

# Annual Report 2019

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

## Content

Structure of the Institute.....	2
Mission & Environment.....	4
Staff.....	5
Program.....	6
Other activities.....	15
Financial Report.....	16
Web-Site Statistics.....	18
Media Coverage.....	19

## Structure of the Institute

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

The intensity of cooperation within INEKO Group reached its peak between 2000 and 2003, when INEKO largely financed the infrastructure of INEKO Group members (rent, energy, office equipment, phone, internet, etc.). In 2004 this support was gradually declining and ceased completely since 2005. Nowadays, all members cover their entire infrastructure individually. However, some institutes cooperate further on an informal (discussions, consultations) as well as formal basis (common projects, personal appointments).

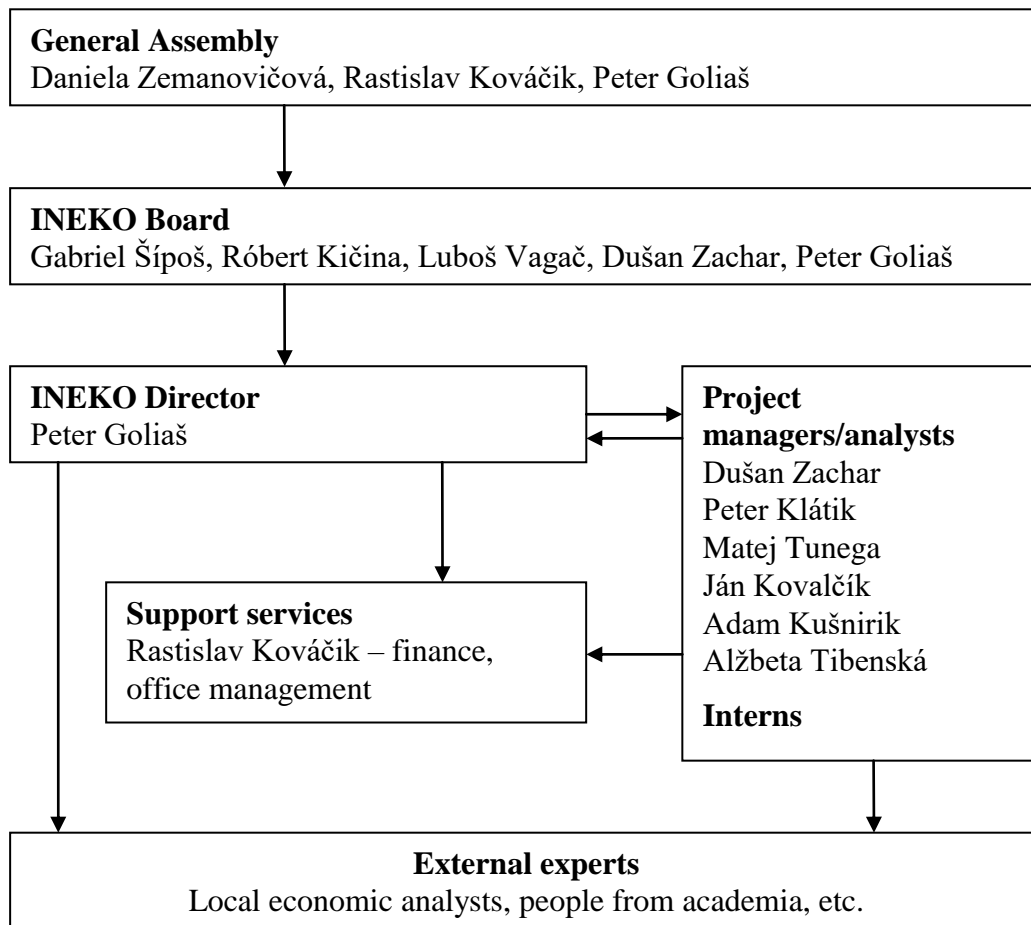
INEKO was founded in 1999 by Katarina Vajdova, Daniela Zemanovicova, and Eugen Jurzyca, who all became also original members of the General Assembly.

The Institute is governed by the Board and managed by a Director. The Board has a rotation membership lasting 5 years. Since August 2018, the Board has had following members: Gabriel Šípoš, Róbert Kičina, Luboš Vagač, Dušan Zachar and Peter Goliaš. The Board members meet irregularly to discuss the results of INEKO projects and plans for the future. The Director has been appointed by the Board and the Board members have been appointed by the General Assembly. In 2019, the General Assembly had following members: Rastislav Kováčik, Daniela Zemanovičová, and Peter Goliaš.

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

The Institute's initiative responds to the serious need for independent Slovak support for the economic reform challenges facing the government and the regional entities in the time of implementing the crucial structural reforms. This support is many times not available from understaffed public bureaucracies or existing private organizations.

The Institute has developed a small-specialized staff, which also draws on existing capacity in cooperating organizations. Its work involves identifying barriers to economic efficiency and developing policies designed to remove these barriers. The staff development aims at deepening the know-how in the process of preparation and implementation of reforms. INEKO staff knowledge develops mainly through on-the-job-learning while working on particular reform projects, studying relevant literature and, though financially limited, attending international conferences.

Organization Chart:

**Legal statute:** The Institute is incorporated as an association of citizens<sup>1</sup>.

<sup>1</sup> Act No.: 83/1990 Coll. of Laws on Association of Citizens

## Mission & Environment

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

**Environment:** In 2019, the work of INEKO was influenced mainly by following factors: (1) Growing popularity of the populist and anti-democratic forces in politics; (2) Eroding independence of key regulatory, audit and judiciary institutions; (3) Weakening of the long-term sustainability of the public finances; (4) Growing demand for informing and engaging citizens in monitoring the quality of public services; and (5) Demand for exporting INEKO reform know-how abroad. Thus, the Institute focused on supporting democratic thinking in Slovakia; assessing the independency of key public institutions; monitoring public finance sustainability; decreasing the information asymmetry in education, health care, municipal finance, and public transport; and exporting the Slovak reform know-how abroad. Continuously, we were monitoring and analyzing proposed changes in other areas such as health care, labor market, pension system, social benefits system, etc.

## Staff

INEKO had 7 regular staff and fellow workers in 2019.

Director: Peter Goliaš



Peter Goliaš was born in Liptovský Hrádok, Slovakia in 1977. Before 2010 he worked at INEKO as an economic analyst. His areas of interest include monitoring and analyzing the reforms of pensions, health care, education, labor market, and public finance as well as promotion of democracy, market economy and transparency in the public sphere. Before 2002 he worked as an economic journalist at the local daily Pravda and the private press agency SITA. He graduated from the Faculty of Management, Comenius University in Bratislava and holds Magister (MA) degree.

Project managers/analysts: Dušan Zachar, Peter Klátik, Matej Tunega, Ján Kovalčík, Adam Kušnirik, Alžbeta Tibenská  
Economic Department: Rastislav Kováčik

There were several more external people working for INEKO during 2019.

## Program

The focus of work supported by the Institute is being determined by a careful analysis of public opinion, government priorities and options as well as by the analysis of the Brussels policy. It has already changed and will be a continually changing agenda. In 2019, issues at the center of Slovak government concern and relevant to the Institute's activities included:

- Public finance stabilization
- Construction of transport infrastructure, esp. highways
- Health care reform;
- Reform of education;
- Labor market reform;
- Social security reform (including pensions).

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

- Growing popularity of the populist and anti-democratic forces in politics;
- Eroding independence of key regulatory, audit and judiciary institutions
- Lack of transparency in preparation of the biggest transport infrastructure projects;
- Information asymmetry in education and healthcare;
- Lack of the high-quality reform-related information.
- High level of public finance deficit and debt;

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

## **PROJECTS**

### **Supporting Democracy in Slovakia**

The project was launched in September 2016 and was financially supported by the Centre for International Private Enterprise (CIPE) in Washington, The Representation of Konrad Adenauer Foundation in Slovakia, The Representation of the European Commission in Slovakia and The Eset Foundation. The goal is to analyze the state and development of democracy including the independence of key public institutions, to propose recommendations for fostering democracy, fostering the independence and professionalism of key public institutions as well as to promote democratic consciousness in Slovakia.

The project was performed in cooperation with the Business Alliance of Slovakia (BAS).

In 2019 we realized following major activities:

- Launch of a new interactive internet portal with the assessment of independence rating of key 18 public institutions including recommendations to foster their independence: <http://www.institucie.ineko.sk/>.
- Publishing of a study on how to select top executives in public institutions, including recommendations on opening the selection process via public calls for candidates, public hearings, publishing CVs of candidates, etc.: – see the analysis here [http://www.ineko.sk/file\\_download/1381](http://www.ineko.sk/file_download/1381).
- Organization of series of lectures and discussions presenting the results of the project to students of mainly secondary schools all across Slovakia – see the list of lectures: <http://www.ineko.sk/clanky/prednasky-o-demokracii-na-skolach>

#### **Summary:**

The project helped to raise awareness about the state of democracy in Slovakia and about the most necessary changes needed to improve the democracy and independence of key audit, regulatory and judiciary institutions. It helped the public and media to better understand the link between the democracy and the quality of life. It also helped the policy makers and the representatives of various institutions to better understand the weaknesses in independence of specific institutions and to identify solutions. The project helped to share this knowledge directly through lectures and discussions with several hundred students from secondary schools all across Slovakia as well as through consultations with chief representatives of particular institutions and policy makers. Indirectly, the project reached to tens of thousands readers of INEKO blogs, Facebook posts and internet portal. Additionally, many more people have been reached by media mentions relevant to the project.

For more information, including the analysis and the list and photo-documentation of lectures, as well as discussions with students, see <http://www.ineko.sk/projekty/podpora-demokracie>.

## **Informing and engaging citizens in monitoring the financial health of local governments as well as the quality and efficiency in education, health-care, and public transport**

Project description: Collecting, assessing and publishing data with the aim to decrease information asymmetry in education, health care, municipal finance, and public transport; evaluating the financial health of local governments, results of pupils at primary and secondary schools, quality and efficiency of health-care providers as well as the big projects in building the transport infrastructure; informing the citizens and engaging them in monitoring.

Project funding: Operational Programme Effective Public Administration 2014-2020, European Union

Project duration: 04/2018 – 03/2020

Project results in 2019:

**Monitoring big projects in transport:** The project supported a quality of media coverage and deepened public debate on the biggest government projects by delivery of formerly missing information. The project unmasked the fact, that ministry of transport officials rather promise dozens of projects without financial coverage than seek for appropriate and more feasible transport solutions. We published several analytical articles and blogs on anti-competitive practices in tenders, overpricing and wasting public funds. Some of our findings were quoted in hundreds of reports in TV, radio, print and internet media. The project helped to strengthen transparency, public awareness and thus reduce the space for plundering public funds in big projects in the future. It has also brought synergies with “value for money” initiative that became part of current government program declaration. In 2019 we provided key information on approximately 100 highway sections currently in use, under construction or planning through an interactive map of highways in Slovakia: <http://cesty.ineko.sk/>.

**Monitoring Financial Health of Slovak Municipalities:** In December 2011, INEKO launched a project aimed at increasing pressure to improve financial health of Slovak municipalities. In 2019 we updated the portal <http://www.hospodarenieobci.sk/> presenting the data about financial health of all municipalities and higher regional units in Slovakia. We added data for 2018. We also published the analyses of financial stability of 50 biggest Slovak municipalities and 8 higher regional units (VÚC). The partner of this activity is PosAm, s.r.o.

**Internet Portal on Primary and Secondary Schools:** The project offers relevant information about all primary and secondary schools in Slovakia. This is done via special internet portal (launched in 2012): <http://skoly.ineko.sk/>. We believe, that when people have more relevant information, they can make better decisions. It is our opinion that the project helps not only parents and future pupils, but also the schools, because they will be able to compare themselves and get motivated to improve their results. In 2019 we updated and upgraded the portal and published fresh school rankings. For the project results, please, visit this page: <http://skoly.ineko.sk/>

**Monitoring Quality and Efficiency of Hospitals:** In November 2014 we launched an internet portal assessing quality and efficiency of the Slovak hospitals -



<http://nemocnice.ineko.sk/>. The project offers relevant information about all hospitals in Slovakia. It includes information about quality and efficiency indicators including transparency and competitiveness in public procurement, waiting periods for operations, satisfaction of patients, death rates for various diagnoses, financial health indicators, etc. According to this information the public can create effective pressure on this status improvement. In 2019 we updated and upgraded the portal, included data on outpatient providers and published fresh data on a new portal: <http://kdesaliecit.sk/>. We also updated methodology for evaluating the quality and efficiency of selected hospitals and we rewarded the best hospitals in the country: <http://kdesaliecit.sk/nemocnica-roka/2019>.

For more project results, see: <http://www.ineko.sk/projekty/zvysovanie-obcianskej-informovanosti-a-participacie-pri-strazeni-financneho-zdravia-samosprav-ako-aj-kvality-a-efektivnosti-v-skolstve-zdravotnictve-a-doprave>

## Monitoring and Commenting on the Structural Reforms

In 2019, INEKO continued in **monitoring and commenting on the structural reforms in Slovakia**. The main goal of the project is to help the broad public as well as the experts and the journalists to get a quick and clear overview of the structural reforms. It contributes to the discussion about the outcomes of these reforms so that possible mistakes or pitfalls are avoided. In 2019, we focused particularly on the government measures aimed at modifications of the pension, health care, tax, labor market, and education systems.

In 2019, we continued in our project **“Discussing the problems of health care and potential solutions (i-health.sk webpage)”** with our local partner – private health insurance company Dôvera. The goal of the project is to identify key problems of the Slovak health care system, to research best foreign practices and to propose solutions to the problems. Thus it should improve the quality of the public as well as expert discussion of the Slovak health care system. The results of the project are displayed on a web page [www.i-health.sk](http://www.i-health.sk) and published in the local media. In 2019, the project included monitoring of main developments on local market, writing analysis and presenting key results in media.

In 2019 we published an analysis on the Current state and possibilities for more intensive use of generic and biosimilar medicines in Slovakia. The analysis identified potential savings of up to 80 million EUR annually in case of more intensive uses of generic and biosimilar medicines. It was widely quoted by local media.

See also <https://ineko.blog.sme.sk/c/517197/slabe-vyuzivanie-generik-a-biosimilarov-nas-stoji-takmer-80-milionov-eur-rocne.html>.

In 2019 we analyzed in depth current situation and perspectives in the changes of age structure of the population in Slovakia and its consequences for financial stability of the pension system as well as for the system of long-term care for elderly people. See also results of the seminar organized in cooperation with the European Commission representation in Slovakia: <http://www.ineko.sk/clanky/seminar-sme-pripraveni-na-starnutie-obyvatelstva>.

Together with the Business Alliance of Slovakia, we realized a series of surveys among local business people regarding their perception of ongoing reforms and quality of the business climate. See also <http://www.ineko.sk/projekty/prieskumy-nazorov-medzi-podnikatelmi-realizovane-pas-a-ineko>.

## **Promoting transparency and implementation of anti-corruption measures in state-owned enterprises and local governments in Ukraine**

Project financed by the [SlovakAid – Official Development Assistance of the Slovak Republic](#).

Partner: [International Centre for Policy Studies](#)

Duration: October 1, 2018 – March 31, 2020

The project builds on earlier activities of INEKO in Ukraine supported by the SlovakAid and the US Embassy in Kyiv over October 15, 2015 – March 31, 2018. The activities focused mainly on raising the transparency and financial stability of local governments in Ukraine.

Objectives: The project goal is to increase transparency and support implementation of anti-corruption measures in state-owned companies and local governments in Ukraine. Informed citizens and corruption-resistant public authorities are basic conditions for higher efficiency of the state, higher engagement of citizens and better democracy. The project is based on transfer of know-how of unique and successful projects implemented in Slovakia focused on monitoring and expert assessment of local socio-economic measures, as well as on easy-to-understand informing about transparency and financial stability of state-owned companies and local authorities.

The specific objectives of the project are:

1. Increasing the quality of regional regulations through regular expert assessment of social and economic measures adopted on local level
2. Supporting the implementation of anti-corruption measures and improving the public oversight of state-owned companies and self-governments by assessment of their transparency and active cooperation to implement the measures
3. Improving the financial stability of state-owned firms and self-governments by assessment of their financial health

Major outputs – Internet portals:

- Assessment of financial health and transparency of 50 state-owned enterprises in Ukraine: <http://companies.icps.com.ua/>
- Assessment of financial health and transparency of 50 largest cities and 22 regions in Ukraine: <http://local-governments.icps.com.ua/>

Major events implemented in 2019:

- Presentation of the ranking: Transparency and Financial Health of Regions and Cities of Ukraine, Kyiv, November 19th, 2019
- Presentation of the ranking: Financial Sustainability of State-Owned Enterprises in Ukraine, Kyiv, June 13th, 2019

For more information, check the project webpage: <http://www.ineko.sk/projekty/promoting-transparency-and-implementation-of-anti-corruption-measures-in-state-owned-enterprises-and-local-governments-in-ukraine>

## **Ukraine and V4 countries: promoting better understanding**

The goal of the project was to analyze the relations between Ukraine and its neighbouring V4 countries as well as to provide policy recommendations for the improvement of the neighbourhood relations. The project was supported by the International Visegrad Fund and the Ministry of Foreign Affairs of the Kingdom of the Netherlands. It was implemented by the International Centre for Policy Studies in Kyiv (ICPS) in cooperation with the project partners Institute for Foreign Affairs and Trade (Hungary), Institute for Economic and Social Reforms INEKO (Slovakia), Foundation Prof. Bronislaw Geremek Centre (Poland).

### **Project outputs published in Slovakia:**

- Article in local business daily Hospodárske noviny, 14.1.2019:  
<https://komentare.hnonline.sk/komentare/1873200-pomoc-ukrajine-sa-nam-oplati>
- Article in local business newsportal, blog.etrend.sk/inekomenty, 9.1.2019:  
<https://blog.etrend.sk/inekomenty/demokraticky-vyvoj-na-ukrajine-je-klucovym-zaujmom-slovenska.html>

### **Other project outputs:**

- Policy research: **Ukraine's neighborhood policy towards V4 countries: Promoting better understanding**, [http://www.ineko.sk/file\\_download/1363](http://www.ineko.sk/file_download/1363)
- International conference: [Ukraine's relations with its Western neighbors. A chance for rebooting](#)
- TV Report: [Первый Деловой Телеканал](#) (Published on May 23, 2019):  
<https://youtu.be/28wn9Bg7L18>

For more information, check the project webpage:

<http://www.ineko.sk/projekty/ukraine-and-v4-countries-promoting-better-understanding>

## **Promoting transparency and financial sustainability of regional policies, state-owned enterprises and local authorities in Moldova**

Project financed by the [SlovakAid – Official Development Assistance of the Slovak Republic](#)

Partners: [Institute for Development and Social Initiatives \(IDIS\) „Viitorul“](#)

Duration: September 14, 2017 – March 31, 2019

Objectives: The goal of this project is to improve the efficiency of the state administration, self-government and civil society in the area of creation and control of regional policies, administration of state-owned enterprises, and monitoring of budgets and information openness of municipalities. This will be achieved by transferring know-how from unique and highly-rated projects implemented in Slovakia and by building on previous activities implemented in Moldova with the support of SlovakAid and the US Embassy in Chisinau.

### Specific goals and activities:

1. Improving the quality of regional regulation and legislation through a regular expert assessment of the impacts of socio-economic measures – the applicant's local partner will monitor measures taken by local authorities; the selected actions will be analyzed and submitted to the panel of independent experts; The evaluation will be published.
2. Improving public control over functioning of state-owned enterprises through an evaluation of the information openness of state-owned enterprises – the applicant and the partner will analyze how the top 50 state-owned companies report on their activities and will create an interactive portal with results for individual businesses.
3. Improving financial stability of state-owned enterprises through financial analysis tools – Applicant and Partner will analyze financial indicators of 50 top public companies, compare them with each other and with private sector standards, and create an interactive portal with results for individual businesses.
4. Strengthening transparency of municipalities through updating data in the portals of budgets and transparency of cities and municipalities (the portals have been created by the applicant earlier in another SlovakAid project).

### Major outputs – internet portals:

- Transparency rating of 60 biggest cities and 32 regions in Moldova: <http://localtransparency.viitorul.org/>
- Budget transparency of all cities and regions in Moldova: <http://localbudgets.viitorul.org/>
- Financial health and transparency of 50 biggest public enterprises: <http://companies.viitorul.org/>

### Major events implemented in 2019:

- Conference: Transparency of public companies in Moldova, between reforms, integrity and public credibility, Chişinău, March 20, 2019

For more information, check the project webpage: <http://www.ineko.sk/projekty/promoting-transparency-and-financial-sustainability-of-regional-policies-state-owned-enterprises-and-local-authorities-in-moldova>

## **Supporting democracy, independence and transparency of key public institutions in Moldova**

Project financed by the [SlovakAid – Official Development Assistance of the Slovak Republic](#)

Partners: [Institute for Development and Social Initiatives \(IDIS\) „Viitorul“](#)

Duration: October 2019 – March 2021

Objectives: The project goal is to support public debate about current state of democracy, to strengthen the independence of key regulatory and judiciary institutions as well as to increase transparency and support implementation of anti-corruption measures in state-owned companies and local governments in Moldova. Informed citizens and corruption-resistant public authorities are basic conditions for reducing risk of “state capture”, increasing efficiency of the state, increasing engagement of citizens and improving democracy.

Specific goals and activities:

- Supporting public debate about current state of democracy based on available data, results of a survey among key personalities, focus groups, and results of a representative public opinion poll
- Supporting and evaluating the independence and transparency of key regulatory and judiciary institutions including open selection process of their leaders
- Increasing transparency, supporting the implementation of anti-corruption measures and improving the financial stability of state-owned companies and self-governments

Major events implemented in 2019:

- Project kick-off seminar, Chisinau, October 8, 2019

For more information, check the project webpage:

<http://www.ineko.sk/projekty/supporting-democracy-independence-and-transparency-of-key-public-institutions-in-moldova>

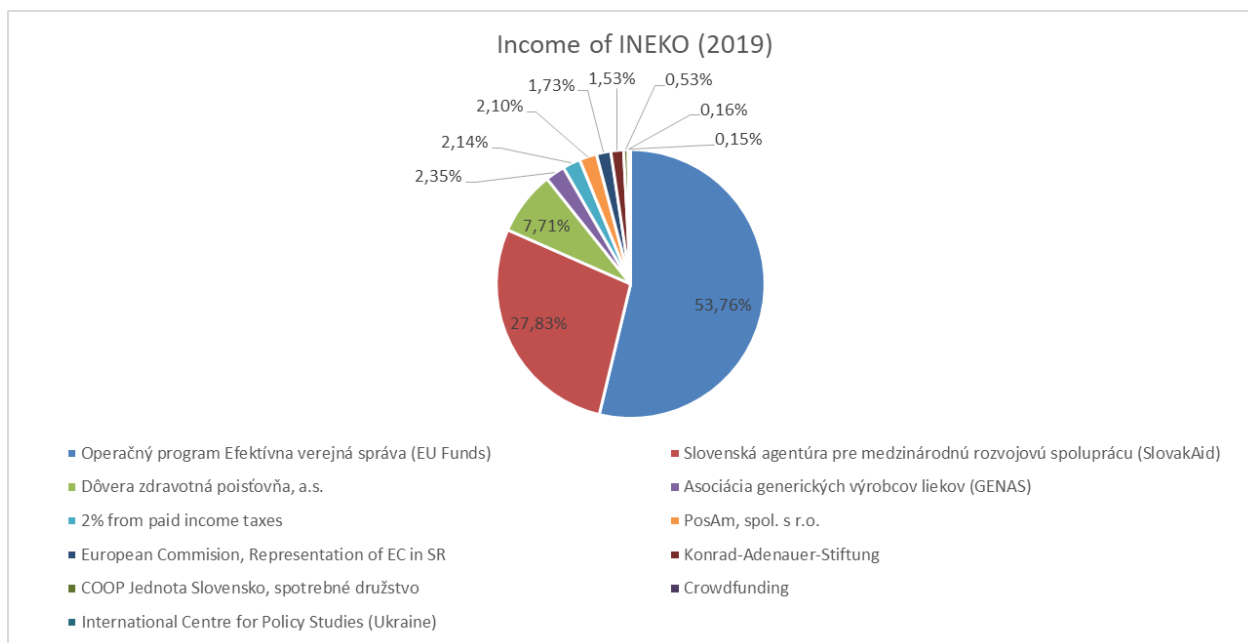
## Other Activities

**Memberships:** Our people engage in several advisory activities where they promote the ideas of improving monitoring of the public finance sustainability, improving the education system, fostering business environment, democracy, etc. In 2019 they held following positions:

- a. Peter Goliaš and Ján Kovalčík were members of the Slovak Association of Economic Analysts (KEA) – informal group of local economists, both acting also as the Executive Board members.
- b. Peter Goliaš was member of the Strategic Committee at the Business Alliance of Slovakia (PAS).
- c. Peter Goliaš was member of the Free Enterprise & Democracy Network (FEDN).
- d. Ján Kovalčík was member of the Monitoring Committee of the EU-Funds for Integrated Infrastructure at the Ministry of Transport.
- e. Ján Kovalčík was member of the expert group advising in transport related issues at Žilina region.

**Fundraising campaign:** In 2019, INEKO ran its regular fundraising campaign aimed at attracting the citizens' and firms' donations transferred directly from taxes (Slovak law allows to donate 2% of paid taxes to subjects supporting non-profit activities). This was done by means of letters sent directly to the top representatives of selected private companies.

# Financial Report

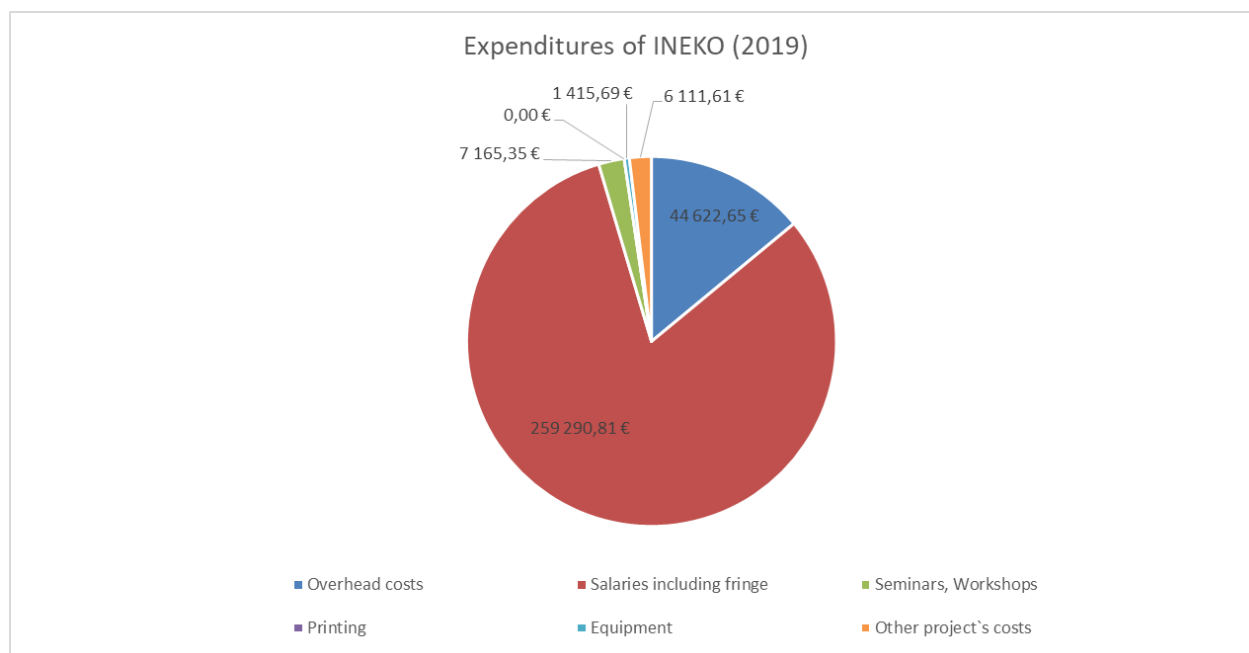


Income of INEKO (EUR)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total	217 636	207 231	195 902	151 579	106 602	123 874	148 481	141 841	209 832	273 355

Income of INEKO (EUR)	2017	2018	2019
Total	350 743	319 181	318 606

Income of INEKO (2019)	EUR
Operačný program Efektívna verejná správa (EU Funds)	171 282
Slovenská agentúra pre medzinárodnú rozvojovú spoluprácu (SlovakAid)	88 678
Dôvera zdravotná poisťovňa, a.s.	24 571
Asociácia generických výrobcov liekov (GENAS)	7 500
2% from paid income taxes	6 824
PosAm, spol. s r.o.	6 696
European Commission, Representation of EC in SR	5 500
Konrad-Adenauer-Stiftung	4 888
COOP Jednota Slovensko, spotrebné družstvo	1 700
Crowdfunding	498
International Centre for Policy Studies (Ukraine)	470
<b>Total:</b>	<b>318 606</b>





Expenditures of INEKO (2019)	EUR
Overhead costs	44 623
Salaries including fringe	259 291
Seminars, Workshops	7 165
Printing	0
Equipment	1 416
Other project's costs	6 112
<b>Total:</b>	<b>318 606</b>

Notes:

<b>Salaries including fringe:</b> managers – internal as well as external, accountants, lawyers, assistants, project administrators, researchers, intranet manager, librarian...
<b>Overhead costs:</b> rent and utilities, telephone, postage, office supplies, maintenance, subscription and membership, insurance, local travel...
<b>Equipment:</b> PC, book cases, chairs, tables...

## Web-Site Statistics

January 1<sup>st</sup>, 2019 – December 31<sup>st</sup>, 2019

Domains	Users	Page views
ineko.sk	48 603	104 140
skoly.ineko.sk	70 458	818 398
obce.ineko.sk	15 739	154 015
nemocnice.ineko.sk, kdesaliecit.sk	16 448	90 535
i-health.sk	13 640	21 624
cesty.ineko.sk	20 442	84 924
institucie.ineko.sk	689	7 040
<b>Total</b>	<b>186 019</b>	<b>1 280 676</b>

## Media Coverage

January 1<sup>st</sup>, 2019 – December 31<sup>st</sup>, 2019

*Total number of published articles and electronic media releases: around 1500*

INEKO continued in strong media relations policy in order to support right perception and impact of the results of its projects. During the period of January 1, 2019 – December 31, 2019 **there had been around 1500 published articles and electronic media releases** reflecting INEKO comments on proposed or adopted government measures and informing about results of INEKO projects – Supporting Democracy in Slovakia, Enhancing Transparency of Current Transport Tenders, Monitoring and Commenting Health-Care and other Structural Reforms, Evaluation of Quality and Efficiency of Hospitals, Monitoring Financial Health of Slovak Municipalities, Internet Portal on Primary and Secondary Schools and other activities. Among them, there are series of blogs (please, check INEKO blog on daily SME website: <http://ineko.blog.sme.sk/>, daily Dennik N website: <https://dennikn.sk/autor/ineko/>), newspaper articles, TV discussions and interviews. For many years, INEKO analysts belong among the most quoted economic analysts in Slovakia.

See also the list of media releases: <http://www.ineko.sk/media/medialne-vystupy-za-rok-2019>