <http://www.ineko.sk/media/medialne-vystupy>.

For the monitoring of the education reform, we established a special webpage - <http://www.ineko.sk/ostatne/monitoring-reformy-skolstva>. Here, INEKO collects main arguments for and against related measures taken from Slovak and foreign newspaper articles and studies. The project reflects that the current education system does not provide useful knowledge to young people – children do not learn to cooperate, communicate, solve problems effectively, work with information, think critically, etc. The university students are not properly prepared for their work-careers and especially foreign investors start to claim lack of qualified work-force. The reform seems to be crucial for future happiness of Slovak people.

The Survey on Assessments of Meeting the Maastricht Criteria by Slovakia

In this project INEKO together with The Slovak Association of Economic Analysts (KEA) conducted monthly surveys among 15-20 local experts (economists and bank analysts) on assessing the probability of Slovakia to adopt the euro on January 1st 2009. The surveys reflected key government measures (such as the approval of the state budget, etc.) and how they changed the probability of adopting euro in a given time frame. The goal of this project was to increase public awareness and explain the key steps necessary to meet the Maastricht criteria for adopting euro. It served also as a **feedback on one of the most important goal of the government - to adopt euro since January 2009**. According to the survey, the probability of euro adoption was growing (from 52% in September 2006 to 93% in April 2008) which means that the government was giving up some of its populist promises. This was a positive trend reflected by the survey. The results have been published by almost all Slovak media. They are available at: <http://www.ineko.sk/projekty/maastricht> (in Slovak) and <http://www.ineko.sk/other/the-survey-on-assessments-of-meeting-the-maastricht-criteria-by-slovakia> (in English).

Best Annual Report Award

Project of evaluating the annual reports of both enterprises and non-profit organizations operating in Slovakia has continued – www.rocnasprava.sk. The project culminated in the fall 2008 by awarding winners in both (profit and non-profit) categories. Throughout the year, the media presentation of the project and related activities (publishing articles, participation on TV and radio discussions) continued as usually.

Project background: The original objective of the project is to collect relevant and transparent information about entrepreneurs on their business activities in Slovakia and to inform

stakeholders, citizens, municipalities and other interest groups. This is done through evaluating of firms' annual reports. In 2005 we started to evaluate annual reports of non-profit organizations that receive financial support from public fundraising campaigns and from the citizens' and firms' donations transferred directly from taxes (Slovak law allows to donate 2% of paid taxes to subjects supporting non-profit activities). The aim of this activity is to provide better information for donors (people and firms) about how their money has been used. Organizers believe this activity helps building higher confidence between donors and recipients of financial sources. The evaluation criteria for both profit and non-profit categories are: (1) the information for shareholders, (2) the financial transparency, and (3) the comprehensibility of used language. Two other partners - Trend (the best Slovak economic weekly) and Sk-Media (PR agency) help INEKO to run the project.

Slovak Press Watch - Journalism Blog

In 2008, INEKO continued in regular publishing of its media monitoring blog – Slovak Press Watch supported by the grant from the Trust for Civil Society in Central and Eastern Europe (CEE Trust). The project should improve quality and the ethics of the Slovak media, and to encourage critical thinking and real public debate about work of media. The project followed five specific objectives with following results:

Objective (1) Providing regular feedback on media work

Activity: Media monitoring and commenting (on a [web page / blog](#), 2-3 articles per week)

Results: We were monitoring daily work of 8 major Slovak media - TV stations (Markíza, STV, TA3), dailies (opinion-leaders SME, Pravda, Hospodárske noviny), and weeklies (the TREND economic weekly, and the .týždeň weekly covering socio-political affairs). Based on this monitoring, **we published on a project web page 113 (on average 9 per month) articles** (blogs) summarizing major mistakes in the news (both ethical and professional), offering correct information, recommending best foreign practice how to avoid similar mistakes in the future, and informing about important media issues. **The articles recorded 556 thousand visits (on average 46 thousand per month).**

Activity: Publishing an annual report for 2008 on quality development in Slovak media

Results: We published an **annual report for 2008 informing about key trends in media quality developments in Slovakia**. The report was published in the Slovak and English languages (see the attached file). We published it on a project web page (in Slovak) and in the press reports distributed to the Slovak media, as well as numerous Slovak and foreign individuals and professional organizations interested in journalism.

Objective (2) Encouraging critical thinking and real public debate about the work of media

Activity: Collecting and publishing individuals' comments on media work

Results: During the project, we recorded **4,660 contributions** in the internet discussion forum supported by the project – see Table above. The editor received **around 200 tips for observations**. He accepted and **published on a project web page 63 observations based on tips from 40 external contributors**, who had been rewarded financially.

Objective (3) Educating journalism students, young media experts and future journalists

Activity: 4 lectures for young people with interest in journalism

Results: We were invited and we organized 1 seminar and 4 lectures for university students:

Date	University	Topic	Number of participating students
6.5.08	The Philosophical Faculty, Comenius University in Bratislava	Experts in Media	9 PhD students
24.7.08	The Summer School of Journalism, Spišská Nová Ves	Ethical Problems in the Slovak Media	30
7.11.08	The Faculty of Social and Economic Sciences, Comenius University in Bratislava	Barriers to Media Coverage of Corruption	17
10.12.08	The Philosophical Faculty, Catholic University in Ruzomberok	Ethical Shortcomings of the Slovak Media	Seminar: 15 PhD students Lecture: 80 students

Activity: 3 internships for journalism students

Results: We organized internships for 3 students interested in journalism:

Name	University	Time of internship	Results
Silvia Augustínová	The Faculty of Social and Economic Sciences, Comenius University in Bratislava	April - May 2008	5 articles about media coverage of the education, healthcare and pension reforms
Matej Hruška	The Faculty of Social Studies, Masaryk University in Brno	August - September 2008	Prepared an article evaluating the media coverage of how Slovakia adopted Euro
Ján Žilinský	Harvard University, Massachusetts, USA	February 2009	2 articles about the latest media science findings on how the ownership and advertising influence the work of media

Objective (4) Supporting investigative journalism

Activities: Helping media to prepare and publish investigative articles and reports on 2-4 crucial problems of the Slovak society caused by bad governance in the public sphere.

Results: We created a list of topics/questions for investigative journalism and distributed it among all relevant media. We asked them to propose a concept of how they would address the issues from the list. We offered them our expert knowledge and financial reward based on the quantity and quality of the published results. Based on the response we concluded 3 contracts with the .týždeň weekly covering socio-political affairs:

1. Contract on publishing articles about the education reform. Following articles have been published:
 - September 29th 2008: Interview with Václav Klaus Jr., Director of private grammar School in Prague (Netešte sa na reformu, E. Čobejová, M. Hanus)
 - October 20th 2008: Interview with Gottfried Schatz, former president of the Swiss Science and Technology Counsel, known for his criticism of the quality of EU universities (Bieda našich univerzít, M. Mojžiš)
 - November 3rd 2008: Articles about advantages and disadvantages of 8-year grammar schools (Dost' bolo selekcie?, E. Čobejová, M. Hanus)
 - December 8th 2008: Interview with minister of education Ján Mikolaj about the education reform (Chcem školy zmeniť, Š. Hríb, M. Hanus)
2. Contract on creating and publishing the internet discussion forum about the education reform. The forum is available on .tyždeň web page: http://www.tyzden.sk/sk/temy_tyzdna/?zlozka=4556
3. Contract on publishing articles about the healthcare reform.

For more information, see the blog itself at <http://spw.blog.sme.sk/>.

Discussing the problems of health care and potential solutions (i-health.sk webpage)

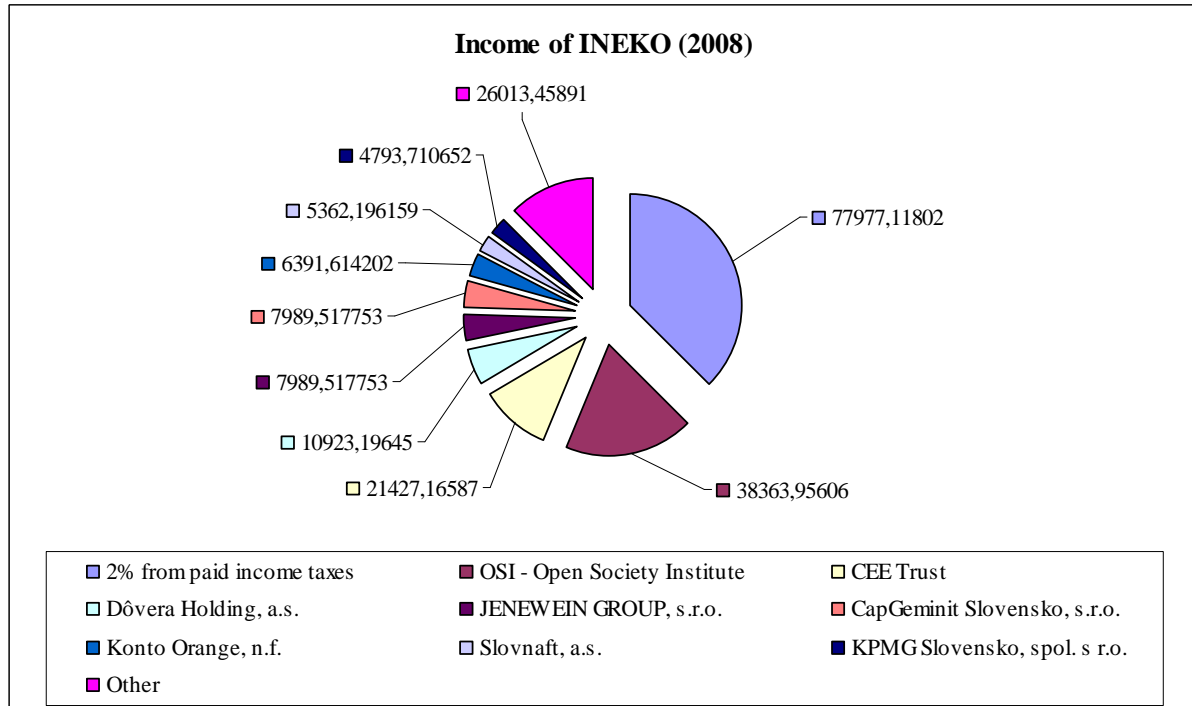
In 2008, we launched a new project **“Discussing the problems of health care and potential solutions (i-health.sk webpage)”** with our local partner – private health insurance company Dôvera. The goal of the project is to identify key problems of the Slovak health care system, to research best foreign practices and to propose solutions to the problems. Thus it should improve the quality of the public as well as expert discussion of the Slovak health care system. The results of the project are displayed on a web page www.i-health.sk and published in the local media. In 2008, the project included monitoring of main developments on local market, publishing of key health care statistics, developing electronic library of studies focused on economy and financing of health care, writing analysis and presenting key results in media.

Other Activities

Fundraising campaign: In 2008, INEKO repeated the fundraising campaign aimed at attracting the citizens' and firms' donations transferred directly from taxes (Slovak law allows to donate 2% of paid taxes to subjects supporting non-profit activities). This was done by means of letters sent directly to the top representatives of selected private companies. The campaign has been relatively successful when the share of 2% revenues on total INEKO revenues increased from around 20% in 2007 to 38% in 2008.

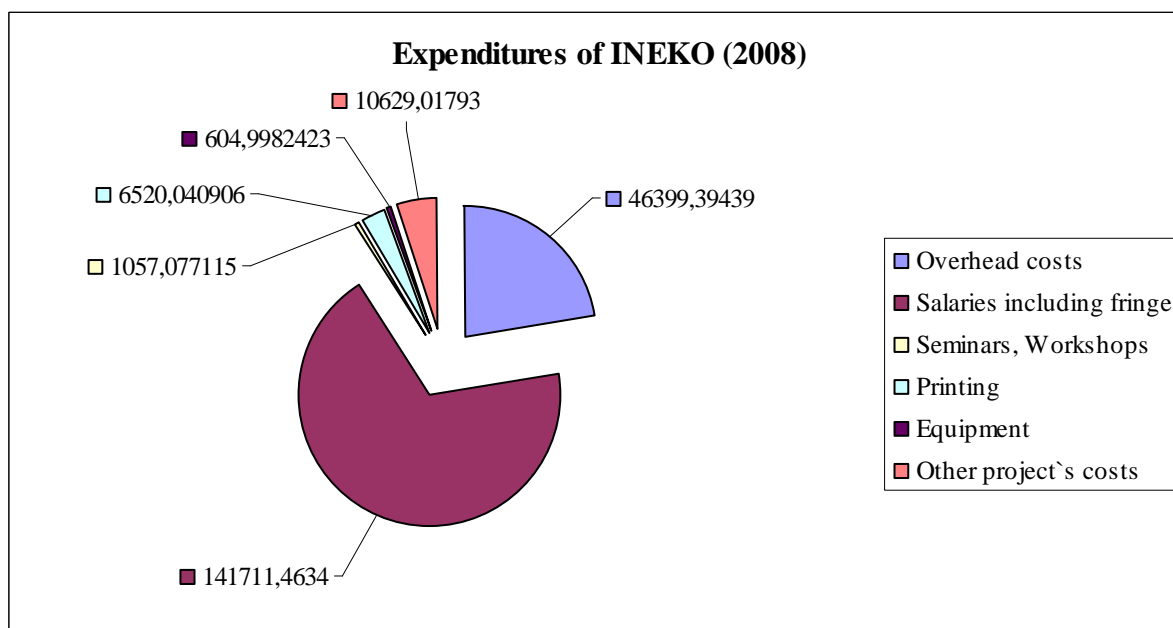
Financial Report

The following figures and tables include data only for INEKO, excluding other members of the INEKO Group:



	2003 (USD)	2004 (USD)	2005 (USD)	2006 (USD)	2007 (EUR)	2008 (EUR)
Income of INEKO						
2% from paid income tax	-	ns	ns	17 250	40 732	77 977
Open Society Institute	197 200	159 183	133 737	100 000	46 515	38 364
CEE Trust	-	-	-	9 189	56 561	21 427
Dôvera Holding, a.s.	-	-	-	-	-	10 923
AJG - Amrop Jenewein Group, s.r.o.	-	-	-	8 411	7 401	7 990
Capgemini Slovensko, s.r.o.	-	7 750	8 060	8 411	7 401	7 990
Konto Orange, n.f.	-	-	-	-	-	6 392
Slovnaft, a.s.	-	-	3 224	3 364	5 920	5 362
KPMG Slovensko, s.r.o.	-	-	4 836	5 046	4 440	4 794
Other	67 881	119 236	109 427	69 917	48 666	26 013
Total	265 081	286 170	259 284	221 589	217 636	207 231

ns ... not significant



Expenditures of INEKO (USD)	2003	2004	2005	2006
Salaries including fringe	99 476	102 712	124 766	105 984
Administration	119 168	93 524	78 120	67 211
Seminars, Workshops, Public opinion polls	29 421	59 776	30 007	28 587
Educational Supplies	11 242	13 675	23 994	11 777
Equipment	5 774	9 636	0	3 215
Other project's costs	-	-	-	-
Total	265 081	279 325	256 887	216 774

Expenditures of INEKO (EUR)	2007	2008
Salaries including fringe	138 572	141 711
Overhead costs	44 635	46 399
Seminars, Workshops	7 442	1 057
Printing	8 875	6 520
Equipment	2 272	605
Other project's costs	16 037	10 629
Total	217 833	206 922

Notes:

Salaries including fringe: managers – internal as well as external, accountants, lawyers, assistants, project administrators, researchers, intranet manager, librarian...

Overhead costs: rent and utilities, telephone, postage, office supplies, maintenance, subscription and membership, insurance, local travel...

Equipment: PC, book cases, chairs, tables...

Expenditures of INEKO until 2007 include some of the expenditures of INEKO Group (common projects of members of INEKO Group, administration of INEKO Group...)

Web-Site Statistics

January 1st, 2008 – December 31st, 2008

<i>Domain "ineko.sk"</i>	<i>Visits</i>	<i>Daily average</i>
December 2007	4456	144
January 2008	6266	202
February 2008	7110	245
March 2008	6696	216
April 2008	6404	213
May 2008	5844	189
June 2008	4472	149
July 2008	3305	107
August 2008	3129	101
September 2008	3672	122
October 2008	5360	173
November 2008	6056	202
Total	62770	176

Media Coverage

Total number of published articles and electronic media releases: around 500

INEKO continued in strong media relations policy in order to support right perception of both economic and social reforms in Slovakia. It presented mostly those projects focused on reforms or independent evaluation of reform steps. During the period of January 1, 2008 – December 31, 2008 there had been around 500 published articles and electronic media releases quoting INEKO experts, focused on informing about INEKO projects or results of its various activities – Evaluation of Economic and Social Reforms (both regional and global), Financing Sport in Slovakia, Monitoring and Commenting the Structural Reforms, Slovak Press Watch, and other activities.

See also the list of media releases: <http://www.ineko.sk/media/medialne-vystupy-za-rok-2008>