

Annual Report 2007

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).

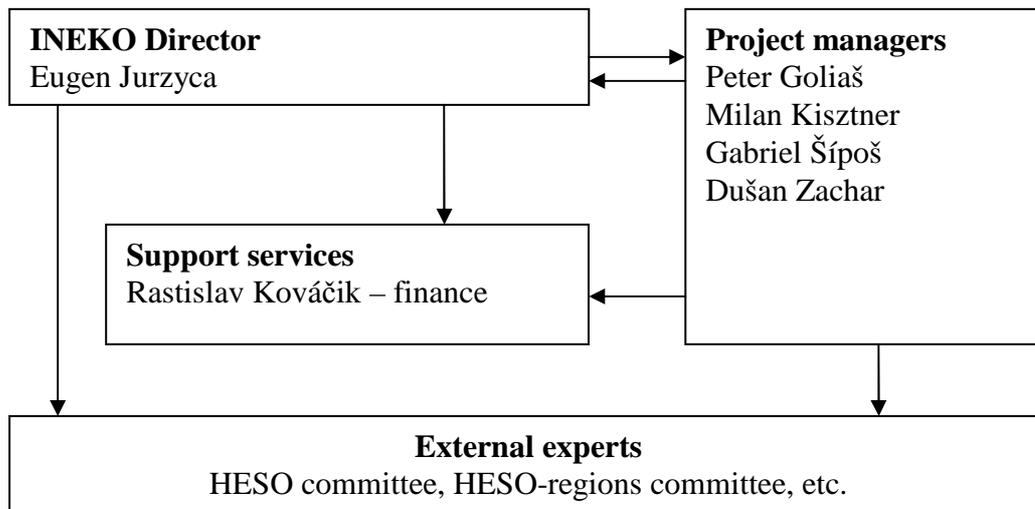
The INEKO Group's goal was to bring different NGOs physically to one area and thus, to encourage common building of infrastructure. This goal has been accomplished – we work together, we built common infrastructure, we can share knowledge and some facilities, which makes our work more efficient. The 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 has been 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 2007, 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 meets usually once a year discussing 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 2007, the Board 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 2007, the Institute focused on reflecting the situation after the 2006 parliamentary election, when a new 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 2007.

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 2007, 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 2006 and the first half of 2007 came out in July and November 2007. For the first time in history of the HESO project, the results showed negative average rating of measures evaluated. This means that on average, the measures taken by the new 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 50 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 August 2006, the “*SLOVAKIA 2006*” **publication** has been published and afterwards distributed. There are two editions: the Slovak edition (99 pages) and the English edition (103 pages). The „*SLOVAKIA 2006*“ publication maps the HESO (Evaluation of Economic and Social Measures) project results during the period of January 2006 to December 2006. It follows five previous HESO publications, which covered results from the beginning of the Project in April 2000. The publications contains 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 2006 and three quarters of 2007. The project results have been disseminated to both local decision-makers as well as to the public through national media. The main goal of this project is to monitor and evaluate the measures taken by municipalities. It serves as a source of the information and expert advice for municipalities and citizens. 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 2007, 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 new 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.

To identify populist promises of the present government, we have created a list of 180 promises given by members of the government coalition before and after parliamentary elections in 2006. In May, we have published the list on internet: <http://www.ineko.sk/clanky/sluby-a-lamenty-co-politici-slubili-a-co-z-toho-plnia>. The list allows for sorting promises by following indicators:

- A. **The category** (i.e. the economic or social area under which the promise belongs)
- B. **The popularity of the promise** (i.e. how much the promise contributed to the popularity of its author among voters). To evaluate the popularity we have conducted a survey among three well recognized local sociologists: Oľga Gyárfášová and Grigorij Mesežnikov from the Institute for public affairs, and Vladimír Krivý from the Slovak academy of sciences.
- C. **The quality of the promise** (i.e. how good or bad would be the fulfillment of the promise for the country). To evaluate the quality, we have split promises into two groups. The first one included 50 promises with the highest political and economic importance. Here, we have conducted a survey among 26 experts who assigned marks and comments on the quality to every promise (everything is published on a project web site, including the list of experts). The expert committee can not evaluate all promises because its capacity and time limits. Therefore, in June, INEKO itself assigned marks to every promise from the second group which included all the other promises.

- D. **The first index of populism** (i.e. the popularity of the promise multiplied by its quality). High negative numbers mean popular bad promises and high positive numbers mean popular good promises. This indicator helps to identify the first category of populist promises - the promises with high popularity and low quality.
- E. **The degree of fulfillment** (i.e. the percentage indicating whether the government fulfills its promises or not). This indicator allows for contrasting the promise and the reality. On a daily basis, INEKO monitors data on fulfilling all promises. In August, based on this monitoring, it assigned the degree of fulfillment to every promise.
- F. **The second index of populism** (i.e. the popularity of the promise multiplied by the degree of fulfillment). High negative numbers mean popular unrealistic promises (without solutions) and high positive numbers mean popular realistic promises. This indicator helps to identify the second category of populist promises - the promises with high popularity and low degree of fulfillment.

Based on a survey among sociologists, the most popular promise was: **“The correction and the elimination of the “bad” reforms of the previous right-wing government”**. This “attack on reforms” has also the worst quality, i.e. it promotes the most inefficient solutions (in fact its fulfillment would be the worst for the country). By our definition of populism this promise belongs among the most populist ones. To prevent its fulfillment, it is necessary to explain and to prove positive impacts of the reforms. Therefore, in March, we have conducted a survey among 12 local economists asking for the sources of the unprecedented economic growth in Slovakia in 2006 and 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 provided direct feedback on the “attack on reforms”. The results have been published almost in all Slovak media and the top politicians (including former PM Mikuláš Dzurinda and present PM Robert Fico) have repeatedly used them when arguing about the importance of the reforms (see our media coverage). The results are available at: <http://www.ineko.sk/clanky/rychly-prieskum-ineko-sucasny-hospodarsky-rast-je-najmae-vysledkom-prace-druhej-dzurindovej-vlady>.

In August, at the first anniversary of the present government, INEKO published a bill on government promises. The analyses included all 180 promises followed in the project but focused on 50 promises with the highest political and economic importance. It showed that the majority of the most important promises were populist: 64% of promises promote solutions that are rather bad for the country. After one year in power, the government was not fulfilling more than one half of its promises (52%). The analysis was published in a press report which is available at: <http://www.ineko.sk/clanky/vladnej-koalicii-sa-plni-takmer-polovica-slubov>

In October, INEKO published an analysis of the state budget for 2008 and how it meets the promises of the government coalition. The analysis revealed that the state budget does not correspond to the promises of building a strong social state and knowledge economy. The government does not give substantially more money on social affairs, education, healthcare, science, culture, sport, etc. Moreover, in contrast to its promises, the government does not increase the transparency of public expenses. The analysis was published in a press report which is available at: <http://www.ineko.sk/clanky/rozpocet-odzrkadluje-falosnost-slubov>

On a daily basis, INEKO experts comment in media on social and economic measures proposed or adopted by the government (see the media coverage). These comments help to reveal populism because they give feedback on the quality of measures and their contribution

to meeting the promises. Moreover, by influencing the public debate, INEKO warns against implementing bad solutions and supports good solutions necessary for the social and economic development of Slovakia.

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.

INEKO examined goals of the state budget for 2007 and selected 260 of them for further evaluation. The goals were taken from the following budget chapters: education, sport, culture, economy, science, and health-care. Further, INEKO identified 135 experts for the selected budget chapters³ – please, find the list of experts on internet: <http://www.ineko.sk/ostatne/clenovia-siestich-odbornych-komisij>. In the first stage, INEKO conducted a survey asking experts to formulate their desired goals (i.e. to identify public interest) a state should follow and include in the state budget. Based on experts' opinion, INEKO formulated 56 desired goals to be included in the state budget. In the second stage, INEKO conducted a survey asking experts to evaluate quality of 260 goals selected from the state budget and 56 desired goals formulated by INEKO. The evaluation considered especially the usefulness of the goal for the society, i.e. whether the outcome is good or bad. It was also focused on the formulation of the goal, i.e. whether it is comprehensible or not, and on the ability to measure and control the outcome. Based on this evaluation, INEKO created a ranking and analyzed the efficiency of the state budget goals. It concluded that **73% of monitored goals are designed to support specific subjects or processes, but not to achieve results**. It means that the state follows in particular numbers of decisions issued, analysis written, or projects and organizations supported from the state budget. However, it puts much less emphasis on the real impact and usefulness of these decisions, projects, and organizations for the society. In May, INEKO presented these results at a press conference and published them on its web page: <http://www.ineko.sk/heso-rozpocet/projekt-heso-efektivny-statny-rozpocet>.

Continuously, INEKO collected statistical data on fulfilling the desired goals. This should help to put in contrast the reality and the public interest. In the next stage, we will publish this data together with the analysis of the state budget goals for 2008.

Monitoring and Commenting on the Structural Reforms

In 2007, 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

³ The evaluation of state budget goals for the chapter "Economy" was done in cooperation with and under supervision of the Business Alliance of Slovakia.

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 2007, 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 78% in July 2007) which means that the government was giving up some of its populist promises. This was a positive trend reflected by the survey. However, in September 2007, the probability fell down to 70% because of the threat of increasing government deficit due to rising debts of the hospitals, public media, and highways, as well as due to government plans to attack pension reform and to start gigantic projects of building the highways. Thus, the September survey became a source of negative feedback to the government. 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. In 2007, we ran the second evaluation of annual reports of non-profit organizations. The project culminated in November 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 2007, 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) To inform regularly about problems of Slovak journalism (ethical problems, mistakes or misleading information), ways how to solve them (best practices from around the world), and other media issues (media ownership, external pressures including PR activities of government and businesses, etc.).

Activity: Monitoring of daily media news, searching for mistakes, and informing about them – publishing the results on a project web page: <http://spw.blog.sme.sk>

Results: During the project, we have monitored 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 have published on a project web page 266 (on average 17 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 479 thousand visits (on average 30 thousand per month).**

Objective (2) To involve general public in critical media monitoring through contributing either directly on a web page / blog, or indirectly by providing tips for blogging.

Activities: Providing discussion forum for public criticism of media work (available on a project web page). Collecting, rewarding and publishing individual observations about shortcomings of media work (also on a project web page).

Results: During the project, we have recorded **5,124 contributions** in the internet discussion forum supported by the project – see Table above. The editor has received **more than 1000 tips for observations (on average 3 tips daily)**. He accepted and **published on a project web page around 219 observations based on tips from around 80 external contributors**, who have been rewarded financially.

Objective (3) To inform young people with interest in journalism about key trends in quality development of Slovak journalism.

Activity: At least 9 lectures for university students with interest in journalism

Results: We have organized 10 lectures for university students.

Objective (4) To educate young media experts.

Activity: Involving 6 students with interest in journalism in the project on basis of an internship lasting 1 month

Results: We have organized internships for 6 students interested in journalism.

Objective (5) To inform regularly about key findings of the project.

Activity: Writing and publishing summary of key project finding (every quarter), writing and publishing annual reports about trends in media quality developments in Slovakia.

Results: We have published **5 quarterly summaries of key project findings** on a project web page / blog. We have also published **two annual reports (for 2006 and 2007) informing about key trends in media quality developments in Slovakia**. The reports have been published in the Slovak and English languages (see the attached files – Annual report 2006_English.doc and Annual report 2007_English.doc). We have published them 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.

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

Creating Reform Coalition from Business, NGO and Media Leaders in Serbia

In 2007, we continued in the project “**Creating Reform Coalition from Business, NGO and Media Leaders in Serbia**” with our local partner - ESPI Institut from Belgrade. The project was financed by SlovakAid, the Slovak government's official development assistance. Its goal was to improve the efficiency of Serbian labor market and quality of its business environment. It was aimed at creating reform coalition from among the business leaders, partner think-tank experts and journalists who would monitor and comment on labor market and business climate reforms on a regular basis. Summed up, the objectives were achieved partially. By mid-January 2008, all activities except one (the Report on Labour Market was expected to be published by end of January) were carried out as planned – the Serbian business alliance (“The network”) was set up, relying on member firms and research of ESPI think-tank in its work. It organized the Conference to discuss Slovak experience and Serbia’s current problems and opportunities. The Network published newly created index of business environment 4 times a year, and commented on government policies, drawing on Slovak know-how. Seminars on journalism and Slovak business reforms took place. However, the interest in Network’s activities was lower than expected. This was true of number of participants in the Conference, journalism seminars and essay contestants. It also translated into lower media output. The Network had a fifth fewer members at the end of the project than envisioned. As for the most important goals – improving the push for reform of labor market in Serbia, the evaluation of the final Conference suggests it is of average importance in addressing the main decision actors and using the activities it carried out, and of low importance by its

presentation in the media. On the other hand, judged by the values of Index of business environment, the quality of environment rose by 6% on annual basis as of October 2007. Importantly, the newly-created Network members decided to continue its activities in 2008 even without Slovak Aid Funding by seeking other donors and asking members directly to continue.

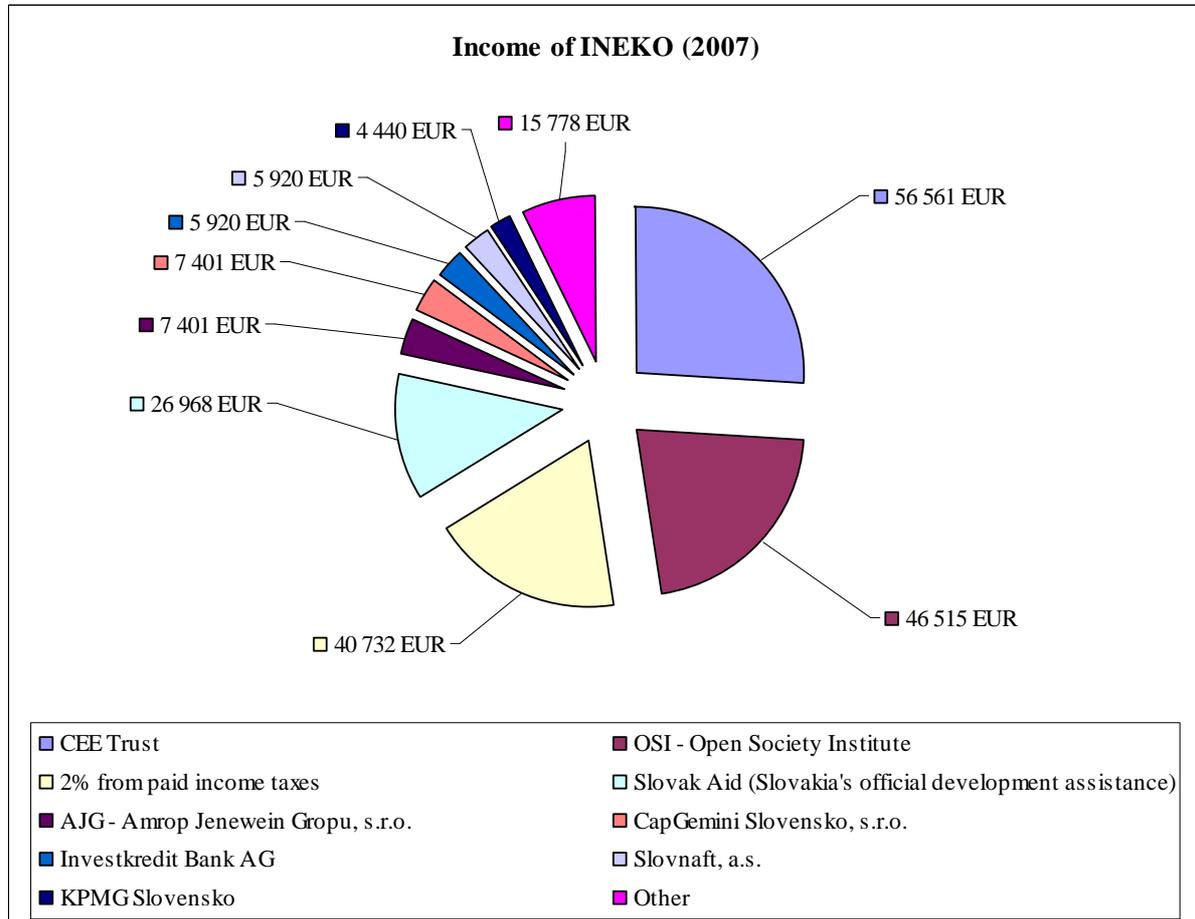
For more information, please see <http://www.ineko.sk/articles/project-serbia>.

Other Activities

Fundraising campaign: In 2007, 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 6% in 2005 to 20% in 2006.

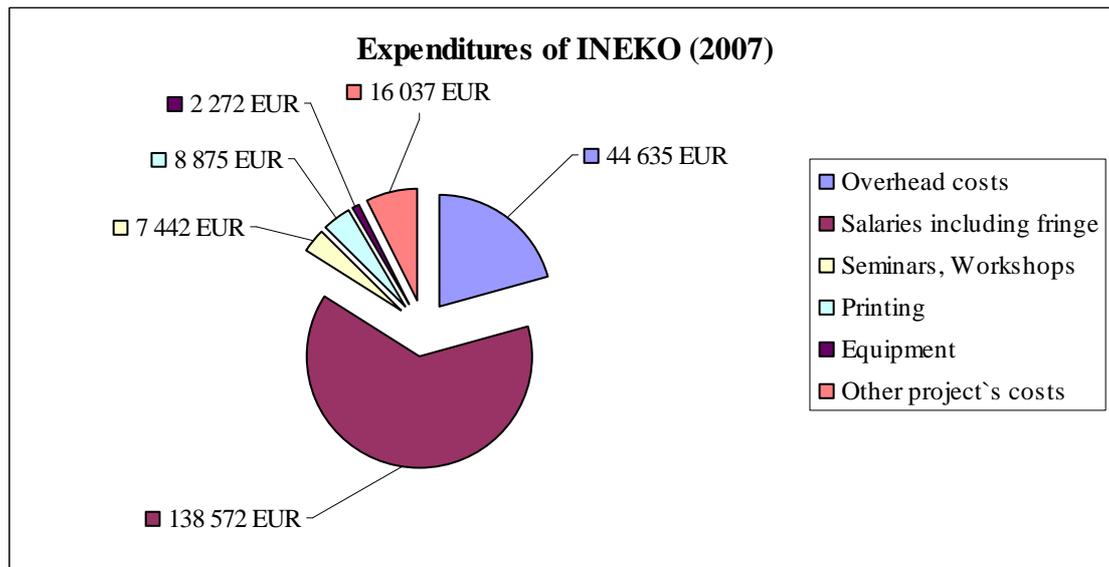
Financial Report

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



| Income of INEKO | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|----------------|----------------|----------------|----------------|----------------|
| | (USD) | (USD) | (USD) | (USD) | (EUR) |
| CEE Trust | - | - | - | 9 189 | 56 561 |
| Open Society Institute | 197 200 | 159 183 | 133 737 | 100 000 | 46 515 |
| 2% from paid income tax | - | ns | ns | 17 250 | 40 732 |
| Slovak Aid (Slovakia's official development assistance) | - | - | 3 174 | 6 125 | 26 968 |
| AJG - Amrop Jenewein Group, s.r.o. | - | - | - | 8 411 | 7 401 |
| Capgemini Slovensko, s.r.o. | - | 7 750 | 8 060 | 8 411 | 7 401 |
| Investkredit Bank AG | - | - | - | 6 729 | 5 920 |
| Slovnaft, a.s. | - | - | 3 224 | 3 364 | 5 920 |
| KPMG Slovensko, s.r.o. | - | - | 4 836 | 5 046 | 4 440 |
| Other | 67 881 | 119 236 | 106 253 | 57 063 | 15 778 |
| Total | 265 081 | 286 170 | 259 284 | 221 589 | 217 636 |

ns ... non-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 |
|------------------------------------|----------------|
| Salaries including fringe | 138 572 |
| Overhead costs | 44 635 |
| Seminars, Workshops | 7 442 |
| Printing | 8 875 |
| Equipment | 2 272 |
| Other project's costs | 16 037 |
| Total | 217 833 |

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 2006 include some of the expenditures of INEKO Group (common projects of members of INEKO Group, administration of INEKO Group...)

Web-Site Statistics

January 1st, 2007 – December 31st, 2007

| <i>Domain "ineko.sk"</i> | <i>Visits</i> | <i>Daily average</i> |
|--------------------------|---------------|----------------------|
| January | 4893 | 158 |
| February | 4504 | 161 |
| March | 5901 | 190 |
| April | 5380 | 180 |
| May | 9472* | 306 |
| June | 4193 | 140 |
| July | 3499 | 113 |
| August | 4082 | 132 |
| September | 3851 | 128 |
| October | 6018 | 194 |
| November | 5604 | 187 |
| December | 4456 | 144 |
| Total | 61853 | 169 |

* Higher number of visits in May is a reaction on publishing the list of promises related to the “Feedback on populism” project.

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, 2007 – December 31, 2007 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-2007>