



CASE – Centrum Analiz Społeczno-Ekonomicznych
CASE – Center for Social and Economic Research

Annual Report 2020

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Letter from the President



Dear Colleagues and Friends of CASE,

CASE activities for the year 2020 can be summarized in two words – flexibility and adaptability. These are the two key elements that helped us successfully weather the stormy days of the pandemic, lockdowns, and constantly changing constraints imposed on our daily activity.

The year started with dynamism, enthusiasm, and plans for many new initiatives supporting institutional growth. Unfortunately, the March 2020 lockdown and ensuing restrictions significantly modified our plans: many projects were delayed, the majority of donors and clients postponed new applications, and meetings and events were cancelled. All think tanks, CASE included, were called to support governments to mitigate and manage the economical and societal impact of COVID-19.

The pandemic put a number of public institutions under intense pressure. In many instances, this pressure revealed significant shortcomings. CASE, throughout the year, flexibly responded to needs of public institutions to support the public debate on the new post-COVID reality. Firstly, we adapted the CASE Action Plan for the biennium 2021-2022 to meet these new needs. The aim of *Reinforcing European Recovery – CASE Action Plan* was to increase the understanding of the new post-COVID reality and to identify the main threats, but also the opportunities, that this new reality brings to the well-being of society and the economy. Secondly, we included an analysis of the impact of COVID-19 in the majority of our projects and initiatives performed in 2020.

During 2020, we performed 42 projects, produced 31 publications, and organized 14 events. For example, our traditional flagship project – *Study and Reports on the VAT Gap in the EU-28 Member States* – was enriched by the forecast of the potential impacts of the coronavirus crisis and resulting recession on the evolution of the VAT Gap in 2020. Within the project performed for the National Ministry of Foreign Affairs on the Polish experience of decentralization and modernization of the regions for Georgia and Armenia, the role of local governments in mitigating threats to human security caused by the pandemic was presented. Several new projects implemented within the region of the Mediterranean partner countries covered the topic of COVID-related financial assistance for economic recovery in the region. The study for the European Parliament, on the other hand, provided in-depth analysis of what social impact investment might bring in terms of achieving the SDGs (Social Development Goals) in Europe, especially in the post-COVID reality.

CASE publications and events were also closely related with the post-pandemic future. In one CASE policy brief, written by Professor Andrzej Rzonca, the author considered the diverse

paths of the post-pandemic recovery of the Polish economy. In turn, Thomas Marmefelt examined the current developments of monetary and fiscal policy as responses to the COVID-19 pandemic and the consequences of the policies for the future.

Within CASE events, during our regular edition of CASE's Tax Workshops – this time devoted to the taxation of wealth – a discussion was undertaken about how the recent pandemic and the current crises will drive an increase in income inequality, in turn providing incentives for the higher taxation of wealth in Poland. Also, the mBank-CASE seminar series, organized regularly four times a year, contributed to the understanding of the new post-COVID reality. For example, during the 166th mBank-CASE seminar entitled: *Will the pandemic reshape globalization?* the thesis was posed that the pandemic might be a relevant factor affecting the growth of isolationism and may lead to a slowdown in international cooperation.

Wrapping up, despite the challenges that shaped our 2020 reality into a huge unknown, CASE remained resilient and stable in realizing its mission. As usual, the success of CASE's activities would not be possible without people building the institution. Thanks to CASE employees and their out-of-the-box thinking, CASE actions took an innovative shape, allowing the provision of high-quality evidence and advice. Due to the significant efforts of the CASE Supervisory Council, CASE was able to undertake new detail-oriented approaches, especially in its dissemination activities, reinforcing the debate about the post-pandemic realities.

Despite difficulties, we look to the future with hope and strength. The year 2021 will be concentrated around the celebration of CASE's 30th Anniversary, and regardless of external conditions, we strongly believe it will be a fruitful year, further contributing to CASE's mission.

I strongly encourage all of you to read this CASE Annual Report and to monitor the CASE website for new CASE initiatives and events.

Dr. Izabela Marcinkowska

President of CASE Management Board

I About CASE

CASE – Center for Social and Economic Research is an independent, non-profit research institute founded on the idea that research-based policy making is vital for the economic welfare of societies.

Established in Warsaw in 1991, CASE today is recognized as the top think tank in Central and Eastern Europe and is one of the most highly regarded think tanks internationally.

CASE carries out policy-oriented research and development assistance projects, specializing in the areas of:

- Fiscal, Monetary, and Financial Policies;
- Sustainable Development Policies;
- Trade, Innovation, and Productivity Policies.

Drawing on an experienced in-house staff, a network of fellows, and a database of approximately 1,000 experts, CASE provides rigorous quantitative and qualitative analyses, innovative methodologies, and sound recommendations.

■ The CASE Network

CASE boasts of a network of independent research institutes across post-communist countries (including, among others, Ukraine, Belarus, Georgia, and Russia) as well as numerous partner organizations.

We are a member of five pan-European research networks.

CASE Internal Network

CASE has helped establish a network of independent research institutes across post-communist countries, starting with CASE-Kyrgyzstan in 1998. With the addition of CASE-Georgia, the latest member established in 2011, the CASE Network boasts a substantial presence in the CIS and includes the following institutions:

- CASE-Belarus
- CASE-Moldova, Chisinau
- CASE-Georgia, Tbilisi
- CASE-Ukraine, Kyiv
- CASE-Kyrgyzstan, Bishkek

This network represents CASE's continuing effort to increase the range and quality of economic information available to decision-makers and the public across the post-communist world, as well as to foster vibrant think tank sectors in these societies.

CASE External Network

In addition to the CASE Network, CASE is also an institutional member of five pan-European research networks.

EUROMESCO

The Euro-Mediterranean Study Commission (EuroMeSCo) is the main network of research centers on politics and security in the Mediterranean. EuroMeSCo was established in 1996 with the goal of fostering research, information, and social relations among its members as well as acting as a confidence-building measure in the framework of the Barcelona process. EuroMeSCo comprises 107 institutes coming from 32 countries out of the 43 members of the Union for the Mediterranean.

EUROFRAME-EFN

The European Forecasting Network (EFN) is an initiative for improved forecasting and macroeconomic analysis in the European Union. Coordinator: Economic and Social Research Institute (ESRI), Dublin.

FEMISE

Forum Euroméditerranéen des Instituts de Sciences Économiques is a network that brings together more than 70 independent economic institutes from across the Mediterranean region to conduct socio-economic analysis of the Euro-Mediterranean Partnership.

Coordinators: Institut de la Méditerranée (IM), Marseille, and the Economic Research Forum (ERF), Cairo.

VISION EUROPE

Vision Europe is a consortium of think tanks and foundations collaborating to address some of the most pressing public policy challenges facing Europe. Through research, publications, and an annual summit, they aim to be a forum for debate and a source of recommendations to improve evidence-based policy making at both a national and EU level and to foster as appropriate European integration.

GTIPA

The Global Trade and Innovation Policy Alliance (GTIPA) is a global network of independent think tanks that are ardent supporters of greater global trade liberalization and integration, deplore trade-distorting “innovation mercantilist” practices, but yet believe that governments can and should play important and proactive roles in spurring greater innovation and productivity in their enterprises and economies.

■ CASE People

At the heart of CASE is its full-time employees, as the quality of a think tank must be measured by the quality of its staff.

CASE Fellows play a key role in conducting and organizing our research activities. CASE Fellows are drawn from the ranks of senior researchers and experts with outstanding and internationally recognized academic and professional records in economics and other social sciences.

Supervisory Council

Chairwoman

Ewa Balcerowicz, Economist, Vice President of the Association of Polish Economists, Coordinator of mBank-CASE seminars

Vice Chairwomen

Barbara Błaszczyk, Senior Researcher, Institute of Economics, Polish Academy of Sciences, Warsaw, Member of the Association of Polish Economists, Warsaw

Stanisława Golinowska, Head of the Health Economics and Social Security Department, Jagiellonian University, Krakow

Members

Tadeusz Baczek, Associate Researcher at the Institute of Economics of the Polish Academy of Sciences, Warsaw

Krzysztof Chmielewski, CASE Co-Founder

Andrzej Cylwik, President of Neo-Doradcy Sp. z o.o., Warsaw

Michał Górzyński, Head of Impact Section, European Institute of Innovation and Technology

Piotr Kozarzewski, Professor of Political Science and Economics at the Maria Curie-Skłodowska University, Lublin

Dariusz Ledworowski, Economist and Consultant, former Chairman of the Finance Working Group, Social Council for a Low-Carbon Economy; former President of the Management Board, Rabobank Polska S.A.; former Minister of Foreign Economic Relations

Agnieszka Sowa-Kofta, Researcher at the Institute of Labour and Social Affairs, National Expert for Health Care and Long-Term Care, European Social Policy Network, European Commission

Maciej Stańczuk, President of Sapere and MS Consulting, Member of the PBG SA Supervisory Council, Member of the Aforti Holding SA Supervisory Council

Richard Woodward, Lecturer in International Business at the University of Edinburgh Business School, Edinburgh

Advisory Council

Chairman

Anders Aslund, Senior Fellow at the Atlantic Council, Washington DC

Members

Vittorio Corbo, Member of the Management Council of the Fundación Chilena del Pacífico (Chilean Pacific Foundation), Santiago

Fabrizio Coricelli, Professor of Economics at the Paris School of Economics, Université Paris 1 Panthéon-Sorbonne, Paris

Georges de Menil, Professor of Economics, Ecole des Hautes Etudes en Science Sociales, Paris

Daniel Gros, Member of the Board and a Distinguished Fellow at CEPS – Center for European Policy Studies, Brussels

Irena Grosfeld, Emeritus Professor at the Paris School of Economics, Paris

Simon Johnson, Ronald A. Kurtz (1954) Professor of Entrepreneurship, Professor of Global Economics and Management at MIT Sloan School of Management, Boston

Vladimir Mau, Rector of the Russian Presidential Academy of National Economy and Public Administration, Moscow

Lucjan T. Orłowski, Professor of Economics and International Finance, Sacred Heart University, Fairfield

Vladimer Papava, Professor of Economics at Tbilisi State University, Senior Fellow of the Georgian Foundation for Strategic and International Studies (GFSIS), Tbilisi

Jeffrey Sachs, Director of the Center for Sustainable at Columbia University, New

York, Director of the UN Sustainable Development Solutions Network

Susan Schadler, Former Senior Fellow at the Centre for International Governance Innovation (CIGI), Waterloo, Ontario

Krassen Stanchev, Associate Professor, Sofia University, Sofia

Nicholas Stern, IG Patel Professor of Economics and Government, Chairman of the Grantham Research Institute on Climate Change and the Environment and Head of the India Observatory at the London School of Economics, London

Jan Svejnar, Professor of Global Political Economy and Director of the Center on Global Economic Governance at Columbia University

Wing Thye Woo, Professor of Economics, East Asian Studies, University of California, Davis; Research Professor at Sunway University in Kuala Lumpur

Charles Wyplosz, Emeritus Professor of International Economics at the Graduate Institute in Geneva

CASE Fellows

Mark Allen

Expertise: global economic governance, financial crises, economics of transition

Misha Belkindas

Expertise: statistics, development economics

Emmanuel Bergasse

Expertise: energy policy analysis, market reforms, sustainable energy in economies in transition, South East Europe, the CIS, and developing countries

Alexander Chubrik

Expertise: macroeconomics, private sector development

Marek Dąbrowski

Expertise: monetary and fiscal policies, financial crises, international financial architecture, EU and EMU enlargement, perspectives of European integration, European Neighbourhood Policy, political economy of transition

Daniel Daianu

Expertise: macroeconomics, public finances

Christopher Dembik

Expertise: macroeconomics, monetary policy, financial crises, financial markets, economic policy, trade and globalization

Itzhak Goldberg

Expertise: microeconomics, socialist transition, privatization, investment climate, productivity, innovation

Stanisława Golinowska

Expertise: social policy, labor market, pension system in Poland

Iraj Hashi

Expertise: microeconomics, governance reforms, industrial competitiveness, innovation and firm performance, SME policy

Christopher Hartwell

Expertise: applied macroeconomics, private sector development, financial sector reform, economic growth, transition economics, public finance, and public administration reform

Oleh Havrylyshyn 1943 - 2020

Expertise: economics of transition, eastward enlargement of the EU, economy of independent Ukraine, trade and globalization, tendencies in post-communist countries

Elena Jarocińska

Expertise: political economy, fiscal federalism, public economics, labor economics, institutions

Matthias Luecke:

Expertise: migration and development, social policy, and poverty reduction

Malcolm Maguire

Expertise: youth labor market, vocational education and training, lifelong learning, employee development, employer recruitment strategies, career guidance

Susan Maguire

Expertise: social policy, youth transitions, young people, NEET, policy development, post-16 education and training

Roman Mogilevsky

Expertise: macroeconomics, fiscal and social policy, foreign trade, agricultural economics

Boris Najman

Expertise: labor market, development economics, economics of transition

Jarosław Neneman

Expertise: microeconomics, public finance, managerial economics, game theory, tax policy

Richard Pomfret

Expertise: regional integration in Central, Eastern, and Southeast Asia, international economics, development economics, international trade

Bryan Roberts

Expertise: risk analysis, border security, immigration, non-immigrant travel and trade, other homeland security areas

Yochanan Shachmurove

Expertise: international finance and economics, venture capital, emerging financial markets, economies of the Middle East, monetary systems, banking and financial institutions, applied econometrics, Middle East emerging financial markets, the Israeli economy

Cyrus Sassanpour

Expertise: macroeconomics, macroeconomic modeling, economics of oil producers, public finance

Janusz Szyrmer

Expertise: economic forecasting, statistical and data analysis, economic policy

Irena Topińska

Expertise: poverty measurement, social policy, poverty reduction

Uladzimir Valetka

Expertise: labor market, demographic economics, urban and regional development

Anna Wziętek-Kubiak

Expertise: innovation, international economics, development

Canan Yildirim

Expertise: banking in transition, corporate governance, insurance, the markets of EU and Turkey, international capital flows

Management Board

The Management Board is responsible for CASE and CASE Network activities, as well as the generation and management of projects in order to ensure the growth and development of the institution.

President:

Izabela Styczyńska

Vice President:

Grzegorz Poniatowski

Operational Staff

Director of Trade and Macroeconomics

Jan Hagemeyer (from January 2020)

Director of Fiscal Policy Studies

Grzegorz Poniatowski

Director of the Middle East and North Africa Department

Katarzyna Sidło

Senior Economists

Mikhail Bonch-Osmolovskiy (from June 2020)

Jacek Liwiński (to October 2020)

Tomasz Tratkiewicz

Mehmet Burak Turgut (from February 2020)

Economists

Krzysztof Głowacki (to April 2020)

Kateryna Karunska

Agnieszka Kulesa

Anna Malinowska (to March 2020)

Adam Śmietanka

Abdoul Karim Zanhoouo (from August 2020)

Karolina Zubel

Business Development Team

Stanislav Bieliei

Justyna Perzanowska-Szymczak (to September 2020)

Marek Peda

Olga Sulkowska

Trainer

Aleksandra Teliszewska

Communications

Monika Rębała

Publications

Monika Rębała

Coordinator, mBank-CASE Seminars

Monika Rębała

Secretariat

Grażyna Kraśniewska (to August 2020)

Joanna Pniewska (from March to June 2020)

Paulina Kocot (from August 2020)

IT Specialist

Michał Dąbrowski

2020 Interns

Paweł Galiński, Marcel łoś-Leźnicki, Helena Voss

CASE HIGHLIGHTS 2020



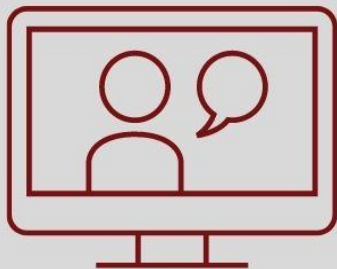
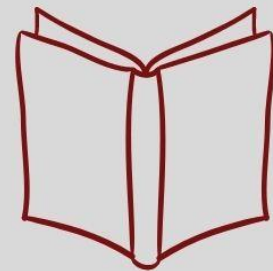
A Center of Excellence in Central and Eastern Europe

... and ranked the number one think tank globally in the category Think Tanks with Annual Operating Budgets of Less than USD 5 Million, according to the University of Pennsylvania Global Go To Think Tank Index Report for 2020



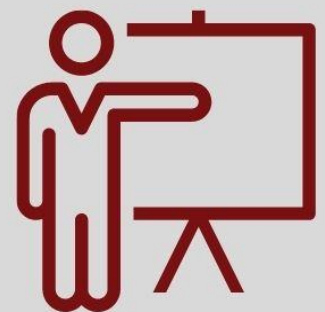
42 PROJECTS

31 PUBLICATIONS



14 EVENTS

We conducted workshops for more than 300 people



Our mBank-CASE seminars were watched online by 12,685 individuals



more than 5,000 subscribers received our bulletin showCASE

SOCIAL MEDIA in 2020

as of December 2020
3,550 individuals followed CASE
on Facebook



an increase of
more than 200 followers



as of December 2020
more than 1,150 individuals
followed CASE
on Twitter



we gained more than 200
new followers

as of December 2020
1,200 individuals followed
CASE on LinkedIn



an increase of
200 users

CASE WEBSITE

52,323 users visited our website in 2020 and it gained 203,823 views



Highlights: Events

Official release of the Global Go To Think Tank Index for 2019 | January 30

On January 30, 2020, CASE held a discussion *Together or apart? Where to look for common ground? Strengths and weaknesses of Polish think tanks*, which was organized on the occasion of the release of the Global Go To Think Tank Index for 2019. We invited to this event the members of a **coalition of think tanks**, consisting of the best independent Polish institutions supporting research, education, and the promotion of economic and social knowledge in Poland. The coalition was created by CASE in 2019, and its activities were focused mainly on the 15th anniversary of Poland's accession to the European Union. Through joint activities, we also emphasized the important role of think tanks in the public debate in Poland.



According to the University of Pennsylvania Global Go To Think Tank Index Report for 2019, CASE was **the number one Social Policy think tank in the world** (ahead of the Brookings Institution in the United States). CASE also had the honor of being a **Center of Excellence in Central and Eastern Europe**. CASE also came up as number one in the world for think tanks with an operating budget less than USD 5 million, and the second-ranked think tank with the most innovative policy ideas/proposals.

“For nearly 30 years CASE has been conducting objective research in the area of social policy in Poland and Europe. Over the years, we have worked on different topics, including social security issues for the excluded groups, and policies supporting the state in the field of health and long-term care for the elderly. Currently, we are running a project aimed at developing innovative tools to eliminate work in the shadow economy in Poland, and to support the development of digital competences of EU citizens. We are glad that the work of our entire team has been noticed and appreciated worldwide. It is an impulse for us to continue our activities and develop them,” noted **Dr. Izabela Styczyńska, President of CASE**.

For 2019, CASE also had an impressive showing as a Top Domestic Economic Policy Think Tank (10th place), as a Top Non-U.S. Think Tank Worldwide (33rd position), and as a Top International Economics Think Tank (20th place). The think tank ranking was determined by a nomination process involving approximately **3,900 journalists, public and private donors, and policy makers** from around the world, who then assessed **8,100** think tanks from all over the world. The ranking has been conducted since 2006. The 2019 issue comprised over

50 categories such as Top Think Tank in the World, Top Domestic Economic Policy Think Tank, Top Social Policy Think Tank, and Best Advocacy Campaign.

More information about the Global Go To Think Tank Index Report is available at <http://gotothinktank.com/>.

Conferences: *Direction: an efficient state* | November 26-27



On November 26-27, 2020, CASE together with the Analytical Centre on Globalization and Regional Cooperation (ACGRC, Yerevan, Armenia) and the Georgian Institute of Politics (GIP, Tbilisi, Georgia) conducted two online conferences devoted to the Polish experience of decentralization and modernization. The conferences were organized as part of the project [“Direction: an efficient state. Polish experiences of decentralization and modernization, lessons learned for Armenia and Georgia”](#) co-financed by the Ministry of Foreign Affairs of Poland.

Participants from Armenia, Georgia, Poland, and other countries discussed five topics during the conferences: the empowerment of local communities, financing of local government units, providing public services, absorption of external funds by local governments, and crisis response. After the presentation of the project insights and findings, open discussions were held on the needs and main blocking points in decentralization in Armenia and Georgia. Special attention was paid to essential practices and tools that can be transferred from Poland.

Experts agreed that based on the Polish experience, **decentralization and the delegation of responsibilities from central authorities to local government units can increase administrative productivity and create an opportunity for extra savings as well as optimize decision-making procedures.**

In order to support the empowerment of local communities, local authorities should introduce appropriate traditional and electronic communication tools based on the citizens' needs and expectations. The engagement of non-governmental organizations can also be beneficial for all stakeholders involved in consultation and co-decision processes. In terms of financial aspects, it was recommended to ensure the proper financial autonomy of local government units, including control over their own income.

Additionally, Armenia and Georgia should also develop tailored analytical tools for the monitoring and evaluation of the provision of public services by self-government units. The participants of the conferences confirmed that the diversification of local governments' activities and the appropriate use of external funds can directly contribute to the improvement of the operational capacity of local government units and local prosperity in various dimensions.

In 2020, Poland celebrated 30 years since the reconstitution of local government. Its re-introduction – initiated in 1990 – was enabled by a process of political transformation, which began in 1989. Poland has been a leader in introducing local self-government in Central and Eastern Europe and is now one of the countries with the highest level of local self-government in the whole of Europe.

For more details on project findings and recommendations, please read our **Guidebook**, available on the project web page: <http://localgov.pl/>.



[Watch the session on Armenia](#)
[Watch the session on Georgia](#)

The 3rd Edition of CASE's Tax Workshop: *Does a broadly applied wealth tax make sense?* | November 19-20

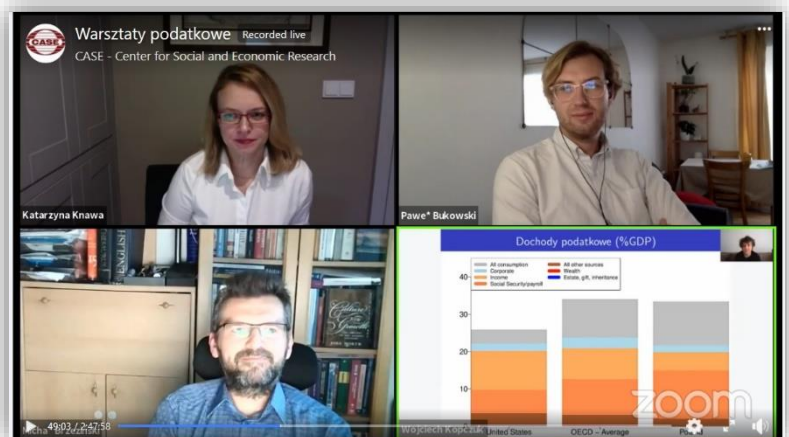
The third tax workshop was organized by CASE, the CenEA Centre for Economic Analysis, Lazarski University, and the European Commission Representation Office in Poland. The *Rzeczpospolita* newspaper was the media patron of the event. This year the main theme of the workshop was **taxation of wealth**. The scale of public spending resulting from the pandemic, combined with the economic collapse and the resulting drop in tax revenues, has driven strong growth in budget deficits, and thus in public debt. That means gradual limits on spending will be unavoidable. But even more important will be the search for new, socially

acceptable sources of tax revenues. Among the potential sources of such revenues being suggested is taxation of wealth, which is all the more justified by how the current crisis is driving an increase in income inequality.



We started our discussion of these issues with three presentations. **Michał Brzeziński** of the Warsaw University Faculty of Economic Sciences introduced the issue of wealth inequality in Poland. The first important observation is the fact of the low level of wealth compared with other European countries. Another interesting issue is the sources of data, their imperfections and methods of estimating assets so as to have a fuller picture of the distribution of wealth in Poland. Dr. Brzeziński also made an attempt to estimate potential revenue from such a tax. Depending on the rate and the extent of the tax, this could be as much as 1.1% of GDP.

Next, **Wojciech Kopczuk** of Columbia University presented the theoretical and practical advantages and disadvantages of taxing wealth. His starting point was the taxes on income from wealth that operate at the moment in the United States (and also in other countries). From a theoretical point of view, today's taxes are much more effective and easier to implement. Another important observation is that a wealth tax could be effective if it came as a surprise and was a one-off event. It is difficult to meet the first condition in a democratic country, and the second one poses a problem for politicians in any country – because if a temporary regulation works well, why give it up? Dr. Kopczuk also cited Norway as an example of an unstable approach to taxation of particular elements of wealth.



Paweł Bukowski of the London School of Economics presented the results of opinion research in the United Kingdom, which show high acceptance of wealth taxation. He also presented the

history of how such a tax functioned in Poland almost 100 years ago. And although this experience was not particularly positive, Dr. Bukowski said the introduction of such a tax today seems “difficult, but not impossible.”

Katarzyna Knawa of the Jagiellonian University also responded to the presentations. As a tax lawyer, she stressed the need for a precise definition of what is being taxed as well as its value. She was very skeptical about the possibility of introducing a wealth tax in Poland. This is an important opinion, because discussions of a wealth tax often avoid the legal and practical aspects.

Michał Myck of CenEA discussed wealth inequality in Poland, but said the country already has good though unused tools for better distribution of income. First and foremost, the personal income tax, with its current weaknesses: low progressivity or in fact a lack of progressivity as well as the non-taxation of farmers. The “Belka tax” on income from capital must also be re-examined, as well as the taxation of inheritances and gifts: solutions that increase effectiveness should be sought in these areas.

Next, the panelists responded to questions from the audience. Together, they pointed to problems related to the practical implementation of a holistic tax on wealth. It is decidedly better to increase the effectiveness of existing tax instruments, including in particular the personal income tax.

Opodatkowanie sprzedaży samochodów osobowych

Obecne przepisy regulujące podatek akcyzowy od sprzedaży samochodów przewidują trzy zasadnicze progi:

- **0%** – dotyczy samochodów elektrycznych oraz hybrydowych typu plug-in (do 2000 cm³),
- **3.1%** – dotyczy samochodów z silnikiem o pojemności do 2000 cm³,
- **18.6%** – dotyczy samochodów z silnikiem o pojemności powyżej 2000 cm³.

Nowelizacja ustawy akcyzowej obowiązująca od 2020 roku zakłada, że samochody hybrydowe (mHEV i pHEV powyżej 2000 cm³) obciążone zostaną o połowę niższą stawką.

Łączna wartość dochodów z podatku akcyzowego od sprzedaży samochodów wyniosła w 2019 roku nieco powyżej **3 mld PLN**. Dochody z podatku akcyzowego od paliw silnikowych dostarczyły budżetowi w tym samym czasie **34 mld PLN**. Nasze szacunki wskazują, że około 54% tej kwoty można przypisać zużyciu w ruchu osobowym (czyli około 18 mld PLN).

Szacunkowy podział przychodów akcyzowych w podziale na samochody z rynku wtórnego oraz pierwotnego (z dodatkowym rozbitciem na poszczególne stawki):

Kategoria	Stawka	Procent
Liberalizacja	0%	33%
Stawka 0.1%	0.1%	60%
Stawka 3%	3%	7%
Stawka 18.6%	18.6%	30%
Stawka 9.3%	9.3%	8%
Stawka 1.55%	1.55%	2%

The second day of the workshops saw two long presentations and discussions, the first on **excise tax on cars**, and the second on **support for families**. The rest of the second day was devoted to brief presentations on eight papers.

The main goal of the workshop was to build connections among Polish economists and to review their current

research. The event was part of a large economic research project to analyze the effectiveness of the Polish tax system. The discussion of the economic aspects of the system of tax rates is intended to raise the level of the debate over taxes, as tax changes are often introduced in a manner that is completely divorced from optimal taxation theory and are not preceded by an economic analysis of existing conditions. Still, the purpose of the project is not to create a vision of the optimal tax system, but only to demonstrate certain tools and provide analysis.

[See the presentations](#)

[Watch the broadcast](#)

mBank-CASE Seminars

mBank-CASE Seminars are a CASE project with a 29-year tradition. The Seminars provide a forum for discussion among academics, economists, bankers, students of economics, and journalists specializing in economic affairs. With four Seminars per year, the project brings in highly respected and visible policy makers and academics to speak on key issues of the day, including macroeconomics, the financial sector, and public finance in Poland and the EU, as well as important economic policy issues in Poland, the EU, and worldwide. The Seminars are broadcast on the Bankier.pl portal to increase their reach, and are followed by a publication, “mBank-CASE Seminar Proceedings,” published in Polish and English and available via CASE’s website.

The Seminars are organized thanks to the generous support of mBank.

Media coverage

The seminars were highly quoted by the media (selected articles):

[CASE: idealne warunki dla narastania bańki cenowej w nieruchomościach](#) | PAP

[Flipperzy pompują bańkę na polskim rynku mieszkań. W Krakowie brakuje nowych lokali](#) | Forsal.pl

[Wiek emerytalny będzie rosnąć](#) | Rzeczpospolita

[W Polsce konieczna będzie podwyżka wieku emerytalnego](#) | Interia Biznes

»» For more details, see pp. 49, 63, 65, 66.

Highlights: Projects

Study and Reports on the VAT Gap in the EU-28 Member States

The aim of this project, commissioned by the Directorate General Taxation and Customs Union (DG TAXUD) was to build on the earlier studies and continue publishing reports on the latest VAT Gap figures, on an annual basis, in order to identify trends and monitor progress in closing the Gap. This Study contains **Value Added Tax (VAT) Gap estimates for 2018, fast estimates using a simplified methodology for 2019**, the year immediately preceding the analysis, and includes **revised estimates for 2014-2017**. It also includes the updated and extended results of the econometric analysis of VAT Gap determinants initiated and initially reported in the 2018 Report (Poniatowski et al., 2018). As a novelty, **the econometric analysis to forecast**

potential impacts of the coronavirus crisis and resulting recession on the evolution of the VAT Gap in 2020 is reported.

The results of the study

In 2018, most European Union (EU) Member States (MS) saw a slight decrease in the pace of gross domestic product (GDP) growth, but the economic conditions for increasing tax compliance remained favorable. We estimate that the VAT total tax liability (VTTL) in 2018 increased by 3.6 percent whereas VAT revenue increased by 4.2 percent, leading to a decline in the VAT Gap in both relative and nominal terms. In relative terms, the EU-wide Gap dropped to 11 percent and EUR 140 billion. Fast estimates show that the VAT Gap will likely continue to decline in 2019.


Of the EU-28, the smallest Gaps were observed in Sweden (0.7 percent), Croatia (3.5 percent), and Finland (3.6 percent), the largest – in Romania (33.8 percent), Greece (30.1 percent), and Lithuania (25.9 percent). Overall, half of the EU-28 MS recorded a Gap above 9.2 percent. In nominal terms, the largest Gaps were recorded in Italy (EUR 35.4 billion), the United Kingdom (EUR 23.5 billion), and Germany (EUR 22 billion).

The Policy Gap and its components remained stable. For the EU overall, the average Policy Gap level was 44.24 percent. Of this, in 2018, 10.07 percentage points were due to the application of various reduced and super-reduced rates (the Rate Gap) and 34.17 were due to the application of exemptions without the right to deduct.

The results of the econometric analysis show that the VAT Gap is influenced by a group of factors relating to the current economic conditions, institutional environment, and economic structure as well as to the measures and actions of tax administrations. Out of a broad set of tested variables, GDP growth and general government balance appeared to explain a substantial set of VAT Gap variation across time and countries. Within the control of tax administrations, share of IT expenditure proved to have the highest statistical significance in explaining the size of the VAT Gap. In addition, the VAT Gap appeared to be inter-related with the values of risky imports of goods, indicating the role of fraud in driving the overall share of the VAT Gap.

Since the COVID-19 recession will likely have a dire impact on the EU economies, the VAT Gap in 2020 is forecasted to increase. If the EU economy contracts by 7.4 percent in 2020 and the general government deficit jumps as forecasted in the Spring Forecast of the European Commission, the Gap could increase by 4.1 percentage points year-over-year up to 13.7 percent and EUR 164 billion in 2020. The hike in 2020 could be more pronounced than the gradual decrease of the Gap observed over the three preceding years. Moreover, a return to the VAT Gap levels observed in 2018 and 2019 will take time and require significant action from tax administrations.

 [READ the Report](#)

 [READ showCASE No. 110: *The nitty-gritty of the Polish VAT Gap*](#)

Media coverage

The results of the VAT GAP report were highly quoted by the media (selected articles):

Wyborcza.pl
Podatek VAT
Luka VAT mocno rośnie. A rząd mówi, że zostały zwalczone i "wystarczy nie kraść"
Pierw. Magorzana 10 września 2020 15:42
Foto: Arkadiusz Wojcieszak / Agencja Gazeta

BUSINESS INSIDER
E-MOBILITY FIRMY FINANSE TROJE PIENIĄDZE GIEŁDA TECHNOLOGIE
Sprawdź w regulatorze pryncypal
Wraca stary problem. Minister nie chce jeszcze głośno o tym mówić
Ela Głapiak 16 wrz 20 06:27

Rzeczpospolita
Luka VAT w Polsce znowu powyżej unijnej średniej

Anna Celiak-Wróblewska
NAPISZ DO AUTORA
W efekcie pandemii nasilił się bodźce do nieprzestrzegania przez podatkowych, a to może skutkować tym, że do budżetu będzie w mniej pieniędzy z podatków, niż powinno – wynika z analizy CAS

Wyborcza
PFR przewidziany zobowiązaniem (zob. poniżej) 20 skarg na demarkację w Sądzie

ZOBACZ TAKŻE
Luka w VAT znowu rośnie. Uszczelnianie nie daje już więcej pożytku
Rząd zapowiada kolejne zmiany podatkowe. Mogą się odbić czkawką wielu przedsiębiorcom

[CASE: luka VAT może wzrosnąć do 14,5 proc.](#) | PAP

[Wraca stary problem. Minister nie chce jeszcze głośno o tym mówić](#) | Business Insider Polska

[Luka VAT w Polsce znowu powyżej unijnej średniej](#) | Rzeczpospolita

[Luka VAT mocno rośnie](#) | Gazeta Wyborcza

[Luka podatku VAT będzie większa? Minister finansów komentuje](#) | Radio Zet

[Awantura w Sejmie. Luka VAT-owska – gdzie leży prawda?](#) | Radio TOK FM

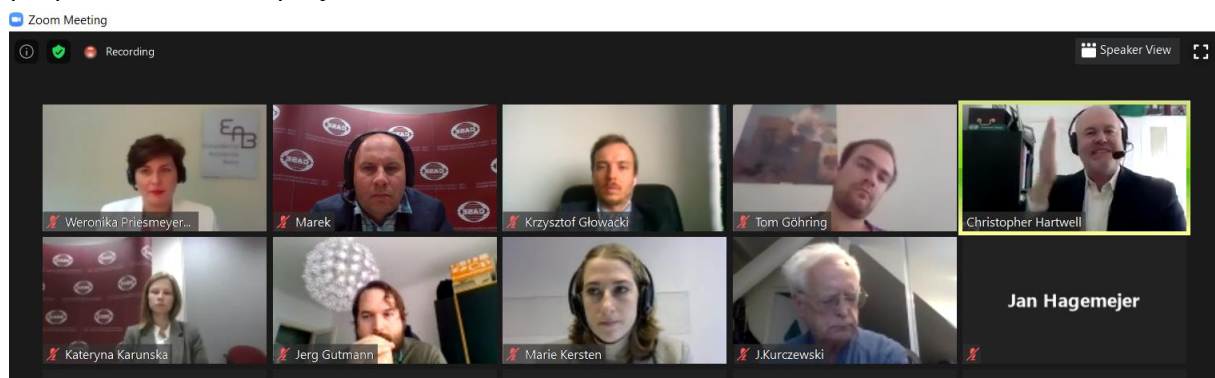
[VAT się nie rozszczelnił. Dochody rosną, a luka może nawet zmalała](#) | Dziennik Gazeta Prawna

The Rule of Law and its Social Reception as Determinants of Economic Development

This project was an interdisciplinary research study conducted by **CASE** and the **European Academy Berlin**. It aimed to explore the connection between the rule of law, especially in terms of its social reception, and the functioning of the market economy from the perspectives of Germany and Poland. The study consisted of three parts. In the first step, the researchers analyzed legislation and literature to come up with a picture of the legal basis of the market economy, for example the independence of the judiciary, property rights, and anti-corruption

laws, among others. In the second step, the study examined societal perceptions of institutions and their socio-economic impact within an economic context by means of sociological and econometric methodology. The project connected two fields of research in an innovative way: 1) New Institutional Economics, which focuses on the relationship between institutions (the rules of social life) and economic outcomes, and 2) the social working of legal rules, which deals with the interaction between social and legal norms and between the states de jure and de facto of legal norms. The project was supported by the Deutsch Polnische Wissenschafts Stiftung.

During the conference on September 29, 2020, experts from CASE (Krzysztof Głowacki, Christopher Hartwell, Kateryna Karunska, Jacek Kurczewski, Maria Krell) and the European Academy Berlin (Elisabeth Botsch, Tom Göhring, Weronika Priesmeyer-Tkocz) discussed their findings presented in the report *“The Rule of Law and its Social Reception as Determinants of Economic Development. A Comparative Analysis of Poland and Germany,”* which was prepared within the project.

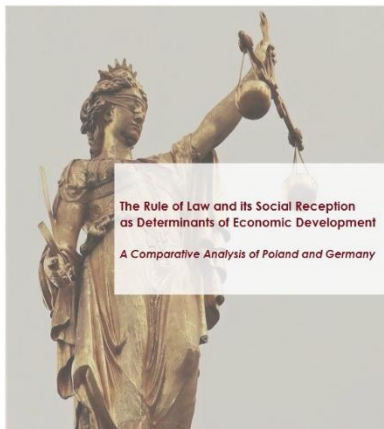


First, using a novel estimation technique on a new database of Polish and German variables, **we found that the level of the rule of law can be predicted strongly by both political and macroeconomic conditions.** Plugging these results into an equation relating investment to the rule of law, we found that the rule of law does indeed also positively impact investment, quite substantially over the life cycle of a worker and almost immediately. Specifically, **the shift from the current level of the rule of law in Poland to its historical maximum (i.e. 0.964 in 2009-2010) would result in an increase in its income-based capital per worker of an additional USD 3,216.40** (in 1990 constant USD). Similarly, **if the rule of law in Germany was to increase from its current level (i.e. 0.989 in 2018) to its 2012 maximum, the country would see a gain in capital of about USD 1,190.00 per worker.** Conversely, if Poland and Germany were to suffer lower levels of the rule of law (i.e. a shift for Poland from its current level to 1986, and for Germany – from its current level to today’s level in Poland), their workers would see USD 11,240.12 and USD 7,911.78 less capital, respectively. The effects begin to peter out the further away we examine the level of the rule of law (starting in year 3 and persisting for years after that), meaning that the domino effect of poor rule of law are substantial indeed as well as immediate.

Put simply, given the opportunity cost – not just today but in future years – of foregone investment, recent year rule of law is crucial for building up an adequate level of investment for workers. **These results show how decisions affecting the rule of law have longer-term**

ramifications for a country, and that lower levels of rule of law can ultimately result in far lower levels of investment and hence, development.

The experts also presented the **findings from surveys and in-depth interviews with representatives of small and big businesses in Germany and Poland.** Our sociological results, in particular, show that many Polish firms consider the rule of law as formal obedience of rules, which is primarily their responsibility vis-à-vis the state. At the same time, the state is largely mistrusted by Polish business representatives with ‘position of the opposing party’ and ‘social capital that parties dispose of’ being recognized as two of the most important factors for a successful trial in 35.5% and 24% of cases by small and big businesses, respectively. Further, 84% and 90.5% of Polish big and small businesses, respectively, expect that in cases of a dispute between a private company and the administration, the court would act biased and pass a verdict in favor of the latter. Such distrust towards the Polish state helps explain why large portions of Polish society are relatively indifferent to the breaches of the rule of law



by the government with regard to judiciary independence, political opposition, and free media, among others. When analyzed from a historical perspective, these findings can likely be related to Poland’s long periods under foreign rule (168 years in the 19th and 20th centuries), including the old imperial powers and, more recently, the communist regime. In Germany, on the other hand, firms view the rule of law more as an instrument at their disposal, to be used vis-à-vis business partners and the state. This perception is not devoid of critique, with about one-third of small and big business representatives in Germany stating that ‘none’ of the rule of law elements are being adequately fulfilled in the country.



 [Read the Report](#)

 [Read showCASE No. 111: *The Rule of Law in the Economic Life. Does It Matter?*](#)

Media coverage

[Praworządność się opłaca](#) | Business Insider Polska

[Weto w UE. Brak praworządności to 12 tys. zł mniej w kieszeni polskiego pracownika](#) | Gazeta Wyborcza

[Więcej praworządności to większa zamożność. Nawet 12 tys. zł na pracownika](#) | OKO.Press

Report on significant distortions in the economy of the Russian Federation for the purpose of trade defense investigations

The factual report prepared for the purpose of the EU’s trade defense proceedings focuses on Russia’s macro-economy, the main production factors, such as labor and energy, used in

all manufacturing processes, and certain specific sectors of the economy, including steel, aluminum, and chemicals.

The first part of the report (chapters 2 to 7) analyzes the core features that give the Russian economy its current shape and structure and determine the way of its functioning. Chapter 2 examines the formal and informal role of the government with respect to resource allocation based on the country's constitution, basic economic legislation, government strategies and plans, and the practice of their implementation. Next is an in-depth analysis of the financial sector (Chapter 3), state-owned enterprises (Chapter 4), public procurement (Chapter 5), Russia's trade arrangements and export-import regime (Chapter 6), and investment restrictions (Chapter 7).

The second part (chapters 8 to 13) covers the various factors of production. It looks in detail into the functioning of the markets for land (including the implementation of environmental standards – Chapter 8), capital (Chapter 9), energy (Chapter 10), transportation services (Chapter 11), raw materials and other material inputs (Chapter 12), and labor (Chapter 13).

The third part (chapters 14 to 16) examines in-depth three selected sectors, namely steel (Chapter 14), aluminum (Chapter 15), and chemicals including fertilizers (Chapter 16).

The report has been prepared by the Commission Services on the basis of research and analysis carried out by a consortium of the following institutions: CASE, the Norwegian Institute of International Affairs, and LSE Consulting.

 [Read the Report](#)

Online CASE CPI

The Online CASE CPI index is an innovative measurement of price dynamics in the Polish economy, which is based on online data. The Online CASE CPI is constructed by averaging the prices of commodities from the last four weeks and comparing them to the average prices of the same commodities from the four weeks prior. The index is updated weekly.

Media coverage

selected articles:

[Święta będą droższe w tym roku](#) | Business Insider Polska

[CASE: w sierpniu ceny noclegów o 5 proc. niższe niż w lipcu](#) | PAP

[Żywność na świątecznym stole droższa niż przed rokiem](#) | Rzeczpospolita



Fiscal, Monetary, and Financial Policies

Projects

Study and Reports on the VAT Gap in the EU-28 Member States (ongoing)

The aim of this project is to update estimates of the VAT Gap, identify trends in the VAT Gap time series, and monitor progress in closing the Gap. The study will be complemented by an econometric analysis of VAT Gap determinants. Similar to previous studies, the set of objectives for the two subsequent updates of the VAT Gap study includes nine components, which are: 1) to discuss the economic and policy context, potential VAT regime changes, and sources of potential changes in VAT revenue components; 2) to review and, where applicable, revise the VAT Gap estimates of previous publications for 2014-2018 by taking into account the new or updated data available at the moment of publication and the 5-year period for revision; 3) to present the estimates of the VAT Gap in 2018 at the EU level and for each of the 28 Member States; 4) to include “fast estimates” for the VAT Gap for 2019; 5) to analyze the trends in the VAT Gap estimates that can be interpreted from the numerical estimates; 6) to present estimates of the VAT Policy Gap in 2018 at the EU level, with a country-by-country analysis on the respective impact that VAT reduced rates and exemptions have on it; 7) to further analyze the VAT Gap with respect to possible irregularities over time, such as sudden drops/increases, or with respect to possible anomalies, such as negative gaps or gaps close to zero; 8) to consult the Member States’ statistical offices and Ministries of Finance prior to the finalization of the calculations, in agreement with the European Commission, in order to validate the results of the analysis and check for and correct possible anomalies in the data; and 9) to describe in detail the methodologies used to arrive at the findings in the report, preferably presented in an annex.

Experts: Grzegorz Poniatowski, Adam Śmietanka, Mikhail Bonch-Osmolovskiy

Project funding: Directorate-General Taxation and Customs Union (DG TAXUD)

Project leader: CASE

»» For more details, see CASE Highlights pp. 24-26.

VAT in the digital age (ongoing)

The aim of this project is to assess the current situation and the likely impacts of a number of policy options on three topics related to VAT and the evolving technologies, digitalization, and innovative business models, namely: 1) digital reporting and e-invoicing; 2) the VAT treatment of the platform economy; and 3) the single EU identification number, and aspects related to the import One-Stop Shop and the low-value threshold, with a particular focus on SMEs. The assessment is expected to contribute to the preparation of a future Impact Assessment (IA) and legislative proposal.

Experts: Grzegorz Poniatowski, Adam Śmietanka, Tomasz Tratkiewicz, Mehmet Burak Turgut

Project funding: Directorate-General Taxation and Customs Union (DG TAXUD)

Project leader: Economisti Associati

Project partners: CASE, Hedeos Société d'avocats, Mazars N.V., Oxford Research AB, Wavestone S.A.

Study to support the interim evaluation of the implementation of the Union Customs Code (ongoing)

The project has three main objectives. The first is to analyze the state of implementation by Member States and the Commission of the UCC legislative framework, including its IT aspects. The study will, under this heading, also identify weaknesses or gaps in the current legislation and IT systems. The second objective is to evaluate the functioning of the UCC to-date in terms of its progress towards achievement of the UCC's objectives. The third objective is to provide recommendations for addressing any such weaknesses or gaps in the legislative and non-legislative framework, including its IT aspects. In other words, the study will suggest how to ensure that rules and processes are set out in a more efficient, more streamlined way, and how to future-proof the legislation and systems.

Experts: Grzegorz Poniatowski, Tomasz Tratkiewicz

Project funding: Directorate-General Taxation and Customs Union (DG TAXUD)

Project leader: Oxford Research AB

Project partners: CASE, Ipsos NV

Income inequalities, political instability, and the deficit bias (ongoing)

The aim of this project is to investigate the connection between two economic phenomena – income inequalities and the excessive accumulation of public debt, both of which are perceived to be among the most important contemporary, global economic challenges. The scientific literature suggests that the connection between these two phenomena is not direct, but that income inequalities and public debt are linked through intensified political conflicts over the distribution of the national income, which can result in elevated political instability, ultimately leading to higher fiscal deficits and an excessive accumulation of public debt. Outcomes of the study are important not only from a scientific point of view, but will also contribute to policy making, allowing for the implementation of more effective, evidence-based policies.

Experts: Christopher Hartwell, Łukasz Jannils (Janikowski)

Project funding: National Science Center – Poland

Project leader: CASE

Monetary Dialogues. Framework service contract for the provision of external expertise in the field of monetary and economic affairs (ongoing)

The framework service contract is intended to support the work of the Committee on Economic and Monetary Affairs (ECON) in the European Parliament by enabling it to request expertise in its areas of competence, as appropriate. Specifically, with the framework service

contract, ECON seeks independent expert advice in the field of monetary and economic affairs to support its scrutiny activity, in particular in the context of the Monetary Dialogues between ECON with the European Central Bank (ECB). Expertise is requested on a wide range of issues relevant to the work of ECON in relation to EU economic and monetary integration, including governance and institutional aspects, as appropriate. The expertise sought is designed both to strengthen the Committee's knowledge and to provide a solid basis for some of the Committee's own initiatives. The system aims at providing flexibility and autonomy for Committees, making technical and scientific expertise rapidly available when needed, and increases the utility of this expertise to Members in their everyday political work. It shall also provide the European Parliament with a long-term perspective in their political work. Independent expert advice is requested in the form of briefing papers and/or oral presentations.

Experts: Daniel Daianu, Marek Dąbrowski, Christopher Hartwell, Thomas Marmefelt, Manuela Moschella, Pierre Siklos, Amy Verdun

Project funding: European Parliament

Project leader: CASE

Review of the VAT rules for financial and insurance services, in light of the existing regulatory and other indirect taxation rules

The main goal of the project was to analyze the current impact of VAT exemption in financial and insurance services across the EU and to serve as the basis for an impact assessment of VAT functioning. Other goals included: 1) evaluation of the functioning of the current VAT rules impacting financial and insurance services at the EU and Member State levels, while putting them in the context of all other relevant legislative developments in the financial and insurance sectors and taking into account the new rules on the regulation of financial and insurance markets; 2) development of options for the review of the provisions of the VAT Directive on the treatment of financial and insurance services; and 3) preparation of an analysis of the benefits, costs, opportunities, risks, and impacts.

Experts: Grzegorz Poniatowski, Tomasz Tratkiewicz

Project funding: Directorate-General Taxation and Customs Union (DG TAXUD)

Project leader: Economisti Associati srl

Project partners: CASE, CEPS – Centre for European Policy Studies, Europe Economics, Hedeos société d'avocats, Oxford Research AB, Mazars N.V., SEURECO - Société Européenne d'Economie

Study contributing to an impact assessment concerning a possible legislative proposal authorizing Portugal to apply a reduced excise duty rate on rum, liqueurs, and eaux-de-vie produced in specific Outermost Regions

The aim of the study was to evaluate and understand the reason for the current situation of the reduced rate of excise duty and to assess if the fiscal advantage was still proportionate and sufficient to overcome the competitive disadvantages of the regions. It was also to identify

and describe a possible alternative measure to a tax derogation system. In particular, it was to analyze the possibility to introduce a reduced excise duty rate for rum products only. Through an impact assessment, an analysis of the advantages and disadvantages of the alternative policy option identified was undertaken. The study considered the special regime in regard to its interactions with EU policies in various key domains (competition, agricultural policy, and regional development).

Experts: Grzegorz Poniatowski, Anna Malinowska

Project funding: Directorate-General for Taxation and Customs Union (DG TAXUD)

Project leader: PwC

Project partners: CASE, Institute for Advanced Studies (IHS)

Study contributing to an impact assessment concerning a possible legislative proposal authorizing France to apply a reduced excise duty rate on traditional rum produced in specific French Outermost Regions

The study will demonstrate to what extent the current system of reduced excise duties in the French Outermost Regions was fit for purpose. The study also aims to identify the unknown and potential future problems of the current policy and to identify and describe the scope for the simplification of the rules and for reducing regulatory burdens and the possibilities for synergies with other policy tools or potential collisions with other policies. The evaluation period is 2014-2017. The purpose of the study is to contribute to the decision-making process of the Commission under Better Regulation Rules. The study's impact assessment will aim to establish the most realistic policy options under Article 349 TFEU and describe their possible impact on stakeholders, including economic operators and the Internal Market as well as regulators, building on the results established in the evaluation.

Experts: Grzegorz Poniatowski, Łukasz Janikowski

Project funding: Directorate-General Taxation and Customs Union (DG TAXUD)

Project leader: PwC

Partners: CASE, Institute for Advanced Studies (IHS)

Multiple framework service contract for the provision of external expertise in the field of monetary and economic affairs (Monetary Experts Panel)

The framework service contract was intended to support the work of the European Parliament's Committee on Economic and Monetary Affairs (ECON). ECON sought independent expert advice in the field of monetary and economic policy affairs, mainly in the framework of the monetary dialogue of the European Parliament with the European Central Bank (ECB). Independent expert advice was mainly requested in the form of briefings, oral presentations, and associated services, as appropriate.

Experts: Marek Dąbrowski, Christopher Hartwell

Project funding: European Parliament

Project leader: CASE

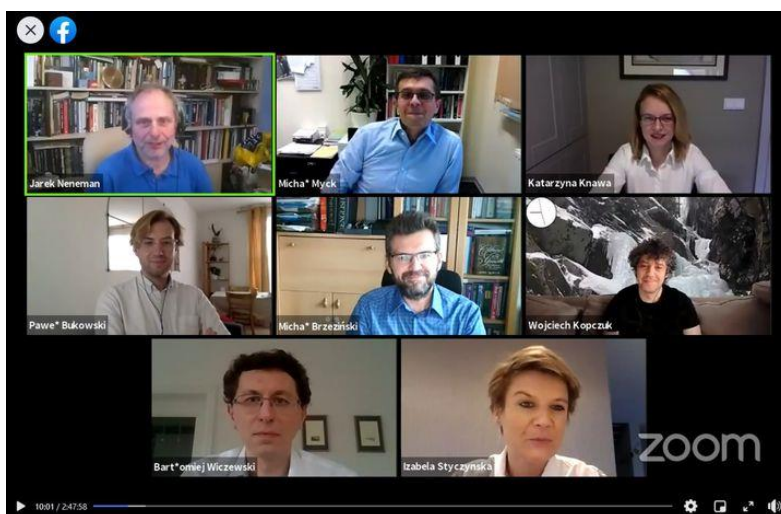
Events

The 3rd Edition of CASE's Tax Workshop: *Does a broadly applied wealth tax make sense?*

November 19-20, 2020

More than 100 experts and scholars participated in the third tax workshop organized by CASE, the CenEA Centre for Economic Analysis, Lazarski University, and the European Commission Representation Office in Poland. This year, the main theme of the workshop was taxation of wealth. The scale of public spending resulting from the pandemic, combined with the economic collapse and the resulting drop in tax revenues, has driven strong growth in budget deficits, and thus in public debt. This means gradual limits on spending will be unavoidable. But even more important will be the search for new, socially acceptable sources of tax revenues. Among the potential sources being suggested is taxation of wealth, which is all the more justified by how the current crisis is driving an increase in income inequality.

The main goal of the workshop was to build connections among Polish economists and to review their current research. The event was part of a large economic research project to analyze the effectiveness of the Polish tax system.



[See the presentations](#)

[Watch the broadcast](#)

»» For more details, see CASE Highlights pp. 21-23.


Publications

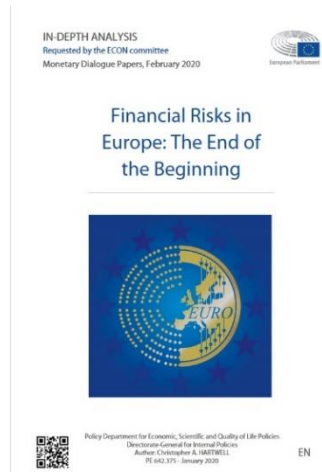
Financial Risks in Europe: The End of the Beginning

Author: Christopher A. Hartwell
External publication, February 2020

It appears that recession may be on the way for the EU as a whole and the euro area in particular. Having used all of its instruments in the previous crisis, the European Central Bank has little left that can be helpful when the inevitable happens. This brief examines the financial risks facing the euro area and details how flexibility and non-intervention – the direct opposite approach from the global financial crisis – should characterize the response to the next crisis.

This paper was prepared for the Committee on Economic and Monetary Affairs of the European Parliament (EC ON).

 [Read the paper](#)




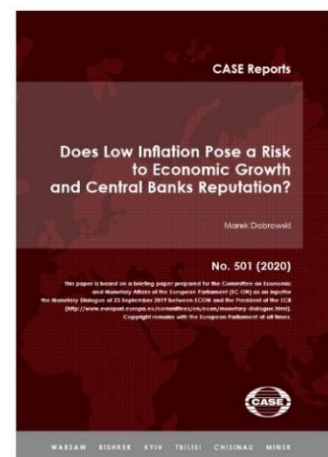
Does Low Inflation Pose a Risk to Economic Growth and Central Banks Reputation?

Author: Marek Dąbrowski
CASE Reports No. 501, March 2020

Inflation in advanced economies is low by historical standards but there is no threat of deflation. Slower economic growth is caused by supply-side constraints rather than low inflation. Below-the-target inflation does not damage the reputation of central banks. Thus, central banks should not try to bring inflation back to the targeted level of 2%. Rather, they should revise the inflation target downwards and publicly explain the rationale for such a move. Risks to the independence of central banks come from their additional mandates (beyond price stability) and populist politics.

This paper is based on a briefing paper prepared for the Committee on Economic and Monetary Affairs of the European Parliament (ECON).

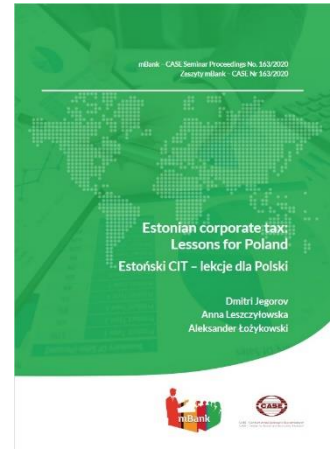
 [Read the study](#)




Estonian corporate tax: Lessons for Poland

Authors: Dmitri Jegorov, Anna Leszczyłowska, Aleksander Łożykowski
mBank-CASE Seminar Proceeding no. 163, April 2020

Estonia has Europe's most transparent tax system (while Poland is second-to-last, in 35th place), and is also known for its pioneering approach to the taxation of legal persons' income. Since 2000, payers of Estonian corporate tax do not pay tax on their profits as long as they do not realize them. In principle, this approach should make access to capital easier, spark investment by companies, and contribute to faster economic growth. Are these and other positive effects really noticeable in Estonia? Have other countries followed in this country's footsteps? Would deferral of income tax be possible and beneficial for Poland? How would this affect revenue from tax on corporate profits? Would investors see Poland as a tax haven? Does the Estonian system limit tax avoidance and evasion, or actually the opposite? Is this system fair? Are intermediate solutions possible, which would combine the strengths or limit the weaknesses of the classical and Estonian models of profit tax?

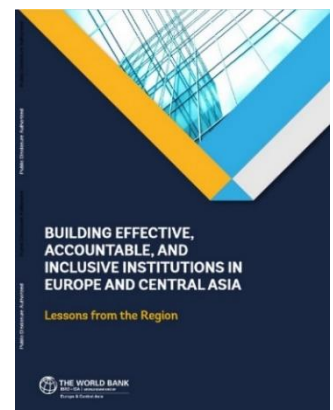


 [Read the paper](#)

Building Effective, Accountable, and Inclusive Institutions in Europe and Central Asia: Lessons from the Region

CASE Author: Grzegorz Poniatowski
External publication, June 2020

Countries around the world are facing the need to build effective, accountable, and inclusive institutions. There has never been a more important moment to tackle this agenda, as countries grapple with increasing fragility and migration flows, more complex service delivery requirements, and greater demands for transparency and inclusion, all in a more resource-constrained environment. Moreover, the COVID-19 (Coronavirus) pandemic crisis has provided new evidence of the need for effective, accountable, and inclusive government responses. Governments' capacity to respond to these complex challenges is understandably stretched, but this has not limited the rise of citizens' expectations. Instead, it has often increased tensions and, in some cases, has affected the trust between governments and their citizens. This publication builds on the World Bank's vast engagement across the ECA and on the 2019 regional governance conference. It consists of six chapters, each corresponding to one of the governance areas around which governments across the world organize their institutional functions. Each chapter contains background and analysis by World Bank specialists, complemented by country case studies authored by regional experts and policymakers.



 [Read the report](#)

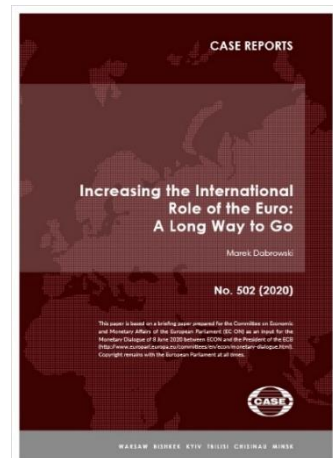
Increasing the International Role of the Euro: A Long Way to Go

Author: Marek Dąbrowski
CASE Reports No. 502, August 2020

The euro is the second most important global currency after the US dollar. However, its international role has not increased since its inception in 1999. The private sector prefers using the US dollar rather than the euro because the financial market for US dollar-denominated assets is larger and deeper; network externalities and inertia also play a role. Increasing the attractiveness of the euro outside the euro area requires, among others, a proactive role for the European Central Bank and completing the Banking Union and Capital Market Union.

This paper is based on a [briefing paper](#) prepared for the Committee on Economic and Monetary Affairs of the European Parliament (ECON).


 [Read the report](#)

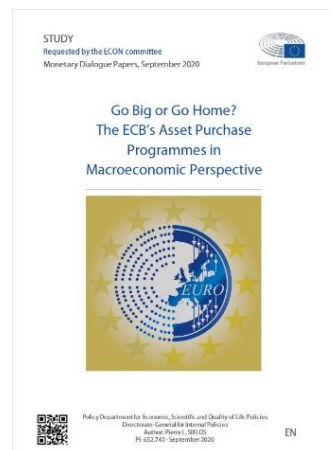


Go Big or Go Home? The ECB's Asset Purchase Programmes in Macroeconomic Perspective

CASE Author: Pierre L. Siklos
External publication, September 2020

Until this year, governments in the single currency area appeared to be 'missing in action'. There is belated recognition that monetary and fiscal policies must coordinate especially in crisis conditions. The euro area has experienced crisis or near crisis conditions for over a decade. Lessons are being learned late but there continue to be several gaps that the euro area and its members need to close. The paper highlights these and the continuing threats to the single currency area. This document was provided by Policy Department A at the request of the Committee on Economic and Monetary Affairs (ECON).

 [Read the paper](#)




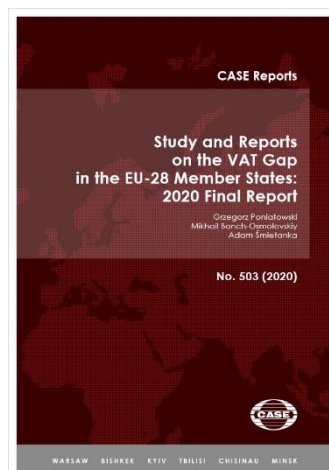
Study and Reports on the VAT Gap in the EU-28 Member States: 2020 Final Report

Authors: Grzegorz Poniatowski, Mikhail Bonch-Osmolovskiy, Adam Śmietanka
CASE Reports No. 503, October 2020

This Study contains Value Added Tax (VAT) Gap estimates for 2018, fast estimates using a simplified methodology for 2019, the year immediately preceding the analysis, and includes revised estimates for 2014-2017. It also includes the updated and extended results of the econometric analysis of VAT Gap determinants initiated and initially reported in the 2018 Report (Poniatowski et al., 2018). As a novelty, the econometric analysis to forecast potential impacts of the coronavirus crisis and resulting recession on the evolution of the VAT Gap in 2020 is reported.

This Report has been written for the European Commission, DG TAXUD, for the project TAXUD/2019/AO-14, “Study and Reports on the VAT Gap in the EU-28 Member States,” and is a follow-up to the seven reports published between 2013 and 2019. [The original version of this report](#) was published by the European Commission in September 2020.

 [Read the report](#)




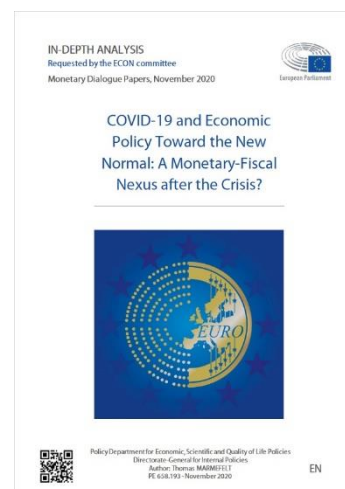
COVID-19 and Economic Policy Toward the New Normal: A Monetary-Fiscal Nexus after the Crisis?

CASE Author: Thomas Marmefelt
External publication, November 2020

Current developments during the COVID-19 pandemic involve strongly complementary monetary and fiscal policy, but both as responses to COVID-19 and not the outcome of an emergent monetary-fiscal nexus. Therefore, the ECB maintains its independence by using unconventional monetary policy measures to reach price stability, according to its mandate.

This document was provided by the Policy Department for Economic, Scientific and Quality of Life Policies at the request of the Committee on Economic and Monetary Affairs (ECON).

 [Read the study](#)



Sustainable Development Policies

Projects

REmote Climate Effects and their Impact on European sustainability, Policy and Trade (RECEIPT) (ongoing)

In order to provide relevant and quantitative information on the European risks from remote global climatic features, RECEIPT will develop and implement a novel stakeholder driven storytelling concept that maps representative connections between European socio-economic activities and remote climatic hazards. Using a limited number of storylines designed for selected sectors, RECEIPT has the following key objectives: 1) mapping of global hotspots of remote areas that are relevant for Europe through their connection pathways and sensitivity to climate change, using state of the art climate and climate impact archives; 2) co-development of sectoral storylines with societal partners, describing the relationship between climate and non-climate drivers of the following socio-economic activities: European food security, finance/capital networks, international development, supply and value chains, and European coastal infrastructure; 3) assessment of European socio-economic impacts along each of the selected storylines under three “Paris scenarios,” representing different interlinked socio-economic development, adaptation, mitigation, and climate change pathways towards the mid-21st century; 4) a robust synthesis of the storylines resulting in a pan-European socio-economic risk assessment focusing on the difference between the three “Paris scenarios”; and 5) innovative web-based concepts for visualizing the potential impacts of remote drivers and risk mitigation options.

Experts: Stanislav Biellei, Jan Hagemeyer, Kateryna Karunska, Karolina Zubel

Project funding: The European Union’s Horizon 2020 research and innovation program

Project leader: Deltares (the Netherlands)

Project partners: CASE (Poland), Arctik Spri, Cicero Senter Klimaforskning Stiftelse, Eidgenoessische Technische Hochschule Zuerich, Fondazione Centro Euro-Mediterraneo Sui Cambiamenti Climatici, Internationales Institut Fuer Angewandte Systemanalys, Koninklijk Nederlands Meteorologisch Instituut-Knmi, Potsdam Institut Fuer Klimafolgenforschung, R2 Water, Sayers and Partners LLP, Stichting International Red Cross Red Crescent Centre on Climate Change and Disaster Preparedness, Stichting Netherlands Escience Center, Stichting Solidaridad, Stichting Vu, Universitaet Bern, University of Leeds, University of Reading



[SEE the Project website](#)

CREATE 2 EVALUATE (ongoing)

CREATE2Evaluate will develop innovative tools devoted to policy makers at various layers of governance (from local to national and EU) to monitor and evaluate the impact and effectiveness of Adult Education (AE) policies and interventions. Expected project results: 1) designing guiding documents which will facilitate uptake and increase impact at a systemic level (piloted and refined tools to create easy-to-use templates); 2) stimulate the debate

around the role of evaluation in strategies and the policy cycle to improve the image of evaluation; 3) development of the virtual community established under the CREATE project (partners aim to enable players in the AE field to exchange experiences and cooperate more stringently to achieve more sustainable and efficient results informed by the sector's real needs).

Expert: Izabela Styczyńska, Machteld Bergstra

Project funding: Strategic Partnerships for Adult Education

Project leader: Niedersächsischer Bund für freie Erwachsenenbildung e.V. – Germany

Partners CASE, The National University of Ireland, Maynooth University (Ireland), Institut de Haute Formation aux Politiques Communautaires asbl (Belgium), IDP SAS di Giancarlo Costantino, Internet Web Solutions SL (Spain), Neamt County School Inspectorate, the Municipality of Pescara (Spain)

Cybersecurity for Micro, Small & Medium Enterprises (ongoing)

The main objectives of the project are: 1) bridge the skill gaps identified at EU and national levels for micro and small businesses on cybersecurity; 2) develop innovative training to provide new skills and competences to entrepreneurs and staff of MSMEs; 3) make it possible for young people to become “cybersecurity experts” and identify new jobs in MSMEs. The profile of cybersecurity expert is in high demand: in 2019, IBM reports that the number of cybersecurity job postings has grown 94%; and 4) contribute to the competitiveness and growth of EU micro and small businesses by providing more relevant and high-quality training and products to tackle the challenges of cybersecurity and better manage cyber threats.

Expert: Izabela Styczyńska

Project funding: Erasmus+ Strategic Partnership Programme

Project leader: CTS Customized Training Solutions Sp. z o.o. (Poland)

Partners: CASE, Institut de Haute Formation aux Politiques Communautaires (Belgium), IDP SAS di Giancarlo Costantino (Italy), SC Gentlab SRL (Romania), Internet Web Solutions SL (Spain)

Regulation of the workability in small and micro enterprises through multi-media tools (AKKUEurope) (ongoing)

The aim of the AKKUEurope project is the systematic development and testing of a multimedia toolbox suitable for the target group (micro and small enterprises [MSEs]) on the basis of existing instruments, together with the owners and employees of selected MSE companies. For this purpose, research on existing instruments in participating European countries is carried out first. The selected instruments will be adapted to the needs of MSE or developed for this target group – and especially for the employees working there – and tested together with model MSE companies in all European countries covered by the project consortium. After the test phase, a final adjustment of the instruments based on the test results as well as a medial implementation of the toolbox will follow. AKKUEurope results will be practical and

relevant solutions for micro and small businesses and will be available in multilingual versions, free, and without restrictions through the OER platform.

 [See the project website](#)

Expert: Izabela Styczyńska

Project funding: Erasmus+, European Commission

Project Leader: D-ialogo (Germany)

Partners: CASE, Institut de Haute Formation aux Politiques Communautaires (Belgium), IDP SAS di Giancarlo Costantino (Italy), Internet Web Solutions SL (Spain), CIT GmbH (Germany), The Community Development Institute (CDI) (Macedonia)

Digital Entrepreneurship for Employability Paths (ongoing)

The main goal of the project is to improve the chances for professional success for VET (vocational education and training) students of different backgrounds by developing their digital and entrepreneurial skills. The other goals are: 1) mapping and stock taking of Digital Entrepreneurship dynamics in the countries involved, by identifying common trends, issues, best practices, and tools; 2) boosting both digital skills and entrepreneurship by developing and testing a set of innovative materials and resources that allow VET equipping at least 200 students of the participating organizations with two crucial entrepreneurial success skills; and 3) raising awareness among VET providers and training authorities of the potential of digital and entrepreneurship skills and their role as business success factors.


Experts: Izabela Styczyńska, Agnieszka Kulesa, Kateryna Karunska

Project funding: Erasmus+, European Commission

Project leader: CASE

Project partners: CTS Customized Training Solutions Sp. Z O.O., Institut De Haute Formation Aux Politiques Communautaires, Internet Web Solutions SL, Mindshift Talent Advisory Ida, IDP SAS Di Giancarlo Constantino, Pravo I Internet Foundation

 [SEE THE PROJECT WEBSITE](#)

 [Read the Report](#)

MIGRIGHT: Improving social dialogue for decent work of migrants and refugees in Poland (ongoing)

The main objective of the project is to raise the capacity of social partners in Poland to participate in both tripartite and bipartite dialogue through the transfer of best practices and training regarding fostering migrant and refugee workers' rights and ensuring decent work conditions for this group of workers. In order to achieve this goal, the project will specifically aim to: 1) increase the level of professionalization of the social dialogue through better preparation of its participants and by basing the dialogue on facts (evidence-based policy making); 2) facilitate the social dialogue on migrant and labor policies through the

development of a set of guidelines and recommendations regarding the cooperation between the dialogue’s participants that would support the dialogue-friendly environment; 3) disseminate knowledge on activities of social dialogue partners in Poland and Norway in the sphere of fostering migrant and refugee workers’ rights and ensuring decent work conditions for this group of workers. The project will help to establish decent work practices and will address primarily the issue of labor rights and equality of opportunity and treatment of migrant and refugee workers.

Experts: Agnieszka Kulesa, Emilia Małys-Zaremba

Project funding: Norway Grants 2014-2021, in the framework of the program “Social Dialogue – Decent Work”

Project leader: Federacja Przedsiębiorców Polskich (FPP)

Project partners: CASE, Ogólnopolskie Porozumienie Związków Zawodowych (OPZZ), Confederation of Norwegian Enterprise (NHO)

Developing, piloting, and standardizing on-tax financing for residential energy efficiency retrofits in European cities and regions (EuroPACE) (ongoing)

EuroPACE developed a scalable on-tax financing mechanism to unlock the huge potential for the deployment of energy saving and generation technologies to European households. The scheme was inspired by the successful US PACE scheme that was developed in California in 2008. The project addressed several fundamental challenges to energy efficiency (EE) investment by: 1) creating a market-based approach: EuroPACE deployed private capital as up-front financing to homeowners to reduce reliance on grants and subsidies. In turn, municipalities were the conduit for repayment via a special levy collected with the property tax bill; 2) de-risking EE investment: the long-term repayment obligation was tied to the property and not its owner; 3) providing technical assistance: decision-making processes for homeowners were optimized by training energy service contractors. They were held accountable by a comprehensive consumer protection code; and 4) aggregating and standardizing: EuroPACE designed standard underwriting requirements and project performance guidelines to enable project aggregation and the issuance of green bonds.

CASE Experts: Izabela Styczyńska, Karolina Zubel

Project funding: European Union Horizon 2020 research and innovation program

Technical leader: Global New Energy Finance S.L (Spain)

Project partners: CASE, Agencia Extremena de la Energia (Spain), Ajuntament d’Olot (Spain), Climate Bonds Initiative (UK), Joule Assets Europe (Finland), Ente Vasco de la Energia (Spain), Social Innovation for Communities – UPSOCIAL SL (Spain)



[READ THE REPORT](#)

Technical Assistance in Realization of the European Commission 5th Progress Report on Renewable Energy (ongoing)

The objective of the project is to provide technical assistance in preparation of the European Commission 5th progress report on renewable energy in Europe. This assistance will include: 1) data collection, analysis, and assessment of the progress in the deployment of renewable energy, and national measures promoting such deployment, in the 28 EU Member States on the basis of the Member State renewable energy progress reports that will be submitted in the beginning of 2020, other reports and studies, and own research; and 2) data collection on the EU biofuel, biomass, and biogas markets and the impacts of the EU consumption of biofuels, biomass, and biogas. CASE will contribute to the assessment of measures and non-economic barriers for eight countries (Estonia, Finland, Italy, Latvia, Lithuania, Poland, Portugal, Romania), and to the recommendations to be drafted per Member State.

Experts: Karolina Zubel, Valentina Ivan, Migle Grigiene, Marika Rosa

Project funding: Directorate-General for Energy (DG Ener)

Project leader: GUIDEHOUSE

Project partners: CASE, Energy Economics Group TU Wien, Fraunhofer Institute for Systems and Innovation Research ISI, Regional Centre for Energy Policy Research (REKK)

Establishment of Energy Efficiency Experts Platform (ongoing)

In order to facilitate the application procedure for potential beneficiaries (especially in the special program entitled “Clean air”), the National Fund for Environmental Protection and Water Management (NFEP&WM) is seeking support to put in place an energy efficiency expert platform. The general objective of the project is to support the efforts of the Polish national authorities to define and implement appropriate processes and methodologies by taking into account the good practices and lessons learned of other countries. CASE’s main task is to prepare a baseline report showing the best practices in several European countries. The report will be a reference point for the creation of the project platform and will be later managed by the NFEP&WM.

Experts: Karolina Zubel, Andrzej Cylwik, Szymon Firląg, Tomasz Kraszewski


Project funding: Directorate-General for Structural Reform Support (DG Reform)

Project leader: ICF International Inc.

Partners: CASE – Center for Social and Economic Research, SPARK Legal Network

Diagnoza.plus

This is an innovative study which provides an almost real-time measure of the situation on the Polish labor market. To ensure comparability of the results, the e-surveys conducted within this project are based on the National Labour Force Survey (NLFS) performed by the Polish National Statistical Office (GUS). The project is conducted jointly by CASE, the Group for Research in Applied Economics (GRAPE), and the Faculty of Management, University of Warsaw. The partners of the project are: Institute for Structural Research (IBS), Centre for Economic Analysis (CenEA), Warsaw School of Economics, and EY.

 [See the project website](#)

Development and implementation of innovative tools aimed at combating the problem of unregistered labor in institutions jointly responsible for minimizing the shadow economy on the labor market (SzaWER)

SzaWER aimed to raise awareness of the consequences of unregistered employment among employees and employers and to combat the shadow economy by building a network of Polish and foreign institutions to deal with unregistered employment. Under the project, innovative training programs were developed both in-house and online. The training programs focused on the consequences of a shadow economy and its impact on the labor market and were addressed to employees and employers as well as the research institutions dealing with unregistered employment, labor market institutions, and organizations working with foreigners. The other stage of the project was the assessment of the PIT gap in Poland in order to develop a model to forecast the financial effects of innovative fiscal solutions for public finance.

Experts: Łukasz Jannils (Janikowski), Kateryna Karunska, Agnieszka Kulesa, Jacek Liwiński, Agnieszka Paczyńska, Sylwia Roszkowska, Izabela Styczyńska, Olga Sulkowska, Adam Śmietanka, Aleksandra Teliszewska, Tomasz Tratkiewicz, Mehmet Burak Turgut

Project funding: European Union within the Operational Programme – Knowledge, Education, Development (PO WER)

Project leader: CASE

Project partners: Association for Legal Intervention, Croatian Institute of Public Finance, Institute of Labour and Social Studies – IPISS, Maguire Policy Research Ltd. based in the UK, National Revenue Administration, the Voluntary Labor Corps, Voivodship Labor Office in Katowice, Voivodship Labor Office in Olsztyn



[READ the Guidebook](#)



[Digital platform with educational materials](#)

CIRCMIGR - Improving circular migration between Belarus and Poland, Slovakia, and Czechia

In order to make circular migration beneficial for all involved actors, we have to first understand how it works and what impacts it creates. Such assessment would provide a reliable basis for policymaking, advocacy, and action promoting orderly and well managed circular migration. To this end, CASE and its partners developed a circular migration feasibility study based on the evidence gained to date and on the regional labor market and macroeconomic forecasts for all the involved countries. The study included a set of policy recommendations on organizing and managing circular migration. Within the project, we also developed a website and printed a leaflet addressed to current and potential future migrants from Belarus describing the main legal pathways to Poland, Slovakia, and Czechia as well as their rights as labor migrants.

Experts: Agnieszka Kulesa, Piotr Kaźmierkiewicz, Izabela Styczyńska

Project funding: International Visegrad Fund

Project leader: CASE

Project partners: CASE Belarus, Institute for Politics and Society, Institute of Economic Research, Youth Labour Rights



[Report](#)



[Website](#)

Direction: an efficient state. Polish experiences of decentralization and modernization, lessons learned for Armenia and Georgia

The main objective of the project was to provide representatives of central and regional authorities, experts (research centers, think-tanks, and non-governmental organizations), and representatives of opinion-forming circles (including journalists) in Armenia and Georgia with information and knowledge on the process of decentralization of public authority in Poland after 1989. As part of the project, a Polish Decentralization Guidebook with lessons learned for Armenia and Georgia was developed, presenting in a synthetic way the experiences of Poland. In response to the needs of Armenia and Georgia, the project focused on transferring Polish good practices and experiences in five main problem areas related to the decentralization of power: 1) empowerment of local communities: division of competences between the center and local governments and between the various levels of local government; 2) financing of local governments: decentralization of power versus decentralization of resources; 3) provision of public services: local governments as institutions responsible for comprehensive service to citizens and improving their quality of life; 4) absorption of external funds by local governments: good practices of Polish local governments related to the use of EU funds to develop social and economic infrastructure; and 5) crisis response: the role of regions and local governments in mitigating threats to human security, with the example of the COVID-19 pandemic.

Experts: Stanislav Bieliej, Agnieszka Kulesa

Project funding: Ministry of Foreign Affairs of Poland

Project leader: CASE

Partners: The Georgian Institute of Politics (GIP, Georgia), Analytical Centre on Globalization and Regional Cooperation (ACGRC, Armenia)



[See the project website](#)



[Read the guidebook](#)

In-depth analysis on “Social impact investment: Best practices and recommendations for the next generation”

The aim of the in-depth analysis was to give the members of the Employment and Social Affairs Committee a good understanding of what social impact investment was and the potential it had in terms of crowding-in private investment and combining public and private funding in order to achieve the SDGs, implement the European Pillar of Social Rights, and realize the ambitions set out in proposals such as the Just Transition Mechanism. It gave a critical assessment of key research and data published on the subject and reviewed the findings and recommendations of relevant evaluation reports. It looked at best practices, both at the Member State and international levels and identified the elements that were crucial to the design of a well-functioning social impact investment strategy in the future. Finally, it made recommendations on actions to be taken at the EU level.

Expert: Izabela Styczyńska

Project funding: European Parliament

Project leader: Visionary Analytics

Project partner: CASE

Strengthening the system of integration of refugees in Poland

Project activities included an analysis of strengths, weaknesses, opportunities, and threats related to the implementation of individual integration programs (IIPs) for refugees and the beneficiaries of subsidiary protection as well as their families in Poland. Based on this analysis and the available source materials, proposals for changes with respect to the construction of the programs themselves – including the tools available to social workers which would support their work with foreigners and enable them to assess the results – as well as to the legal and institutional environment for the implementation of the IIPs were developed. The main objectives of the project were: 1) supporting social workers implementing IIPs by providing them with opportunities to exchange experiences and network as well as through providing potential training; 2) developing a tool supporting the work of social workers with foreigners who have been granted international protection status that would enable the monitoring and evaluation of IIPs (within the framework of existing legal provisions); and 3) developing recommendations concerning possible changes in IIPs and in the legal and institutional environment, aimed at increasing the effectiveness of the provided assistance.

Expert: Agnieszka Kulesa

Project leader: UNHCR Poland

Project partners: CASE, WCPR – Warszawskie Centrum Pomocy Rodzinie (Warsaw Family Help Center)

Financial ABC – managing the household budget for youth threatened by financial exclusion


The main objective of this project was to increase the level of knowledge of persons from youth educational centers (MOWs) and orphanages about the management of the household budget. The goal was achieved through the creation of a guidebook for teachers and

instructors and organizing 16 workshops in three voivodships. Approximately 240 people participated in the workshops.

Experts: Agnieszka Kulesa, Aleksandra Teliszewska, Izabela Styczyńska

Project funding: National Bank of Poland

Project leader: CASE

 [Read the Guidebook](#)

Events

The 167th mBank-CASE seminar: *The retirement age and the pension system, the labor market and the economy*

October 29, 2020

Speakers:

Prof. Agnieszka Chłoń-Domińczak

Dr. Michał Rutkowski

Prof. Joanna Tyrowicz

Prof. Filip Chybalski

The subject of the 167th mBank-CASE Seminar was the influence of the retirement age and the shape of the pension system on the current and future situation of the Polish labor market, economic growth, and public finances. An introduction to the discussion was provided by Dr. hab. Agnieszka Chłoń-Domińczak, a professor of the Warsaw School of Economics, after which three experts took the floor: Dr. Michał Rutkowski (World Bank), Professor Joanna Tyrowicz (University of Warsaw), and Professor Filip Chybalski (Lodz University of Technology). During the seminar, the panelists assessed how a change in the retirement age could affect the financial stability of the pension system and the adequacy of the benefits it delivers, with a particular emphasis on Poland's experience. In light of ongoing demographic changes, including the aging of the population – the growing share of older people in the population as well as a longer life expectancy, including longer life in good health – the retirement age has become a significant parameter for pension systems in Europe. The European Commission recommends that the retirement age move in line with changes in life expectancy. In Poland, the opposite is happening: three years ago the age was reduced and made equal for women and men. During the seminar, the panelists discussed, among other things, how that decision affected and



would affect the level of pension payments, particularly for women, as well as the financial stability of pension systems.

2729 people watched the broadcast

 [Read mBank – CASE Seminar Proceeding No. 167](#)

 [Watch the broadcast \(in Polish\)](#)

Conferences: *Direction an efficient state*

November 26-27, 2020



CASE together with the Analytical Centre on Globalization and Regional Cooperation (ACGRC, Yerevan, Armenia) and the Georgian Institute of Politics (GIP, Tbilisi, Georgia) conducted two online conferences devoted to the Polish experience of decentralization and modernization. The conferences were organized as part of the project “Direction: an efficient state” co-financed by the Ministry of Foreign Affairs of Poland. Participants from Armenia, Georgia, Poland, and other countries discussed five topics during the conferences: the empowerment of local communities, financing of local government units, providing public services, absorption of external funds by local government, and crisis response. After the presentation of the project insights and findings, open discussions were held on the needs and main blocking points in decentralization in Armenia and Georgia. Special attention was paid to essential practices and tools that can be transferred from Poland.

For more details on the project findings and recommendations please read our Guidebook, available on the project web page <http://localgov.pl/>

[Watch the session on Armenia](#)

[Watch the session on Georgia](#)

 For more details, see CASE Highlights pp. 20-21.

Workshops on the consequences of working in the shadow economy

CASE, together with the Association for Legal Intervention (SIP), the Voluntary Labor Corps, the Voivodship Labor Office in Katowice, and the Voivodship Labor Office in Olsztyn, conducted trainings for more than 100 participants, including foreigners, the unemployed, and employers interested in deepening their knowledge about legal employment in Poland and the consequences of unregistered work. The meetings were part of the SzaWER project. The main aim of the SzaWER project is to raise awareness of the consequences of unregistered employment among employees and employers and to combat the shadow economy by building a network of Polish and foreign institutions to deal with unregistered employment.

“Financial ABC” workshops

The first edition of the project “Financial ABC - household budget management for youth at risk of financial exclusion” took place in 2020. Within this project, we conducted trainings in money management for 222 young people from the Mazowieckie, Warmińsko-Mazurskie, and Podkarpackie voivodeships. We also developed a guidebook for teachers, which featured topics such as household budgeting, savings, credits, work contracts with employers, and taxes. In addition, we created an educational video. The project was financed with a grant from the National Bank of Poland.

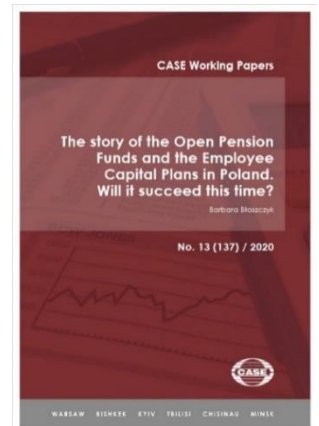
Publications


The Story of the Open Pension Funds and the Employee Capital Plans in Poland. Will It Succeed This Time?

Author: Barbara Błaszczuk
CASE Working Papers No. 13 (137), April 2020

Poland’s new Employee Capital Plans (PPK) scheme, which is mandatory for employers, started to be implemented in July 2019. The article looks at the systemic solutions applied in the program from the perspective of the concept of the simultaneous reconstruction of the retirement pension system. The aim is to present arguments for and against the project from the point of view of various actors and to assess the chances of success for the new system.

The article offers a detailed study of legal solutions, an analysis of the literature on the subject, and reports of institutions that supervise pension funds. The results of this analysis point to the lack of cohesion between certain solutions of the 1999 pension reform and expose a lack of consistency in how the reform was carried out, which led to the eventual removal of the capital part of the pension system. The study shows that additional saving for old age is advisable in the country's current demographic situation and necessary for both economic and social reasons. However, the systemic solutions offered by the government appear to be chiefly designated to serve short-term state interests and do not create sufficient incentives for pension plan participants to join the program.




 [Read the paper](#)

Financial ABC guidebook

Authors: Agnieszka Kulesa, Izabela Styczyńska, Aleksandra Teliszewska, Agnieszka Paczyńska
April 2020

The guidebook is dedicated to teachers who would like to conduct lessons on money management, household budgeting, savings, credits, work contracts with employers, and taxes. Each theoretical issue is assigned with practical materials – proposals for exercises to be carried out among youth.




 [Read the guidebook](#)

Agriculture and food security in climate sensitive areas in the Mediterranean

CASE Author: Karolina Zubel
External publication, September 2020

The Mediterranean region is characterized by very limited arable land resources, 95% of which are already farmed. With almost no room left for the expansion of cultivated areas, the future of Mediterranean agriculture and its contribution to food security relies on the preservation of fragile lands threatened by climate change, unsustainable exploitation, and population growth. In the water-poor Mediterranean region, people have always had to cope with scarcity, developing adaptation strategies to meet their most essential needs. However, the adaptation capacities in place are put to the test by climate change, which threatens to increase the number of water-poor people in the region from 180 million in 2013 to more than 250 million within the next 20 years. In the meantime, unsustainable water use and wastage contribute to the depletion of the resources at a time when water needs driven by economic and demographic growth are ever-increasing. This report was prepared for the European Committee of the Regions.



 [Read the study](#)

Digitalisation of small and medium enterprises (SMEs) in the Mediterranean

CASE Authors: Katarzyna W. Sidło, Kateryna Karunska, Stanislav Bieliei
External publication, September 2020

Micro, small, and medium-sized enterprises are the spine of Euro-Mediterranean economies. In the Southern and Eastern Mediterranean (SEMED) countries, they account for over 90-95% of all firms in absolute figures, of which the majority are micro enterprises (e.g. in Tunisia, micro enterprises represent 98% of all firms). Notwithstanding their contribution to private sector development, their role in job creation and upward mobility is much more limited. Through thriving innovation, digitalization, and automation, SMEs can reduce production costs and make productivity gains, adapt their business models to a growing globalized competitive environment, and increase access to funding. In this context, a number of blocking points for local and regional authorities (LRAs) in the field of SME digitalization have been identified; they are divided into four areas: institutional and regulatory, human capital formation, use of digital innovation, and infrastructure.



This paper was prepared for the European Committee of the Regions.

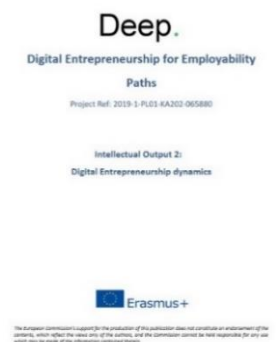


[Read the study](#)

Digital Entrepreneurship for Employability Paths

CASE Authors: Kateryna Karunska, Agnieszka Kulesa, Izabela Styczyńska, Aleksandra Teliszewska
External publication, October 2020

The report, representing the Intellectual Output 2 “Mapping and Stock taking of Digital Entrepreneurship Dynamics,” reviews the state of the art in the field of Digital Entrepreneurship in Europe with a specific focus on the countries of the partner organizations (Bulgaria, Italy, Poland, Portugal, and Spain). The report states that while EU tools have led to the establishment of an inclusive and comprehensive framework for digital entrepreneurship skills development, some Member States still seem to be at the forefront of the conceptualization and implementation of the relevant policy initiatives. The country analysis has revealed some obstacles in policy implementation supporting the EU strategy.



This report was prepared within the DEEP project, which is a 24-month project co-funded by the Erasmus+ Programme of the European Commission which involves a Consortium of seven partners from six countries (Poland, Portugal, Italy, Belgium, Spain, Bulgaria).



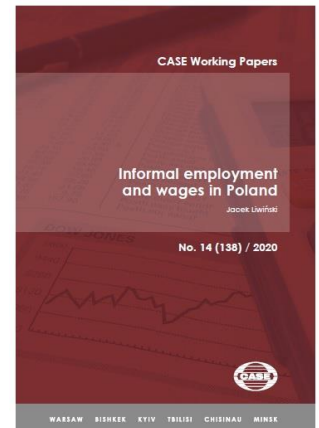
[Read the report](#)


Informal employment and wages in Poland

Author: Jacek Liwiński

CASE Working Papers No. 14 (138), October 2020

This paper tries to identify the wage gap between informal and formal workers and tests for the two-tier structure of the informal labor market in Poland. The author finds that on average informal workers earn less than formal workers, both in terms of monthly earnings and hourly wage. This result is not sensitive to the definition of informal employment used and is stable over the analyzed time period (2009-2017). However, the wage penalty to informal employment is substantially higher for individuals at the bottom of the wage distribution, which supports the hypothesis of the two-tier structure of the informal labor market in Poland.



 [Read the paper](#)


Direction: an efficient state

CASE Authors: Stanislav Bieliej, Agnieszka Kulesa

External publication, December 2020

The Polish Decentralisation Guidebook aims at presenting in a synthetic way the experience of Poland regarding the re-introduction of local government and the decentralization process since 1989. Its main goal is to provide representatives of central and regional authorities, experts, and representatives of opinion-forming circles in Armenia and Georgia with relevant information and knowledge. The idea of the authors of this Guidebook was to facilitate mutual learning between the countries and the exchange of good practices and lessons learned. This Guidebook is comprised of four main parts. The first part is devoted to the presentation of the Polish experience in five selected areas: 1) empowerment of local communities; 2) financing of local government units; 3) providing public services; 4) absorption of external funds by local governments; and 5) crisis responses. The second part is dedicated to the presentation and analysis of the needs and main blocking points in decentralization in Armenia, while the third one concentrates on Georgia. Both of them are structured around the five above-listed areas. The last but very most important section of this Guidebook provides a set of recommendations for Armenia and Georgia based on the Polish experience in introducing local government and decentralization.



 [Read the guidebook](#)

Trade, Innovation, and Productivity Policies

Projects

Better Agri-food Trade Modelling for Policy Analysis (BATModel) (ongoing)

The overall goal of BATModel is to improve existing trade modelling tools and approaches, equipped for the analysis of 21st century trade issues with a focus on agriculture and food to support policy analysis. The current needs of the users are to better account for previously neglected or insufficiently covered issues such as NTMs, GIs, zero trade flows and quality differentiation, as well as GVCs and distributional and sustainability impacts of trade liberalization and trade policy. BATModel will address these shortcomings by building upon advances in international trade theory and global value chain frameworks. As a major contribution, BATModel will bridge the gap between the established simulation models, based on the aggregate agent paradigm, and the micro evidence revealed by models that account for heterogeneity in firms, territories, producers, and customers. The enhancements enabled by BATModel will be operationally implemented through interchangeable and well-documented open-source modules. A test case of an existing free trade agreement and different case studies will be performed to assess the capability of the new modules to improve model-based assessment of agri-food trade. Ultimately, this will provide a new generation of modular trade modelling tool to support the European Commission in designing and assessing trade-related policies and international agreements.

Experts: Abdoul Karim Zanhooou, Katarzyna Zawalińska

Project funding: The European Union's Horizon 2020 research and innovation program

Project leader: Institut National de la Recherche Agronomique

Partners: CASE, Stichting Wageningen Research, Rheinische Friedrich-Wilhelms-Universität Bonn, Università Degli Studi di Milano, Sveriges Lantbruksuniversitet, JRC – Joint Research Centre, Technische Universität München, Centre D'études Prospectives et D'informations Internationales, Centro de Investigación y Tecnología Agroalimentaria de Aragón, Universität Bern, Magyar Tudományos Akadémia Kozgazdaság – es Regionalis Tudományi Kutatóközpont, Università Degli Studi Roma Tre, Centre for European Policy Studies, Inra Transfert s.a.

Remuneration of EU staff and related surveys – New York and Washington, District of Columbia (ongoing)

The objectives of the study are to conduct an ECP-type survey of prices in the Washington DC and New York City metropolitan areas, validate the price data, and evaluate the quality of the gathered data. The goal of this project is also to allow the correct identification of the average price level in the duty station for comparison with the correct identification of the average price level in Brussels. The phases of the survey include preparation, fieldwork, validation, and reporting, including explanations and analysis.

Experts: Mikhail Bonch-Osmolovsky, Kateryna Karunska, Adam Śmietanka

Project funding: Eurostat
Project leader: CASE
Partner: ODW Consulting

Statistical Services in Relation to Commercial Real Estate Markets and Consumer Price Statistics- Lot 1: Automatic data collection (web scraping) from commercial real estate portals (ongoing)

The main objective of this project is to evaluate the feasibility of producing price or rent indices for CRE (commercial real estate) from portals that advertise CRE for sale or rent, as well as to assess the quality of the resulting indices. The project aims also to bridge data and information gaps in the commercial real estate sector. The following activities will be carried out during the implementation phase: 1) assess and evaluate available national CRE portals in the 21 EU Member States; 2) develop a web scraping tool and apply it to extract the data from the selected national CRE portals; 3) produce price and/or rent CRE indices; and 4) assess the quality of the produced indices.

Experts: Mikhail Bonch-Osmolovsky, Kateryna Karunska, Chihiro Shimizu, Adam Śmietanka
Project funding: Eurostat
Project leader: CASE
Partner: Digital Economy Lab of the University of Warsaw

Connecting the Dots: Research and Policy Making on Economic Development, Security and Migration in the Southern Neighbourhood and Beyond (ongoing)

The main objective of the project is to contribute to increased awareness as well as regional and national evidence-based policy making on priority areas of the ENP South (economic development, security, and migration). The project aims to achieve this through specific objectives, which is to stimulate research-policy dialogues on ENP priority areas through tailor made evidence-based research, enhanced multi-stakeholder cooperation, increased research capacities, and holistic outreach and dissemination.

Expert: Katarzyna Sidło
Project funding: European Commission (EuropeAid) and the European Institute of the Mediterranean (IEMed)
Project leader: European Institute of the Mediterranean (IEMed)
Project partners: Members of the EuroMeSco network

Restoring “lost connections” between the EU and the UK as a consequence of Brexit through local and regional authorities (ongoing)

The study aims to provide scientific support to the UK Contact Group in exploring possible avenues and methods of future cooperation between local and regional authorities in the UK and the EU following the UK’s withdrawal from the EU. It will look at the “lost connections”

between the EU and UK as a result of the UK's withdrawal from the EU, and then consider in what areas, and with what tools, local and regional authorities could work to re-build links between the EU and the UK at their levels. The study will be based on desk research and a review of available literature and resources, including legal texts and scientific literature, but excluding CoR opinions and resolutions.

Experts: Jan Hagemeyer, Kateryna Karunska, Katarzyna Sidło

Project funding: Committee of the Regions

Project leader: CASE

EU financial assistance available to local and regional authorities in Mediterranean partner countries (ongoing)

The study will describe the general features of the funds in place at the EU and national levels and will suggest the easiest ways of accessing them for local and regional authorities in Mediterranean partner countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Mauritania, Morocco, Palestine, Syria, and Tunisia). It will take the CoR publication of 2018 (completed also by CASE experts) as a basis and update its content taking into account financial resources available under the Neighbourhood, Development and International Cooperation Instrument (NDICI) for the upcoming financial period (2021-2027). Additionally to the 2018 study, this study will also cover COVID-related financial assistance for economic recovery. Similarly to the previous publication of 2018, the study will include, for each of the programs, a general description of program's priorities, structure, budget, and geographical focus; recent examples of projects successfully funded in a Mediterranean partner country; and a description of where and how LRAs can apply for funding within the program concerned. The study will be published in the form of an updated brochure to be used as a manual/guide for local and regional authorities in Mediterranean partner countries and their associations.

Experts: Abdoul Karim Zanhoouo, Katarzyna Sidło

Project funding: Committee of the Regions

Project leader: CASE

Partner: European Institute of the Mediterranean (IEMed)

EU financial assistance available to local and regional authorities in Eastern Partnership countries (ongoing)

The main goal of the study is to update the information on EU funds and programs to which the subnational authorities from the Eastern Partnership (EaP) countries have access. The study will describe the general features of the funds in place at the EU and national levels and suggest the easiest ways of accessing these for the local and regional authorities in EaP countries. Working on the study, CASE experts will take the CoR publication of 2018 (completed also by CASE experts) as a basis and update its content taking into account the financial resources available within the Neighbourhood, Development and International Cooperation Instrument (NDICI) for the upcoming financial period (2021-2027). Additionally to the study of 2018, this study will also cover COVID-related financial assistance for economic

recovery. Similarly to the previous publication of 2018, for each of the programs, the study will offer a general description of program's priorities, structure, budget, and geographical focus; give recent examples of projects successfully funded in an EaP country; and indicate where and how LRAs can apply for funding within the program concerned. The study will be published in the form of an updated brochure to be used as a manual/guide for the local and regional authorities in the EaP countries and their associations.

Experts: Stanislav Biellej, Katarzyna Sidło, Karolina Zubel

Project funding: Committee of the Regions

Project leader: CASE

EU financial assistance available to local and regional authorities in the candidate and potential candidate countries for EU enlargement (ongoing)

The project aims to identify which EU funds and programs the sub-national authorities from the enlargement countries have access to, keeping in mind that possibilities for cooperation vary by country. CASE experts will prepare a note which will describe the general features of the funds in place at the EU and national levels and will suggest the easiest ways of accessing these for the local and regional authorities in enlargement countries. It will take the CoR studies of 2014 and 2018 as a basis and comprehensively update the content taking into account the financial resources available within the Instrument for Pre-Accession (IPA-III) for the current financial period (2021-2027). Additionally, this note will include COVID-related financial assistance for economic recovery. The note will be published in the form of a brochure to be used as a guide for local and regional authorities in the enlargement countries.

Experts: Stanislav Biellej, Katarzyna Karunska, Katarzyna Sidło

Project funding: Committee of Regions

Project leader: CASE

Partner: European Institute of the Mediterranean (IEMed)

What does the literature tell us on the relationship between economic interdependence and conflict management (ongoing)

The main goal of the project is to improve the understating of the relationship between economic interdependence and conflict in the context of the Arab world. Its final output will be a study comprising four separate but interlinked chapters. One chapter, titled: What does the literature tell us on the relationship between economic interdependence and conflict management, will be written by Katarzyna Sidło. The project is part of a larger program of work carried out by the Economic Research Forum (ERF) on peacebuilding and reconstruction in conflict affected Arab countries.

Expert: Katarzyna Sidło

Project funding: Economic Research Forum

Evaluation of the impact of the trade chapters of the Euro-Mediterranean Association Agreements with six partners: Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia

This study provides an evidence-based report on the impact of the trade chapters of the Euro-Mediterranean Association Agreements (AAs) with six Mediterranean partner countries: Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia. These free trade agreements (FTAs) are part of wider agreements signed between the EU and the partner countries. The study was the basis of an ex-post evaluation in the form of a Staff Working Document which was drafted by the Commission once the study was completed. In particular, the study examined the effectiveness and efficiency of the FTAs in achieving two objectives: 1) to promote trade and the expansion of harmonious economic and social relations and to establish the conditions for the gradual liberalization of trade in goods, services, and capital between the EU and partner countries and 2) to encourage intra-regional integration by promoting trade and cooperation both within the region and between it and the EU and its Member States.

Experts: Przemysław Kowalski, Anna Malinowska, Katarzyna Sidło

Project funding: The Directorate General for Trade (DG Trade)

Project leaders: CASE – Center for Social and Economic Research, Ecorys Netherlands

Project partner: Forum Euroméditerranéen des Instituts de Sciences Économiques (the Euro-Mediterranean Forum of Institutes of Economic Sciences) (FEMISE)

 [SEE THE PROJECT WEBSITE](#)

 [READ THE REPORT](#)

Report on significant distortions in the economy of the Russian Federation for the purpose of trade defense investigations

Russia, a big player in many international markets and an important trade partner for the EU, is still not meeting some of its WTO accession commitments. As far as EU trade defense is concerned, among the 237 anti-dumping and anti-subsidy proceedings initiated since 2003, Russia has been a respondent in 13 cases – this relatively small share is higher than Russia's share in the world economy. The objective of this study was to investigate and analyze state-induced distortions in the economy of the Russian Federation. The data used in the study consisted of a broad range of material: legal policy documents, official statements, interviews, and international reports, among others. To identify as many distortions as possible, the report analyzed different forms of distortions such as in the financial system or state-owned enterprises. As the burden of proof for the existence of state-induced distortions rests with the European Commission, the Directorate-General for Trade sought to prepare reports showing distortions in relevant countries. The Commission selected the Russian Federation because of the relative weight of the country in the EU's trade defense activity.

CASE Experts: Marek Dąbrowski, Przemysław Kowalski, Christopher Hartwell, Krzysztof Głowacki, Anna Malinowska, Katarzyna Sidło

Project funding: The Directorate General for Trade (DG Trade)

Project leader: CASE – Center for Social and Economic Research

Project partners: LSE Consulting, The Norwegian Institute of International Affairs – NUPI



[Read the REPORT](#)

The Rule of Law and its Social Reception as Determinants of Economic Development

The study was an interdisciplinary research project which aimed to explore the connection between the rule of law, especially in terms of its social reception, and the functioning of the market economy from the perspectives of Germany and Poland. The study consisted of three parts. In the first step, the researchers analyzed legislation and literature to come up with a picture of the legal basis of the market economy, for example, the independence of the judiciary, property rights, and anti-corruption laws, among others. This part ended with an inventory of the rule of law *de jure* in Poland and Germany in the economic context. In the second step, the study examined the societal perceptions of institutions and their socio-economic impact within an economic context by means of a sociological and econometric methodology. The aim was to determine the *de facto* state of the rule of law and its impact on the market economy in Poland and Germany. In the third step, the results of the study were disseminated by way of a final report, a conference, and press releases. The project connected two fields of research in an innovative way: 1) New Institutional Economics, which focuses on the relationship between institutions (the rules of social life) and economic outcomes and 2) the social working of legal rules, which deals with the interaction between social and legal norms and between the states' *de jure* and *de facto* legal norms.

Experts: Krzysztof Głowacki, Christopher Hartwell, Kateryna Karunska, Maria Krell

Project funding: Polsko-Niemiecka Fundacja na rzecz Nauki / Deutsch-Polnische Wissenschafts Stiftung

Project leader: CASE

Project partner: European Academy Berlin (EAB)



[Read the REPORT](#)

Euro-Mediterranean Political Research and Dialogue for Inclusive Policymaking Processes and Dissemination through Network Participation; WP: The Role of China in the Middle East and North Africa. Beyond Economic Interests

The project aimed at increasing the political research capacities and influence of think tanks and research institutes in the framework of the EuroMeSCo network and to promote dialogue and understanding on the key political trends and challenges of the Euro-Mediterranean Partnership and their dissemination to relevant stakeholders, policy makers, and civil society. The project was centered on three types of activities: 1) research activities which consist of the publication of joint policy studies, policy briefs and recommendations, and papers; 2)

dialogue activities which comprise dialogue workshops, annual conferences, and an online platform; and 3) dissemination activities, which include presentations, development of a website, and the production of a monthly newsletter.

Expert: Katarzyna Sidło

Project funding: European Union and the European Institute of the Mediterranean

Project leader: European Institute of the Mediterranean (IEMed)

Project partners: Members of the Euro-Mediterranean Study Commission (EuroMeSCo) network

Digitalisation of small and medium enterprises (SMEs) in the Mediterranean

This study on the digitalization of SMEs in the Mediterranean region contributed to ARLEM's (Euro-Mediterranean Regional and Local Assembly) work on economic growth and social development in the Southern Mediterranean partner countries and the whole area. The study focused on the following components: 1) identification of the main blocking points; 2) policy recommendations to local and regional authorities (LRAs) linked to the main blocking points identified and how the local and regional levels can be concretely supported to enhance the digitalization of SMEs; and 3) listing the funding possibilities, from the EU or others, available to LRAs from the South Mediterranean partner countries that would allow them to fund projects related to the enhancement of the digitalization of SMEs.

Experts: Stanislav Bieliei, Jan Hagemeyer, Kateryna Karunska, Katarzyna Sidło

Project funding: Committee of the Regions

Partners: CASE, European Institute of the Mediterranean (IEMed)

Agriculture and food security in climate sensitive areas in the Mediterranean

The study focused on the following components: 1) identification of the main blocking points based on academic research and backed by evidence; 2) preparation of a list of funding possibilities available to local and regional authorities (LRAs) from the South Mediterranean partner countries that would allow them to fund projects related to the development of a more eco-innovative agriculture; 3) development of policy recommendations to LRAs linked to the main blocking points identified and an answer to the question of how the local and regional levels can be concretely supported to develop and implement strategies for the more efficient use of natural resources and sustainable agriculture while ensuring food security; 4) development of annotated bibliography of the contribution of local and regional authorities to the development of the following focus areas, based on empirical evidence, interviews, and desk research; and 5) identification of examples of good practices/solutions. The study covered the following ARLEM (Euro-Mediterranean Regional and Local Assembly) member countries: Egypt, Turkey, Algeria, Morocco, Tunisia, Israel, Jordan, Lebanon, Palestine, and Libya, which has observer status within ARLEM.

Experts: Jan Hagemeyer, Kateryna Karunska, Katarzyna Sidło, Karolina Zubeł

Project funding: Committee of the Regions

Partner: CASE, European Institute of the Mediterranean (IEMed)

Extraterritorial sanctions on trade and investments and European responses

In the study, experts presented the main findings of their research, which addressed the following aspects: 1) overview of existing extraterritorial sanctions and implementing measures and their impacts especially on the EU and its Member States; 2) economic assessment of the possible effects of extraterritorial measures on EU industries and EU imports and exports; 3) legal assessment of the compatibility of measures deriving from extraterritorial sanctions under international, in particular WTO, law and EU law; and 4) political assessment of existing EU counteractions and possible ways to improve their usage and effectiveness including the attitudes of main trade partners of the EU other than the US.

Experts: Jan Hagemeyer, Christopher Hartwell,

Project funding: European Parliament

Project leader: University of Innsbruck

Partners: CASE, CEPS, Göttingen University



[Read the REPORT](#)

Events

The 164th mBank-CASE seminar: *Is a bubble inflating on Poland's housing market?*

January 23, 2020

Speakers:

Dr. Adam Czerniak

Stefan Kawalec


At the beginning of 2020, the prices of residential real estate in most provincial capitals in Poland were growing by more than 10%, on both the primary and secondary markets. This was supported by historically low interest rates, declines on the Warsaw Stock Exchange, fast income growth, record high household sentiment, and migration to cities, including by economic migrants from the former Soviet Union. As a result, we also had ever more short-term investment capital on the market, and the price spiral was being driven by flip transactions where buyers renovate apartments for resale, reaping annualized profits of 10-15% after just a few weeks. The growing inflow of investment capital onto the real estate market was attested to by factors including a doubling in the value of cash transactions (from 2 billion to 4 billion per quarter) from 2015 to 2018.



Did that mean that a house-price bubble was inflating in Poland? And if so, when should have we expected it to pop? These questions were raised during an mBank-CASE seminar by Adam Czerniak, Ph.D., Research Director at Polityka Insight and Head of the Institutional and Political Economy Department at the Warsaw School of Economics, which has been working for years on questions of imbalances on the residential market. Stefan Kawalec, president of Capital Strategy, commented on his remarks.

More than 100 attendees
7,192 people watched the broadcast

 [Read mBank – CASE Seminar Proceeding No. 164](#)

 [Watch the broadcast \(in Polish\)](#)

Project “Evaluation of the impact of the trade chapters of the Euro-Mediterranean Association Agreements with six partners: Algeria, Egypt, Jordan, Lebanon, Morocco and Tunisia” workshops

February 26 & April 30, 2020

The goal of the project, commissioned by the European Commission, DG Trade, was to carry out an evaluation of the impact of the trade chapters of the Euro-Mediterranean Association Agreements. The project was implemented by CASE together with its partners, Ecorys Netherlands and FEMISE (the Euro-Mediterranean Forum of Institutes of Economic Sciences). The AAs between the EU and respectively Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia were signed between 1995 and 2002 and entered into force between 2000 and 2006. During 2020, the project team organized two workshops with stakeholders. The Algeria-oriented workshop took place in Algiers on 26 February and gathered 50 stakeholders. The workshop for EU stakeholders, which took place on 30 April, was supposed to take place in Brussels but due to the COVID-19 pandemic had to be organized virtually. Like the previous five workshops organized within the project in 2019 (in Morocco, Tunisia, Lebanon, Egypt, and Jordan), the events were aimed at presenting the preliminary research results and obtaining feedback from invited stakeholders, but also gathering additional inputs for the study. Under the project, consortium experts evaluated the impact of the trade chapters of the AAs on the economies of each of the six partner countries, with between two and four sectoral case studies conducted for each state. Additionally, the impact of the FTA



Workshop in Algeria, February, 2020

on sustainable development was evaluated as well, with a focus on social and human rights as well as environmental impacts.

[Read the Report](#)

[See the project website](#)

The RECEIPT project workshops

March 26, 2020

CASE organized two online workshops on the economic impacts of extreme weather conditions on the manufacturing sector in Europe and the world. The first workshop was focused on the **electronics industry**, the second one on the **textile industry**. The workshops were part of the [RECEIPT - REmote Climate Effects and their Impact on European sustainability, Policy and Trade](#), a European Horizon 2020-funded research project, which aims to create a plausible picture of Europe's vulnerability to remote climate risks with potential consequences for key European socio-economic sectors. The workshops provided an excellent opportunity for managers and representatives of companies from different European countries to exchange experiences and best practices. The workshops addressed the following issues, among others: the socio-economic implications of climate change for European companies, the upcoming trends in manufacturing sector, and how the value chain should be modified to keep the manufacturing sector competitive at regional and international levels.

 [See the project website](#)

The 165th mBank-CASE seminar: *Is the economy doomed to a long recession?*

May 21, 2020

Speakers:

Prof. Andrzej Rzońca

Andrzej Halesiak

“Is the economy doomed to a long recession?” This was the question addressed at the 165th mBank-CASE seminar by two outstanding economists, Professor Andrzej Rzońca (Warsaw School of Economics) and Andrzej Halesiak (Association of Polish Economists). The discussion took place as data were still coming in about the shrinking of economic activity in Poland and around the world, driven by the pandemic and the mandatory shutdown of many service sectors. But the data are still incomplete, covering only the first months of the pandemic. In turn, the forecasts for 2020-21 presented by international organizations are very tentative, and it is



obvious that they will be amended many times as further statistical data come in. These are the circumstances in which our guests set out to explain the situation and the prospect for a post-pandemic rebound.

1,969 people watched the broadcast

 [Read mBank – CASE Seminar Proceeding No. 165](#)

 [Watch the broadcast \(in Polish\)](#)

The 166th mBank-CASE seminar: *Will the pandemic reshape globalisation?*

June 18, 2020

Speakers:

Dr. Dalibor Rohac


Prof. Roman Kuźniar

At the 166th mBank-CASE Seminar, Dr. Dalibor Rohac of the American Enterprise Institute and the Wilfried Martens Centre for European Studies in Brussels and Professor Roman Kuźniar of the University of Warsaw attempted to answer the question of whether the pandemic will reshape globalization, and if so, how. The starting point for the discussion was Dr. Rohac's book *In Defense of Globalism*; while it was published before the COVID-19 pandemic, the theses it contains are well suited to an analysis of the current international situation because the pandemic has become a factor that may influence the growth of isolationism and lead to a slowdown in international cooperation.



795 people watched the broadcast

 [Read mBank – CASE Seminar Proceeding No. 166](#)

 [Watch the broadcast](#)

Presentation of the CASE Report: *The significance of the tobacco product manufacturing to Poland's economy*

June 23, 2020

During the virtual meeting, attended by experts, politicians, and journalists, CASE's experts presented its report on the *Significance of the tobacco product manufacturing to Poland's economy*. This report, prepared by a team of economists from CASE, is a continuation of the 2018 analysis. The purpose of the research was to assess the economic significance,



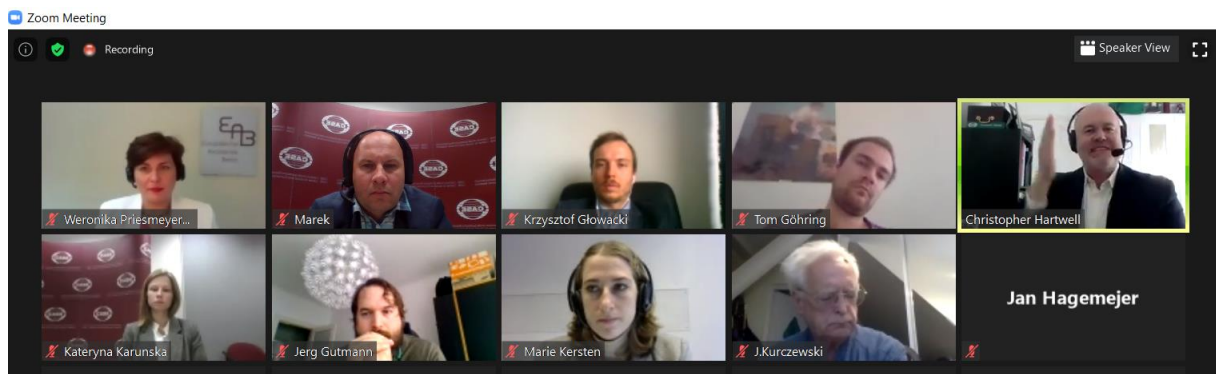
challenges, and development prospects of the tobacco product manufacturing, trade, and distribution sector in Poland. In the report, CASE's experts analyze a cross-section of the tobacco industry and its significance for the economy as a whole. They also present the barriers to the sector's growth: the illicit market, compliance costs, and regulatory uncertainty, and model the long-term macroeconomic effects of potential changes in the industry.

 [READ THE REPORT](#)

 For more details, see CASE Communications pp. 81-81.


Conference: *Does the Rule of Law have its Price? Socioeconomic insights from Poland and Germany*

September 29, 2020



During the conference, experts from CASE (Krzysztof Glowacki, Christopher Hartwell, Kateryna Karunska, Jacek Kurczewski, Maria Krell) and the European Academy Berlin (Elisabeth Botsch, Tom Göhring, Weronika Priesmeyer-Tkocz) discussed their findings presented in the report *“The Rule of Law and its Social Reception as Determinants of Economic Development. A Comparative Analysis of Poland and Germany”*. Using a novel estimation technique on a new database of Polish and German variables, they found that the level of the rule of law can be predicted strongly by both political and macroeconomic conditions. Plugging these results into an equation relating investment to the rule of law, they found that the rule of law does also positively impact investment over the life cycle of a worker and almost immediately. The experts also presented the findings from surveys and in-depth interviews with representatives of small and big businesses in Germany and Poland. The report was prepared within the

project [The Rule of Law and its Social Reception as Determinants of Economic Development](#), which was an interdisciplinary research study conducted by CASE and European Academy Berlin. The project connected two fields of research in an innovative way: 1) the New Institutional Economics, which focuses on the relationship between institutions (the rules of social life) and economic outcomes, and 2) the social working of legal rules, which deals with the interaction between social and legal norms and between the states de jure and de facto of legal norms. The project was supported by Deutsch Polnische Wissenschafts Stiftung.

 [Read the Report](#)

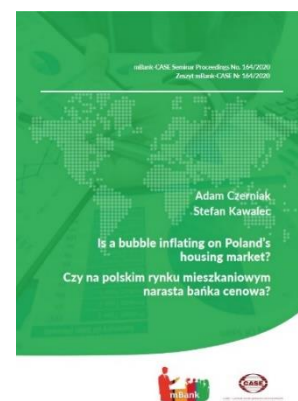
 For more details, see CASE Highlights pp. 26-28.


Publications

Is a bubble inflating on Poland's housing market?

Authors: Adam Czerniak, Stefan Kawalec
mBank – CASE Seminar Proceedings No. 164, March 2020

The year 2019 brought double-digit growth in Polish housing prices, for both new and existing homes. In some cities, real prices for residential real estate have reached the highest levels in history, even higher than at the peak of the boom in 2008. As a result, some are saying that there is a growing price bubble. But thus far no research has been produced that would comprehensively verify this hypothesis on the basis of data from 2006-2019. This work aims to fill that gap. This is exceptionally important, because assessing the likelihood that a housing price bubble is emerging is key for the conduct of monetary and macroprudential policy in Poland. Because if we are really dealing with growth in macroeconomic imbalances, then taking pre-emptive action to limit further price growth and prepare the economy (including the financial sector) for a potential collapse in housing prices is essential for limiting fluctuations in growth.

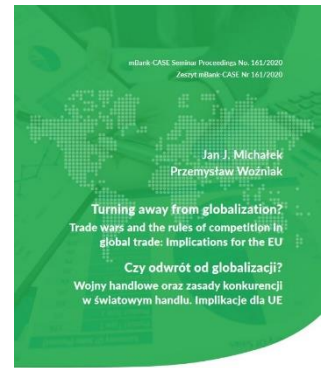



 [Read the study](#)

Turning away from globalization? Trade wars and the rules of competition in global trade: Implications for the EU

Authors: Jan J. Michałek, Przemysław Woźniak
mBank – CASE Seminar Proceedings No. 161, March 2020

The authors of this publication provide answers to the following questions: Will the trade war between the U.S. and China mean the collapse of the multilateral trading system and a transition to bilateral relationships? What are the possibilities for increasing tariffs in light of WTO rules? Can the conflict be resolved using the WTO dispute-resolution mechanism? What are the consequences of the trade war for American consumers and producers and for suppliers from other countries? How high will tariffs climb as a result of a global trade war? How far can trade volumes and GDP fall if the worst-case scenario comes to pass?



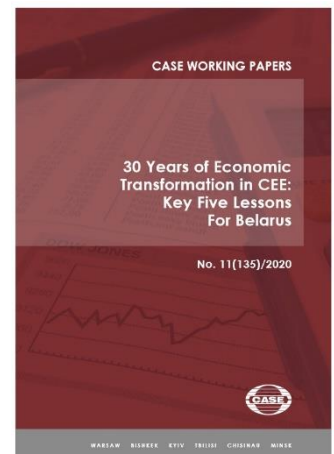
 [Read the study](#)




30 Years of Economic Transformation in CEE: Key Five Lessons For Belarus

Authors: Sierż Naŭrodski, Aleś Alachnovič, Izabela Styczyńska, Krzysztof Głowacki, Jarosław Neneman, Paweł Swianiewicz, Andrzej Raczko, Katarzyna Karunska
CASE Working Papers No. 11(135), April 2020

As the relative welfare level in Belarus is currently 64% compared to the average of the Central and Eastern Europe (CEE) countries, Belarus needs to build a stronger foundation for sustainable growth by continuing and accelerating the implementation of institutional transformation, primarily by fostering the elimination of existing administrative mechanisms of inefficient resource allocation. Based on the experience of CEE countries' economic transformations, we highlight five lessons for the purpose of the economic reforms that Belarus still faces today: keeping macroeconomic stability, restructuring and improving the governance of state-owned enterprises, developing the financial market, increasing taxation efficiency, and deepening fiscal decentralization.



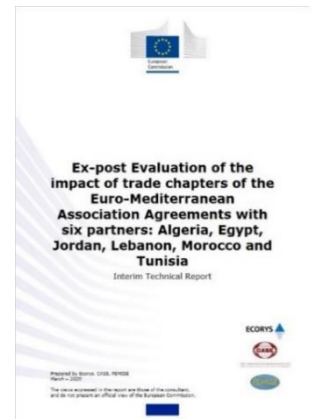
 [Read the paper](#)

Ex-post Evaluation of the impact of trade chapters of the Euro-Mediterranean Association Agreements with six partners: Algeria, Egypt, Jordan, Lebanon, Morocco and Tunisia. Interim Technical Report

Authors: Przemysław Kowalski, Anna Malinowska, Katarzyna Sidło
External publication, April 2020

This Interim Report provides an ex-post evaluation of the impact of the trade chapters of the Euro-Mediterranean Association Agreements with six partners (Algeria, Egypt, Jordan,

Lebanon, Morocco, and Tunisia). The purpose of the ex-post evaluation was to assess the achievements of the main objectives of the trade chapters of the Euro-Mediterranean Association Agreements. The main objectives of these Euro-Med FTAs were: 1) to promote trade and the expansion of harmonious economic and social relations and to establish the conditions for the gradual liberalization of trade in goods, services, and capital between the EU and SM partner countries (i.e. promotion of Euro-Med trade); and 2) to encourage intra-regional integration by promoting trade and cooperation both within the region and between it and the EU Community and its Member States (i.e. promotion of intra-Med trade). This ex-post evaluation focuses on the extent to which these objectives have been reached in terms of their effectiveness, efficiency, and relevance of the FTAs for the current trade issues faced by the EU and the six partner countries. The study has been commissioned by the Directorate General for Trade (DG TRADE) of the European Commission and is being implemented by a Consortium consisting of the Center for Social and Economic Research and Ecorys, supported by the Euro-Mediterranean Forum of Institutes of Economic Sciences (FEMISE).

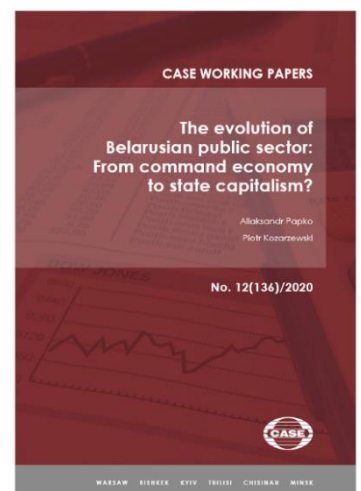



 [Read the study](#)

The evolution of Belarusian public sector: From command economy to state capitalism?

Authors: Piotr Kozarzewski, Aliaksandr Papko
CASE Working Papers 12(136), April 2020

Belarus was among the few post-communist countries to resign from comprehensive market reforms and attempt to improve the efficiency of the economy through administrative means, leaving market mechanisms only an auxiliary role. Since its inception, the 'Belarusian economic model' has undergone several revisions of a de-statisation and de-regulation kind, but still the Belarusian economy remains dominated by the state. This paper analyzes the features of the Belarusian economic system – especially those related to the public sector – as well as its evolution over time during the period following its independence. The paper concludes that during the post-Soviet period, the Belarusian economy evolved from a quasi-Soviet system based on state property, state planning, support to inefficient enterprises and the massive redistribution of funds to a more flexible hybrid model where the public sector still remains the core of the economy. The case of Belarus shows that presently there is no appropriate theoretical perspective which, in an unmodified form, could be applied to study this type of economic system. Therefore, a new perspective based on an already existing but updated approach or a multidisciplinary approach that incorporates the duality of the Belarusian economy is required.



 [Read the paper](#)


China, Russia, and geopolitical games in pandemic-stricken MENA region

Author: Katarzyna Sidło

External publication, April 2020

As the coronavirus pandemic takes a tragic toll, devastating people's lives and ravaging economies, geopolitical games continue to be played by authoritarian regimes around the world. Two prominent players include a pair of the United Nations Security Council permanent members, namely the Russian Federation and the People's Republic of China, both of whom have been exploiting the situation to improve their status internationally.

The Paper was written for the EuroMeSCo Spot-on series.

 [Read the paper](#)




The European Union: State of play and prospects

Author: Janusz Lewandowski

mBank – CASE Seminar Proceedings No. 162, May 2020

“Many brilliant prophecies have appeared for the future of the EU and our entire planet. I believe that Europe, in its own style, will draw pragmatic conclusions from the crisis, not revolutionary ones; conclusions that will allow us to continue enjoying a Europe without borders. Brussels will demonstrate its usefulness; it will react ably and flexibly. First of all, contrary to the deceitful statements of members of the Polish government, the EU warned of the threats already in 2021. Secondly, already in mid-March EU assistance programs were ready, i.e. earlier than the PiS government's “shield” program. The conclusion from the crisis will be a strengthening of all the preventive mechanisms that allow us to recognize threats and react in time of need. Research programs will be more strongly directed toward diagnosing and treating infectious diseases. Europe will gain greater self-sufficiency in the area of medical equipment and drugs, and the EU – greater competencies in the area of the health service, thus far entrusted to the member states. The 2021-27 budget must be reconstructed, to supplement the priority of the Green Deal with economic stimulus programs. In this way structural funds, which have the greatest multiplier effect for investment and the labor market, may return to favor. So once again: an addition, as a conclusion from the crisis, and not a reinvention of the EU,” writes the author of this publication.

 [Read the paper](#)



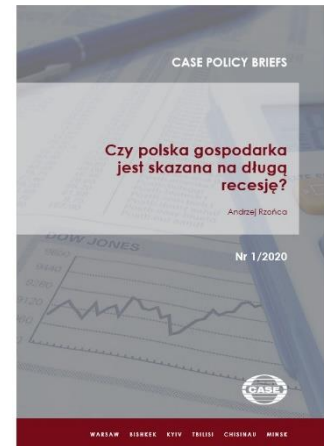
Is the Polish economy doomed to a long recession?

Author: Andrzej Rzońca
CASE Policy Brief 1/2020

After the outbreak of the COVID-19 pandemic, economic activity has collapsed. While the experiences of previous pandemics indicate that this was mainly a side effect of the government's actions aimed at limiting healthcare costs, the question arises of how long low economic activity will persist. Rebuilding may take very different paths; the outcome will be particularly dependent on economic policy. This paper analyses the policy dimension, which boosts the chances of a V-shaped recovery – or on the contrary increases the risk that the economy will be L-shaped (or worse). The analysis focuses on Poland.



[Read the paper \(in Polish\)](#)



The Role of China in the Middle East and North Africa. Beyond Economic Interests?

CASE Author: Katarzyna Sidło
External publication, July 2020

The Middle East and North Africa (MENA) has traditionally been rather peripheral to China's interests. However, since the early 2000s, with fast-growing energy demand in the country and the launch of the "global war on terrorism," the region has increasingly been on Beijing's radar. With the launch of the Belt and Road Initiative in 2013, the speed with which the relationship between China and individual MENA countries was tightening accelerated even further. Against this background, the main goal of this study has been to explore this phenomenon. Approaching the topic from a socio-political and economic point of view, we examine how the relationship between China and the MENA region has changed over time and in what ways it has evolved since the launch of the BRI. At the same time, we try to understand the implications of the increased Chinese presence in MENA for the countries in the region, but also the EU and its allies. Finally, whenever possible, we make predictions as to the future development of China-MENA ties. The study is composed of four chapters: the first one, offering background and historical context to the study; the second one, examining the economic relationship between China and MENA states; the third one, focusing on Beijing's political, military, and cultural engagements in the region; and the final, fourth one, exploring the geopolitical implications of China's presence in MENA. The study was published within the EuroMeSCo Joint Policy Study series.



[Read the paper](#)




The significance of the tobacco product manufacturing to Poland's economy

Authors: Jan Hagemejer, Anna Malinowska, Grzegorz Poniatowski, Adam Śmietanka
CASE report, July 2020

This report, prepared by a team of economists from CASE, is a continuation of the 2018 analysis *"The significance of the tobacco product manufacturing to Poland's economy"* commissioned by JTI Polska Sp. z o.o. The purpose of the research, the results of which are presented in this report, is to assess the economic significance, challenges, and development prospects of the tobacco product manufacturing, trade, and distribution sector in Poland. In the report we analyze a cross-section of the tobacco industry and its significance for the economy as a whole. We also present the significant barriers to the sector's growth, i.e. the illicit market, costs of compliance, and regulatory uncertainty, and we also model the long-term macroeconomic effects of potential changes in the industry. To the best of our knowledge, at the moment this is the most comprehensive economic study of the sector.

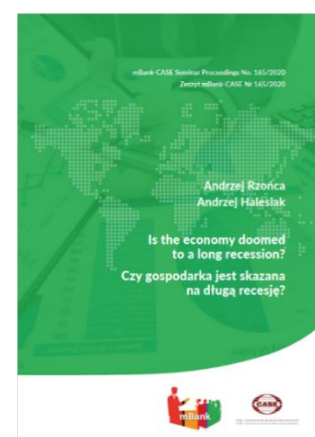



 [Read the report](#)

Is the economy doomed to a long recession?

Authors: Andrzej Halesiak, Andrzej Rzońca
mBank – CASE Seminar Proceedings No. 165, September 2020

Forecasting during a strong shock is burdened with exceptionally high uncertainty. This gives rise to the temptation to formulate alarmist forecasts. Experiences from earlier pandemics, particularly those from the 20th century, for which we have the most data, do not provide a basis for this. The mildest of them weakened growth by less than 1 percentage point, and the worst, the Spanish Flu, by 6 percentage points. Still, even the Spanish Flu never caused losses on the order of 20% of GDP – not even where it turned out to be a humanitarian disaster, costing the lives of 3-5% of the population. History suggests that if pandemics lead to such deep losses at all, it is only in particular quarters and not over a whole year, as economic activity rebounds. The strength of that rebound is largely determined by economic policy. The purpose of this work is to describe possible scenarios for a rebound in Polish economic growth after the epidemic. A separate issue, no less important, is what world will emerge from the current crisis. Changes can make the economy and society function better than before the crisis. Unfortunately, the opportunities created by the global financial crisis were squandered. Today's task is more difficult; the scale of various problems has expanded even more. Without deep structural and institutional changes, the world will be facing enduring social and economic problems, accompanied by long-term stagnation.



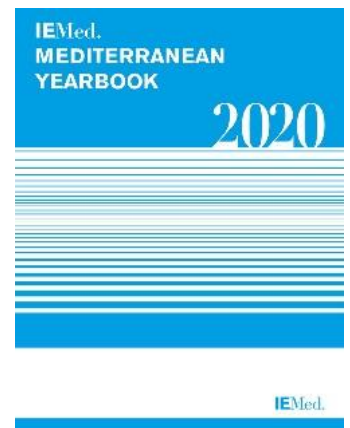
 [Read the paper](#)

The Chinese Belt and Road Project in the Middle East and North Africa


Author: Katarzyna Sidło

External publication, October 2020

The Middle East and North Africa region has been of growing importance to Beijing for the past two decades. This has been predominantly due to China's need to ensure its energy security. However, as the Belt and Road Initiative (BRI) expanded, so did the strategic importance of the land and sea routes connecting East Asia and Eurasia with Europe via the Persian Gulf, and the Red and Mediterranean Seas. The need to protect these economic interests resulted, in turn, in the expansion of Chinese involvement in the region into political, military, and cultural realms. The BRI, inaugurated in September 2013 by Chinese President Xi Jinping, initially excluded most MENA countries. As the initiative evolved, however, more and more countries were incorporated by virtue of signing relevant Memorandums of Understanding. Since the BRI was launched, bilateral relations between China and individual countries in the region have evolved further, with comprehensive strategic partnerships (China's highest level in diplomatic relations) signed with Algeria, Egypt, Iran, Saudi Arabia, and the UAE, and strategic partnerships with another eight states in the region. As its geographical scope expanded, so the BRI's goals evolved, which currently encompass the enhancement of trade, connectivity, financial integration, political coordination, and people-to-people relations (Xu, 2015).



The chapter "The Chinese Belt and Road Project in the Middle East and North Africa" was published in the [IEMed Mediterranean Yearbook 2020](#)


 [Read the chapter](#)

Report on significant distortions in the economy of the Russian Federation for the purpose of trade defence investigations

External publication, October 2020

The factual report prepared for the purpose of the EU's trade defense proceedings focuses on Russia's macro-economy, the main production factors, such as labor and energy, used in all manufacturing processes, and certain specific sectors of the economy, including steel, aluminum, and chemicals. The report was prepared by the Commission Services [on the basis of research and analysis](#) carried out by a consortium of the following institutions: CASE, Norwegian Institute of International Affairs, and LSE Consulting.



 [Read the Report](#)

The Importance of E-commerce, Digital Trade, and Maintaining the WTO E-commerce Customs Duty Moratorium

Authors: Krzysztof Głowacki, Karolina Zubeł
External publication, October 2020

This report shows GTIPA members' perspectives on e-commerce and digital trade in light of negotiations on new rules World Trade Organization (WTO) member nations are deliberating regarding the moratorium on cross-border electronic transmissions customs duties (i.e. duties on digital products). This volume aims to demonstrate how GTIPA member countries – including Argentina, Colombia, Germany, Ghana, Greece, Italy, Jordan, Mexico, Poland, South Africa, and the United States – benefit from and support e-commerce and digital trade, and how keeping tariffs off the Internet drives domestic and transnational growth, fosters global integration, sparks innovation, narrows the digital divide, and creates employment opportunities.



GTIPA PERSPECTIVES:
THE IMPORTANCE OF E-COMMERCE,
DIGITAL TRADE, AND MAINTAINING THE WTO
E-COMMERCE CUSTOMS DUTY MORATORIUM
OCTOBER 2020

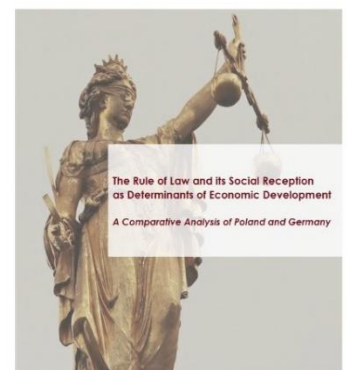


 [Read the report](#)

The Rule of Law and its Social Reception as Determinants of Economic Development. A Comparative Analysis of Poland and Germany

CASE Authors: Krzysztof Głowacki, Christopher Hartwell, Kateryna Karunska, Jacek Kurczewski with contributions from Maria Krell
External publication, November 2020

This study examines the rule of law as a determinant of economic development in Germany and Poland from both the *de jure* and *de facto* perspectives, in line with the following research questions: 1) What formal institutions constitute the rule of law to the extent relevant to economic development in the countries under analysis – in other words, what is the state *de jure* of the rule of law? 2) What is the social reception of those institutions to the extent relevant to economic development – in other words, what is the state *de facto* of the rule of law? and 3) How does the state *de facto* of the rule of law impact economic development in the countries under analysis? The problem that we undertake to research is multifaceted and highly complex. We address the former challenge with a multidisciplinary approach. Taking rules, or norms, as the leading theme of the project and the common denominator of its respective parts, the study bridges two research fields, new institutional economics and sociology of law, contributing to both of them.



 [Read the report](#)

Extraterritorial sanctions on trade and investments and European responses

CASE Authors: Jan Hagemeyer, Christopher Hartwell, Kateryna Karunska
External publication, November 2020

Recent US measures directed against Iran, Cuba, and Russia (North Stream 2) have become indirectly a critical challenge for the European Union as well. As they purport to deter economic actors under EU jurisdiction from engaging with target countries, they have an important extraterritorial dimension, which affects EU business and individuals and ultimately the sovereignty of the EU and its Member States. A review of the existing sanction regimes and of the geopolitical context reveals that other international players and the PR China in particular may follow suit in using such measures. The study shows that extraterritorial sanctions have important economic implications, particularly for the EU and its vulnerabilities. Extraterritorial sanctions also raise critical questions as to their legality under general international law, WTO law, and other specific international rules. The EU is especially affected by these measures and has taken some measures already in response. These could be improved and additional measures could be taken, as the policy recommendations set out.



This paper was requested by the European Parliament's Committee on International Trade.

 [Read the paper](#)

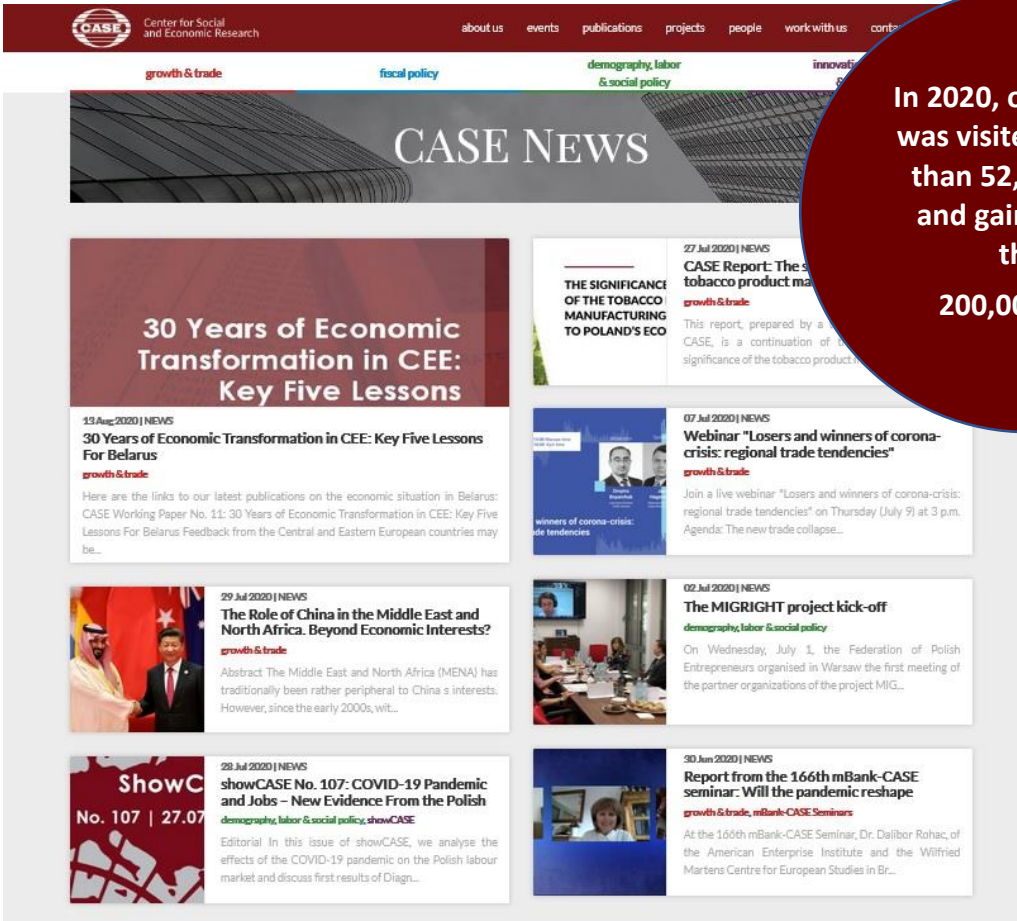
CASE Communications

Communications

CASE aims at providing its audience with broad and objective analysis which encourages and stimulates socio-economic dialogue.

Using different communication channels, we inform the general public about CASE initiatives, projects, events, and publications. CASE’s communication strategy is based on an integrated approach; it involves a wide variety of information measures: media relations, events, web communication, social media, and publications. Through these channels, CASE connects to its target audience of academics, policy makers, members of the international business community, and the media.

Website



CASE’s website is the main mode of communicating information about our mission, upcoming events and activities, new and recently completed projects, and latest publications.

Media

In 2020, CASE-affiliated experts appeared in international media, such as **BBC**, **Bloomberg**, **Foreign Policy**, and **La Vanguardia**, among others. CASE experts were also interviewed by the Polish media, including **Rzeczpospolita**, **Gazeta Wyborcza**, **OKO.Press**, **Dziennik Gazeta Prawna**, **Biznes 24**, **PAP**, **Newsweek Polska**, and **Business Insider Polska**.

Moreover, CASE maintained regular cooperation with the **Polish Press Agency (PAP Biznes)**, which releases monthly updates of the Online CASE CPI.

Examples of media appearances in 2020:

[Poland Needs Migrant Workers. The Pandemic Has Kept Them Away](#) | Foreign Policy
[Grzegorz Poniatoski, vice president at Centre for Social and Economic Research, discusses Poland's general election results](#) | **Bloomberg**

[Ukraine may lose \\$4 billion in remittances due to COVID-19 pandemic](#) | Kyiv Post
[Ilu bezrobotnych w Polsce](#) | Biznes 24

[Wiek emerytalny będzie rosnać](#) | Rzeczpospolita

[CASE: idealne warunki dla narastania bańki cenowej w nieruchomościach](#) | PAP



Bloomberg



Social media

In 2020, CASE significantly enlarged its outreach and influence on public opinion through social media.



CASE's **Twitter** profile was followed by more than 1,150 people as of December 2020. We have broadened and engaged our audience by tweeting the results of our research and our economic forecasts, as well as information about our events. Our tweets have been retweeted by researchers, politicians, and journalists.



Our **Facebook** account continues to grow. In 2020, CASE's account gained more than 200 new followers.



CASE's **LinkedIn** account is regularly updated with CASE news, publications, and weekly showCASE articles. As of December 2020, we had more than 1,200 followers. We also share our publications on the popular online sharing service **SlideShare**.

Outreach

In 2020, showCASE's layout was completely redesigned to make reading it a more visually enjoyable experience to our followers.

The main goal of showCASE is to tackle recent events and decode their implications for Poland and the region. showCASE is sent to our Newsletter lists and reaches more than 5,000 recipients. It is also promoted on our social media. showCASE is released on a monthly basis.



Our [Medium](#) blog is also *regularly* updated with articles from showCASE.



CASE provides its audiences with updates on its institutional activities by disseminating a newsletter and events newsletters and by publishing reports and analyses. Altogether, our newsletters reach more than 7,000 recipients globally and present the latest information on new publications, recent and forthcoming events, and information on CASE research and advisory project activities.

Our publications are not only accessible through our website but can be also found at various academic search engines like: the Social Science Research Network (SSRN), the Research Papers in Economics (RePEc), EBSCO, ProQuest, Thomson Reuters, and Columbia University Press. We also actively use our social media channels, and the channels of our Networks, to promote our research and make it accessible to readers from all over the world.

In 2020, we published **14 CASE-branded publications**: CASE Reports, CASE Working Papers, CASE Policy Briefs, and mBank-CASE Seminar Proceeding series.



»»» For more details about our publications, see pp. 36-39, 51-54, 68-76.

Events

CASE events are organized each year in order to enhance the debate on key socio-economic issues. They help to promote CASE research projects and are a good means of cooperation with our network partners. Despite the COVID-19 pandemic, in 2020, CASE organized a set of online conferences, webinars, and workshops. We also continued to organize, along with mBank, seminars focused mostly on Polish and European economic policy issues.

In 2020, one of the most broadly attended online conferences organized by CASE was a presentation of the 2nd edition of the report *The significance of tobacco product manufacturing to Poland's economy*. The study, prepared by a team of economists from CASE, is a continuation of the 2018 analysis. The purpose of the research was to assess the economic significance, challenges, and development prospects of the tobacco product

manufacturing, trade, and distribution sector in Poland. In the report we analyze a cross-section of the tobacco industry and its significance for the economy as a whole. We also present the significant barriers to the sector's growth, i.e. the illicit market, costs of compliance, and regulatory uncertainty, and we also model the long-term macroeconomic effects of potential changes in the industry.

Dochody podatkowe budżetu państwa

- Szacowane łączne dochody podatkowe budżetu państwa z tytułu produkcji i sprzedaży wyrobów tytoniowych wyniosły w 2019 r. 28,7 mld zł.
- Stanowiły one 7,8% dochodów budżetu państwa.
- Na dochody te składały się:
 - Dochody z podatku akcyzowego na wyroby tytoniowe wyniosły: 20,9 mld zł plus na surow tytoniowy: 800 mln zł.
 - Dochody z tytułu VAT naliczonego na gotowe wyroby tytoniowe: 6,4 mld zł w 2019 r.
 - Łączne dochody z tytułu PIT: 188,5 mln zł.
 - Łącznie dochody z tytułu CIT: ok. 384 mln zł.

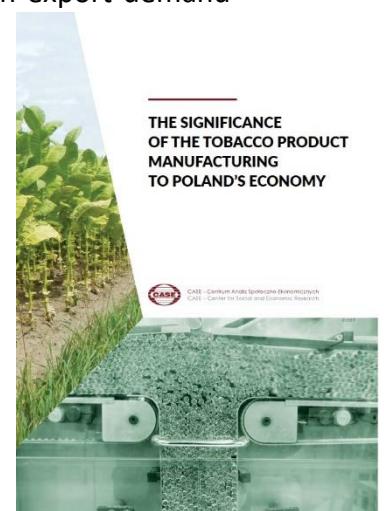
Dochody z tytułu podatku akcyzowego

Rok	Wyroby tytoniowe (mld zł)	Wyroby tytoniowe (mld zł)	Wyroby tytoniowe (mld zł)
2009	12,4	18,0	12,4
2010	14,0	19,0	14,0
2011	15,0	20,0	15,0
2012	16,0	21,0	16,0
2013	17,0	22,0	17,0
2014	18,0	23,0	18,0
2015	19,0	24,0	19,0
2016	20,0	25,0	20,0
2017	21,0	26,0	21,0
2018	22,0	27,0	22,0
2019	23,0	28,0	23,0

Key information and conclusions: Poland produced 213 billion cigarettes in 2019, placing the country second among EU producers. **The estimated total tax revenue from the production and sale of tobacco products stood at PLN 28.7 billion in 2019.**

CASE has also conducted simulations using a general equilibrium model. The simulations indicate a significant influence of potential future changes in the tobacco sector on the entire Polish economy. In particular, the scenarios for the sector in which export demand increases, and investments and productivity grow, point to significant growth in the main macroeconomic variables, including GDP as a whole, wages, and household consumption (for example, growth in foreign demand for Polish tobacco products by 10% would bring GDP growth of about PLN 1.2 billion). The opposite effect would be brought by the scenarios of decline in export demand, a halt to investment activity, or growth in excise tax or compliance costs (in this final scenario, if production costs grow by 10%, Polish GDP would fall by PLN 1.4 billion).

[Read the Report](#)



Media coverage

The results of the report were highly quoted by the media:

[Raport CASE: Polska drugim producentem wyrobów tytoniowych w UE](#) | PAP

[Ponad 1,5 mld zł rocznie wydajemy na e-papierosy. Kto w branży narzeka?](#) | Gazeta Wyborcza

[Polski budżet lubi papierosy](#) | Rzeczpospolita

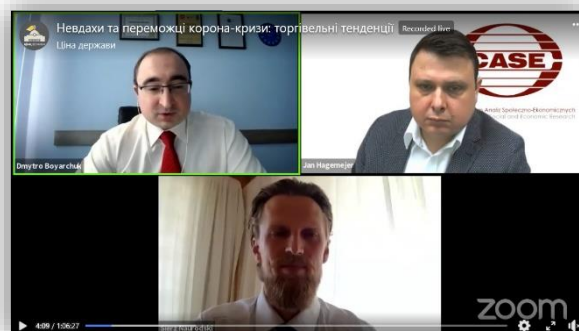
[Palenie popłaca, ale budżetowi państwa. Branża wygenerowała 28,7 mld zł z podatków](#) | Money.pl

[Branża tytoniowa odpowiada za prawie 8 proc. dochodów budżetu](#) | Interia Biznes

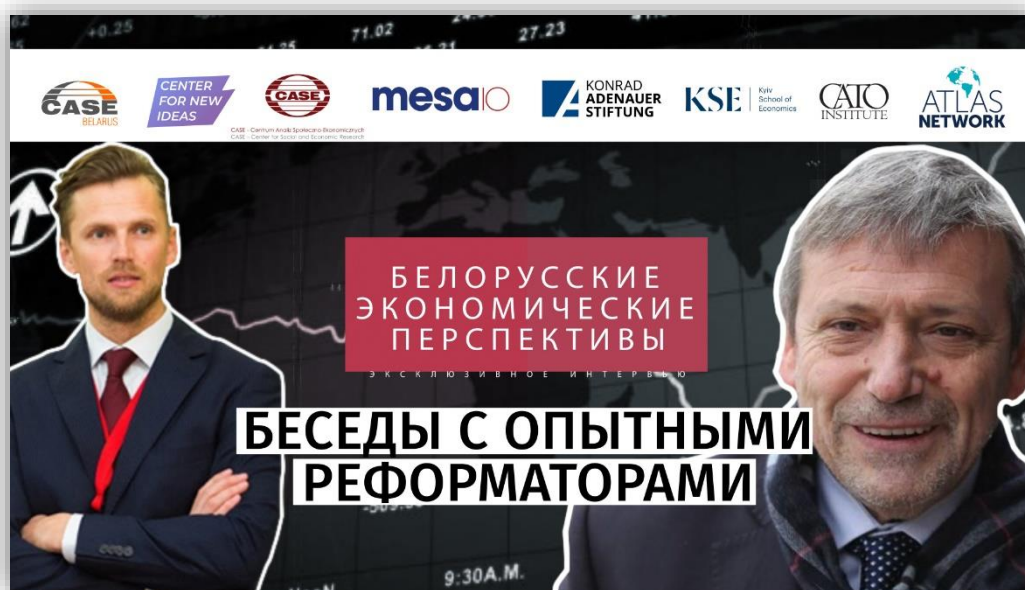
CASE also organized and participated in project meetings.



In 2020, CASE was a partner of different events in Poland and abroad – among others, a series of webinars on international trade, monetary policies, and the labor market, organized by CASE Ukraine...



... and the webinar series “**Belarusian Economic Prospects. Conversations with Experienced Reformers**” jointly organized by CASE Belarus and the Center for New Ideas (Belarus) with the support of CASE (Poland), MESA10 (Slovakia), the Kyiv School of Economics (Ukraine), the Cato Institute (USA), Konrad Adenauer Stiftung (Germany), and the Atlas Network.



»» For more details about our events, see pp. 35, 49-51, 63-68.

In 2020, CASE’s experts participated in different seminars and conferences on trade, fiscal policy, and international relations. Below are examples of our experts’ presence at various events:

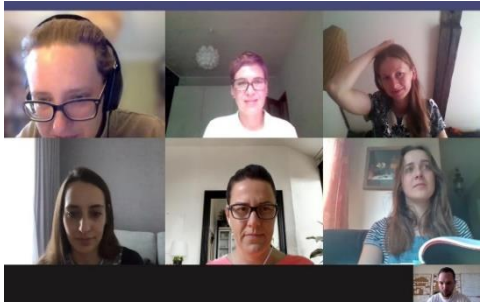
CASE at the Think Tanks Town Hall and Summits

Grzegorz Poniatoski and Jan Hagemeyer of CASE were among 1,226 think tank executives, scholars, and policymakers from over 540 institutions in over 87 countries who participated in the Global Think Tank Town Hall Meetings organized by [The Think Tanks and Civil Societies Program \(TTCSP\)](#) of the Lauder Institute at the University of Pennsylvania to demonstrate their commitment to beating the COVID-19 pandemic. The objectives were to create rapid and proactive responses to the growing economic, public health, and welfare crises that have engulfed countries around the world. Use this link to download the Global Think Tank Town Hall Report gotothinktank.com/town-hall-reports.



Grzegorz Poniatoski and Jan Hagemeyer also participated in different virtual think tank summits on the social, economic, and political impacts of the COVID-19 crisis on Central and Eastern Europe, organized by the TTCSP.

Karolina Zubel participated in the “Pioneers into Practice” program



The task of the group is to develop a concept of energy self-sufficiency for the Silesia region in Poland by 2050. Pioneers into Practice is the leading climate change mobility program, using systems innovation thinking to equip the next generation of climate innovators with the practical tools needed to reach a net zero economy. Climate change impacts regions differently, so the program is tailored to each location’s climate mitigation and adaptation needs.

Grzegorz Poniatoski discussed the global economy at the Tatra Summit

Grzegorz Poniatoski participated in a focus Group “EU shaping the global economy” at the Tatra Summit, which took place on October 10. The [Tatra Summit](#) is one of the GLOBSEC think tank’s flagship projects. The Summit is organized annually and provides an opportunity for experts to have fruitful political discussions on the future of Europe.



Financing of CASE activities

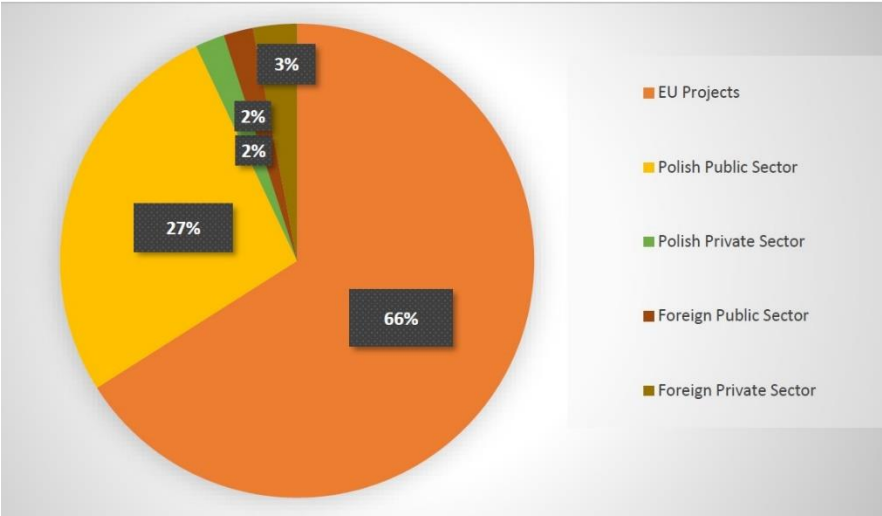
Sources of Financing

Breakdown of total revenue	PLN	EUR
1. Revenue from statutory activity	6,166,256.72	1,336,191.54
1.1. Project-based funding	6,166,256.72	1,336,191.54
1.2. Institutional support	0.00	0.00
2. Other operating revenue	118,600.50	25,700.03
3. Financial revenue	211,140.85	45,752.98

Exchange rates based on NBP rates 1 EUR = 4.6148 PLN (31 Dec 2020)

CASE financing 2020	PLN	EUR
1. Net revenue from statutory activities	1,327,817.95	287,730.34
2. Financial and other operating revenues	329,741.35	71,453.01
3. General and administrative expenses	1,210,512.31	262,310.89
4. Financial and other operational expenses	35,800.79	7,757.82
5. Net result	411,246.20	89,114.63

As in previous years, CASE’s statutory activity in 2020 was solely based on project activities (both non-profit and for-profit). Funds were obtained from the following sources (as a percentage of total project revenues for 2020):



In 2020, the European Union continued to provide the greatest portion of CASE’s revenue. Its share represented 66% of project funding. Funding coming from the Polish public sector amounted to 27% and the Polish private sector provided 2% of CASE’s revenue. The foreign private sector provided 3% of revenue, and funding from the foreign public sector amounted to 2%.

Changes in the value of the endowment in 2020	PLN	EUR
1. Stocks at the beginning of 2020	3,305,380.00	716,256.40
2. Interest and profits from the endowment in 2020	146,492.69	31,744.10