

Annual Report 2010

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

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Structure of the Institute

INEKO was established as a member of INEKO Group which was 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 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).

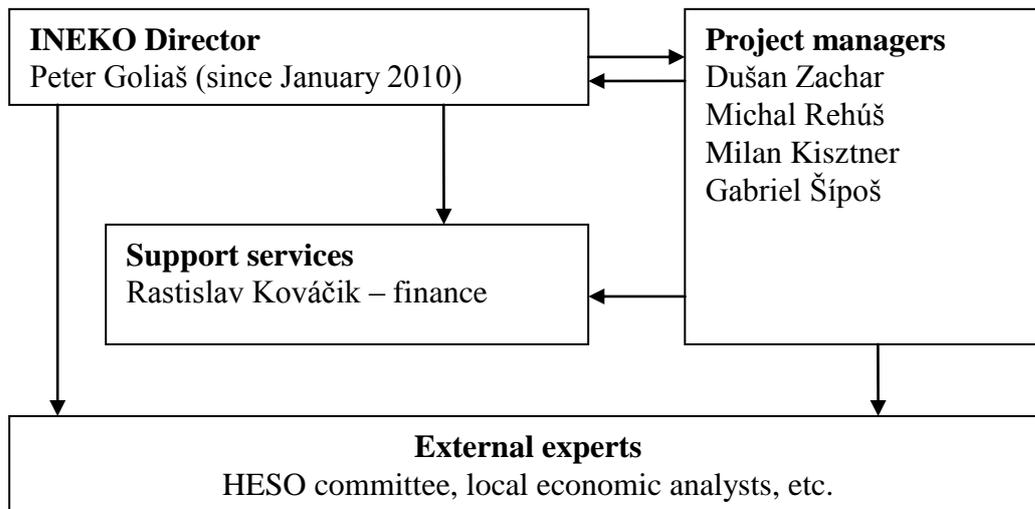
The Institute is governed by the Board and managed by a Director. The Board has a rotation membership lasting 5 years. In 2010, the Board had following members: Peter Goliaš, Ján Tóth, David Frankel. The Director has been appointed by the Board and the Board members have been appointed by the founders¹. 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'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 many times 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.

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 2010, 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: In 2010, the Institute focused on reflecting the situation before and after the 2010 parliamentary election, when a government of center-right parties replaced government of social-democratic party Smer (led by Mr. Fico), SNS (led by Mr. Slota) and HZDS (led by Mr. Mečiar). In the period before elections the Institute focused on providing feedback on fulfilling government promises at the end of its election period. The goal was to disclose unfulfilled or bad promises and thus to inform public about main sources of populism in the country. After the election the Institute focused on monitoring changes in areas such as education, health care, social system, public finance stability, etc. Soon it became evident that the new government will try to launch a reform process in order to stabilize the economy and improve conditions for sustainable growth. For the Institute, this brought opportunity to directly cooperate on the reform process.

Staff

INEKO had 6 regular employees and fellow workers in 2010.

Director (since January 2010): Peter Goliaš



Peter Goliaš was born in Liptovský Hrádok, Slovakia in 1977. Before 2010 he worked at INEKO as an economic analyst. His areas of interest included monitoring and commenting the reforms of pensions, health care, education and public finance as well as the project on fight against populism among politicians. Before 2002 he worked as an economic journalist at the local daily Pravda and the private press agency SITA. He graduated from the Faculty of Management, Comenius University in Bratislava and holds Magister (MA) degree.

Analysts: Dušan Zachar, Gabriel Šípoš, Michal Rehúš, Milan Kisztner
Economic Department: Rastislav Kováčik

At the end of 2009, Gabriel Šípoš became a Director at the Transparency International Slovakia (TIS). However, he continued in managing his projects at INEKO during 2010.

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 2010, issues at the center of Slovak government concern and relevant to the Institute's activities included:

- Public finance stabilization
- Social security reform (including pensions);
- Health care reform;
- Reform of education;
- Social dialog support.

The Institute has developed a small-specialized staff, which together with the founders and other Board members 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:

- Growing public debt threatening public finance stability;
- Growing populism among politicians;
- Lack of the high-quality reform-related information;
- 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

Feedback on Populism: Unrealistic Promises and Inefficient Government Spending

The project “**Feedback on populism**” ended officially in November 2009. However, to increase its impact, we had prolonged some of activities until parliamentary elections in June 2010. Based on our agreement with the daily SME, we were adding a short feedback on fulfillment of government’s promises (together with the link to our database of promises) directly to articles published on SME website, which has one of the biggest readerships in Slovakia. This way we published several hundreds of articles (up to 6-10 articles every day). Thus the results of the project became well known to the general public. We also noticed intense interest of other media to publish feedback on promises before parliamentary elections. Many journalists learned to work with our database of promises and quoted INEKO in their analyses. For detailed results, please see <http://www.ineko.sk/ostatne/sluby-a-lamenty-co-politici-slubili-a-co-z-toho-plnia>.

Supporting sustainability of public finance in Slovakia

In December 2009 INEKO launched a project aimed at supporting the sustainability of public finance in Slovakia. This project was a response to the rapid growth of public debt as a result of the world financial crises as well as irresponsible expenditure government policy. The project included activities aimed at informing public about long-term outlook for the public finance stability, about structure and amount of so called hidden debts and about measures necessary to secure sustainability of the public finance in Slovakia. The project was financially supported by the OPEN SOCIETY INSTITUTE. Here are its main results:

A. Research

Analyses of hidden debts

1. PPP (Public Private Partnership) projects

- **Analyzing methodology for counting the projects on the public balance sheet:** According to Eurostat decision from 2004, the PPP projects do not have to be accounted on the public balance sheet if they meet certain criteria on distribution of risks between the government and the private partner. The International Monetary Fund criticized that decision in 2004 and repeatedly in 2007 by saying that it creates conditions for morale hazard and bypassing the Stability and Growth Pact when the governments launch PPP project just because they do not show up in their public balance sheet (i.e. they do not increase the official public debt and deficit). However, in reality the projects would burden public balance. We analyzed both the Eurostat decision and its critics by the IMF. In March 2010 we organized a workshop (12 participants) with some top Slovak economists as well as with officials from the National Bank of Slovakia and the Ministry of Finance. Here, we presented key outcomes of our analysis:
 - We formulated and published our opinion that PPP projects should be included in the public balance sheet.
 - We proposed the methodology for calculating the PPP projects in the public debt and deficit.
 - Based on our methodology we calculated that, if realized in the proposed extent, the PPP projects would raise public debt over 50% of GDP in 2010 (the official debt is assumed to exceed 40%).

Our statements have been adopted and accepted widely by the expert community, the media, the opposition political parties, and even by some experts from the coalition parties. The main opposition party (until June 2010) SDKU-DS even organized a special press conference just to declare that PPP projects should be included in the public balance sheet. However, the leading coalition party (until June 2010) SMER-SD disagreed as it perceived the possibility of circumventing the public balance sheet as one of major advantages of PPP projects.

- **Checking the costs and benefits of PPP projects:** When deciding about launching PPP projects the government should calculate their costs and benefits compared to the classical public procurement. Based on the calculation it should choose the most efficient way of construction. The analyses of costs and benefits should be published so that the public could control the process. After analyzing the official documents we

found out that the government published only partial results of the cost and benefit analyses and that the results have not been updated. Therefore, based on the Freedom of Information Act we demanded publishing the complete analyses. In February 2010, the Ministry of Transport refused our demand. Therefore we asked for help the Transparency International Slovakia and its lawyers. Meanwhile, **the question of “secret analyses” became one of top issues in the Slovak media and it helped us to increase substantial pressure on the government to publish them**. In April 2010 the Ministry of Transport finally published the analyses. One of them stated that one of PPP projects was EUR 546 million more expensive than if it was constructed under classical public procurement. However, in the official document released by the government and dated from the same month (March 2010) the difference fell to EUR 29 million. This led to a suspicion that the PPP projects are too expensive and that the numbers in the analyses had been manipulated in favor of PPP projects. These findings aroused a scandal both on the political scene and in the media. After change of the government in June 2010 the **arguments about inefficiency and possible manipulation of numbers (firstly reported by INEKO and business weekly Trend) led to cancelling major PPP projects and launching a police investigation against suspected manipulators**.

- **Creating the database of PPP projects:** On our web page, we published a database of major PPP projects that will burden long-term fiscal balance. The database offers basic financial information about the projects. It also gives an overview of annual payments from the government to the private investor.

2. State loans to railway companies and hospitalities

In our analysis of hidden debts we summarized the state loans given in 2009 to railway companies and the hospitalities in the amount of EUR 366 million. We emphasized that the probability that these loans will be paid back is very low. Therefore, we should include the loans into the public finance deficit. This opinion became widely accepted in the expert community.

Survey among municipalities

In December 2009 INEKO conducted a survey among 352 municipalities of all size and from all regions in Slovakia. The goal was to explore the extent of the long-term liabilities of municipalities and to assess the risk it brings for the sustainability of the public finances. Among the results, the survey showed that **26% of respondents expect that municipalities in their region will have serious or huge problems with paying their long-term liabilities**.

By the law municipalities should comply with two financial limits:

1. Limit on debt: The debt should not exceed 60% of their current revenues in the previous year
2. Limit on debt service: The debt service should not exceed 25% of their current revenues in the previous year

The Ministry of Finance makes evidence of complying with these limits. However, the evidence is not published. Therefore, we demanded this information based on the Freedom of Information Act. The Ministry of Finance gave us data from the end of 2008, it means before

the financial crisis hit Slovakia. Newer data were not available. At the end of 2008 there were 145 municipalities (out of 2928) overrunning at least of one of given limits.

Number of municipalities overrunning the legislative limits for debt and debt service

	Number at the end of 2008
Limit on debt	96
Limit on debt service	41
Both limits	8
Total	145

Source: Ministry of Finance

Calculator of the long-term financial sustainability of the pension scheme

In May 2010 we published a calculator of the long-term debt and deficit of the Slovak pension scheme. The calculator is based on the PROST model of the World Bank that we got from the Ministry of Finance. INEKO developed this calculator in cooperation with the Business Alliance of Slovakia. The calculator gives projections of the deficit and debt of the pension scheme until 2050. Uniquely, it offers to change some of the input parameters such as the retirement age, the method of pension valorization and the amount of new pensions relative to current pension formula. Thus the calculator is interactive – the visitor may model his own choice of parameters to see what impact it will have on the sustainability of the pension scheme. Based on the results we wrote a **policy analysis** aiming at promoting the measures needed to reform pension entitlements in order to curb down the expected debt of the pension scheme. We showed that to sustain pension scheme at least until 2040 it will be necessary to slow down the valorization of pensions to the level of inflation and at the same time to prolong the retirement age from 62 to 65 years. The alternative is to cut pensions by one third or to run surpluses in the state budget and to use them for funding the pension scheme. The results aroused big interest in the public discussion and were quoted by almost all media.

In June 2010 we published a more complex version of the calculator. It shows projections until 2100 and it includes several new input parameters such as rate of fertility and the size of the second pension pillar. The results show that after 2040 it will be necessary to prolong retirement age until 70 years and at the same time to reduce new pensions by 20%. However, these radical measures can be avoided if the rate of fertility grows by 50% (from 1.4 children per woman to 2.1 children per women). Under such conditions it will be enough to have retirement age of 65. The OECD used our pension calculator for computing long-term predictions of the Slovak pension system balance in its 2010 Economic Survey for the SR - see Figure 2, page 6 in this Overview: <http://www.oecd.org/dataoecd/4/8/46478358.pdf>. The survey also shows that the OECD recommendations for stabilizing pension system are similar to ours and include binding of retirement age to longevity, inflation indexation of pensions and compulsory participation in the second fully-funded pension pillar.

Evaluation of pre-election programs' impact on sustainability of public finance

In May 2010, we published a ranking of pre-election programs based on the evaluation of their impact on a long-term sustainability of the public finances. The ranking was based on a survey among 9 economists mostly from local banks and economic think-tanks. All experts assigned certain marks to measures included in the programs of particular political parties. We calculated final results as an average of individual evaluations. Top places in the ranking were

taken by right-wing parties. Among top three, there were two new parties established just in recent election period and SDKU-DS which is currently in opposition. We published the ranking in a press report and also on our web page. The results have been quoted by several media. We were also invited to present them in an interview on internet TV of the daily SME.

Ranking of measures taken by municipalities

In July 2010 we published the ranking of the best and the worst measures adopted by municipalities in the election period 2006-2010 in terms of their impact on a long-term financial balance. This ranking was based on results of our project focused on expert evaluation of measures taken by municipalities. The best measures proved to be those aimed at increasing transparency and competition in public procurement.

Financial stability of state-owned companies – analysis

In August 2010 we published an analysis of financial stability of major companies owned fully or at least partially by the state. INEKO elaborated this analysis in cooperation with Michal Mušák, who is an economist at the Slovenská sporiteľňa bank. The analysis included 33 companies plus health-care providers. The main result was that the state-owned companies increased public finance deficit in 2009 by EUR 700 million or 1.1% of GDP. The biggest portion was due to losses and subsidies of railway companies, followed by the biggest health insurer and hospitals and the Slovak Television. We also found out that the return on equity in most of fully state-owned companies was up to 1% which is much lower than returns in at least partially privatized firms. This suggests that the privatization might improve financial health of many state-owned businesses. The analysis aroused big interest in the public discussion and was quoted by almost all media.

Financial stability of municipalities – ranking and analysis

In November 2010 (3 weeks before communal elections) we published an analysis and the ranking of the financial stability of municipalities. INEKO elaborated the analysis in cooperation with Michal Mušák, economist at the Slovenská sporiteľňa bank. The ranking of municipalities was elaborated in cooperation with the Business Alliance of Slovakia. The analysis included 20 biggest cities in Slovakia and 140 municipalities that did not meet legal criteria of financial stability in 2009 (limit on debt, limit on debt service). The ranking included all municipalities in Slovakia and was based on information provided either by municipalities or by the Ministry of Finance in response to our request based on a Freedom of Information Act. The analysis as well as the ranking aroused big interest in the public discussion and were quoted by almost all media. Our goal was to inform public about financial health of their municipality and to arouse public interest in communal finance. In fact, this issue became one of the most important in the public discussion before communal elections.

B. Advocacy

As part of our advocacy, we have been implementing following activities:

- Media releases: We published all results of the project via press reports/releases and/or our internet web page and/or on our blog on business weekly Trend web page. We also go frequently to media to promote and defend our statements and proposals (this includes mainly interviews, comments, blogs, and articles). For example, in 2010 Peter Goliaš was the third most quoted economic analyst in Slovakia (source: Slovak Press Watch). You can check the media coverage of our activities below in this report.
- Seminar: On October 12th 2010, Peter Goliaš took part on a seminar organized by institute INESS titled “Discussion forum: Do we need a second round of pension reform?” Here, Peter Goliaš presented INEKO long-term forecasts of the financial stability of the pension fund including recommendations based on INEKO pension calculator. More than 70 people participated in the seminar, among them local economists, journalists, policy makers and experts interested in pension issues. Other speakers included Mr. Ľudovít Kaník (former Minister of Labour), Mr. Radovan Ďurana (Director at INESS), and Mr. Viktor Novysedlák (Institute of Finance Policy at the Ministry of Finance).
- Workshop on monitoring the public finance sustainability: On December 15th 2010 INEKO organized a workshop for top representatives of the Ministry of Finance (3 persons) and local economists (3 persons) where we presented our experience and proposals for monitoring long-term sustainability of the public finances. The presentations included our experience with the pension model PROST from the World Bank and 4 models used by European Commission for predicting long term expenditure on health care, education, long-term care and unemployment benefits. We proposed to construct a single model that would allow not only to predict future development but also to evaluate impact of various policy changes.
- Policy analyses: On internet, we published two policy analyses summarizing our proposals for securing long-term financial stability of the pension system and the health care.

For the project results, please, visit this page: <http://www.ineko.sk/projekty/podpora-udrzatelnosti-verejnych-financii>

Monitoring and Commenting on the Structural Reforms

In 2010, INEKO continued in **monitoring and commenting on 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 2010, 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 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. In 2010, the project included monitoring of main developments on local market, writing analysis and presenting key results in media.

In 2010, we also continued in our 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 2010, the project included monitoring of main developments on local market, writing analysis and presenting key results in media.

In October 2010 we published a policy analysis of financing health care where we proposed our long-term vision together with measures that would in our opinion stabilize financial balance of the public health care. The analysis was a joint outcome of our project on monitoring health care (financed by a local private health insurer Dôvera) and the project on supporting the public finance sustainability.

HESO-Slovakia

Project “*Evaluation of Economic and Social Measures*” results for the third quarter of 2010 came out in December 2010. The results showed positive average ratings of measures evaluated. This means that on average, the measures taken by the government help the economy. Project results are publicly available on 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. 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.

Best Annual Report Award

Project of evaluating the annual reports of enterprises operating in Slovakia has continued – www.rocnasprava.sk. The project culminated in the fall 2010 by awarding winners. 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. The evaluation criteria are: (1) the information for shareholders, (2) the financial transparency, and (3) the comprehensibility of used language.

Slovak Press Watch - Journalism Blog

In 2010, INEKO continued in regular publishing of its media monitoring blog – Slovak Press Watch. The project has been renewed in October 2009 thanks to a new grant from the US Embassy in Slovakia. 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. In 2010 we followed these objectives:

- (1) To filter, fact-check, and comment on incorrect news and false arguments presented by media, politicians, and experts (economists, political scientists, sociologists).
- (2) To encourage critical thinking and real public debate about the work of media and about the arguments presented by politicians and other authorities.
- (3) To educate journalism students, new media experts and future journalists.

Objective (1): To filter, fact-check, and comment on incorrect news and false arguments presented by media, politicians, and experts (economists, political scientists, sociologists).

Activities: Media monitoring, fact checking, and publishing analysis on a project web page

Results: We were monitoring daily work of 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 and further analysis, **we published on a project web page 73 (on average 7 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 928 thousand visits (on average 84 thousand per month).** This was the highest readership of SPW blogs ever. We believe that one of the reasons is that the internet section of the daily SME decided to put the fresh blogs on the main page of this daily.

Objective (2): To encourage critical thinking and real public debate about the work of media and about the arguments presented by politicians and other authorities.

Activity: Collecting and publishing individuals' comments on media work

Results: During the project, we recorded **7,184 contributions** in the internet discussion forum supported by the project – see Table above. The editor received **around 150 tips for observations**. He accepted and **published on a project web page 35 observations from external contributors**.

Objective (3): To educate journalism students, new media experts and future journalists.

Activity: 3 lectures for young people with interest in journalism

Results: We offered 3 lectures for university students:

Activity: 2 internships for journalism students

Results: We organized internships for 2 students interested in journalism:

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

Other Activities

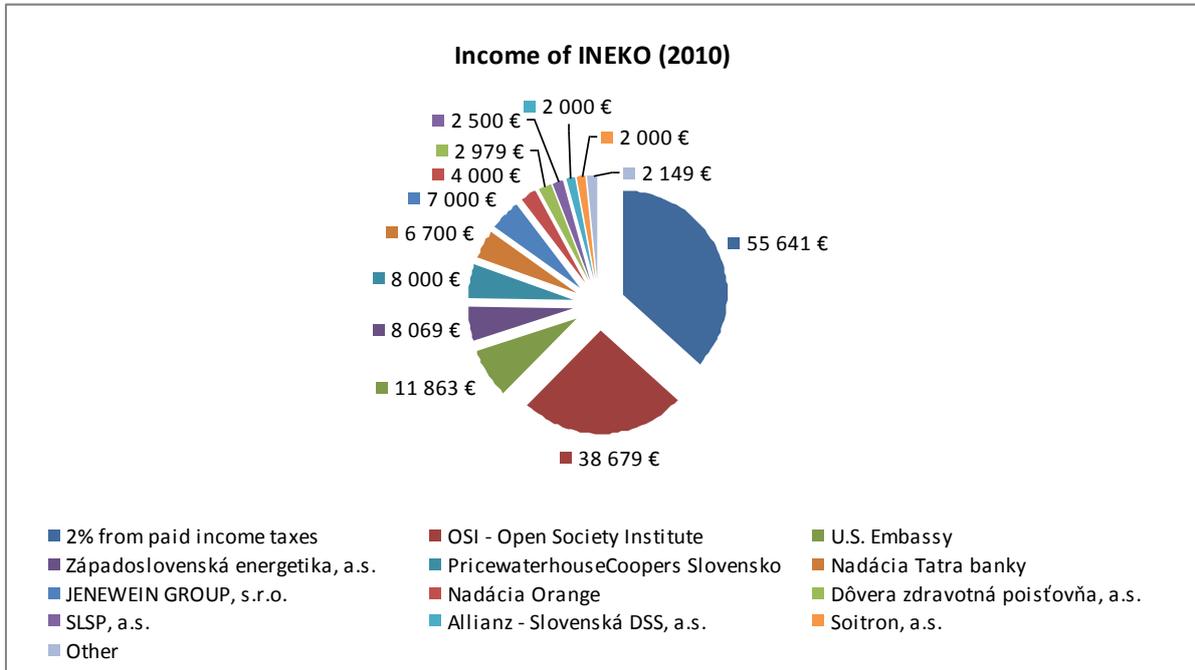
Memberships: Our people engaged in several advisory activities where they promoted the ideas of improving monitoring of the public finance sustainability, developing models for calculation of the long-term public debt, changes of the pension system aimed at improving its financial stability, etc.

- a. In November 2010 Peter Goliaš became a (non-paid) member of an advisory committee of the Minister of Finance.
- b. In October 2010 Peter Goliaš and Dušan Zachar became members of a Committee of experts for the government in national project Center of the Social Dialog.
- c. Since 2008, Peter Goliaš is a member of the Slovak Association of Economic Analysts (KEA) – informal group of local economists.

Fundraising campaign: In 2010, 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.

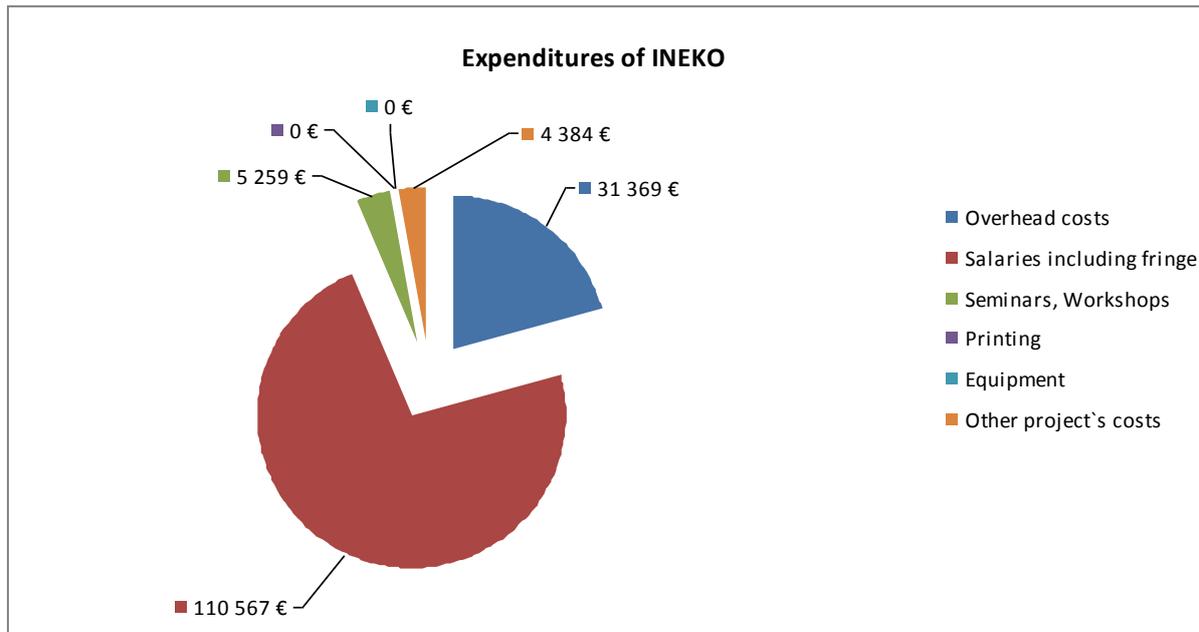
Financial Report

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



	2003	2004	2005	2006	2007	2008	2009	2010
Income of INEKO	(USD)	(USD)	(USD)	(USD)	(EUR)	(EUR)	(EUR)	(EUR)
2% from paid income tax	-	ns	ns	17 250	40 732	77 977	28 957	55 641
Open Society Institute	197 200	159 183	133 737	100 000	46 515	38 364	45 449	38 679
U.S. Embassy	-	-	-	-	-	-	-	11 863
Západoslóvenská energetika, a.s.	-	-	-	-	-	-	23 819	8 069
PricewaterhouseCoopers Slovensko	-	-	-	-	-	-	-	8 000
AJG - Amrop Jenewein Group, s.r.o.	-	-	-	8 411	7 401	7 990	4 979	7 000
KPMG Slovensko, s.r.o.	-	-	4 836	5 046	4 440	4 794	13 278	-
Dôvera Holding, a.s.	-	-	-	-	-	10 923	13 210	2 979
Tatra banka, a.s., resp. Nadácia Tatra banky	-	-	-	-	-	-	11 758	6 700
CEE Trust	-	-	-	9 189	56 561	21 427	11 635	-
British Embassy	-	-	-	-	-	-	6 698	-
Other	67 881	126 987	120 711	81 693	61 987	45 756	36 119	12 648
Total	265 081	286 170	259 284	221 589	217 636	207 231	195 902	151 579

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	2009	2010
Salaries including fringe	138 572	141 711	134 119	110 567
Overhead costs	44 635	46 399	45 588	31 369
Seminars, Workshops	7 442	1 057	855	5 259
Printing	8 875	6 520	5 459	0
Equipment	2 272	605	1 106	0
Other project's costs	16 037	10 629	8 397	4 384
Total	217 833	206 922	195 523	151 579

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, 2010 – December 31st, 2010

<i>Domain "ineko.sk"</i>	<i>Visits</i>	<i>Daily average</i>
January 2010	6 599	213
February 2010	6 272	224
March 2010	6 986	225
April 2010	6 402	213
May 2010	5 668	183
June 2010	6 676	223
July 2010	3 094	103
August 2010	3 923	127
September 2010	4 032	134
October 2010	6 219	201
November 2010	8 190	273
December 2010	4 172	135
Total	68233	187

<i>Domain "spw.sk"</i>	Number of blogs*	Readership - number of visits	Number of reactions in the discussion
January 2010	5	71 000	462
February 2010	7	87 000	865
March 2010	8	109 000	675
April 2010	6	57 000	456
May 2010	7	85 000	615
June 2010	7	134 000	984
July 2010	5	73 000	357
August 2010	2	48 000	324
Total	47	661 000	4 738

* Every blog consists of 2-3 major observations on average. Moreover, some blogs include one or several minor observations. A few blogs offer single analyses of important media issues.

Media Coverage

Total number of published articles and electronic media releases: around 1000

INEKO continued in strong media relations policy in order to support right perception and impact of the results of its projects. During the period of January 1, 2010 – December 31, 2010 **there had been several hundreds of published articles and electronic media releases** reflecting INEKO comments on proposed or adopted government measures and informing about results of INEKO projects – Supporting sustainability of public finance in Slovakia, Feedback on Populism, Evaluation of Economic and Social Reforms, Monitoring and Commenting the Structural Reforms, Slovak Press Watch, and other activities. Among them, there are series of blogs (please check INEKO blog on business weekly Trend web site: <http://blog.etrend.sk/inekomenty/>), newspaper articles, TV discussions and interviews. **In 2010 Peter Goliaš was the third most quoted economic analyst in Slovakia** (source: Slovak Press Watch: <http://spw.blog.sme.sk/c/252762/Najcitovanejsimi-analytikmi-v-roku-2010-boli-J-Baranek-a-V-Vano.html>).

See also the list of media releases: <http://www.ineko.sk/media/medialne-vystupy-za-rok-2010>