

NEWS

Dear Colleagues,

The events and publications in this edition of our newsletter highlight our recent activity in the sphere of EU relations with the "Eastern Neighborhood." The findings of the CASE report "Prospects for EU-Ukraine Relations" have been widely publicized in these last few months to policymakers throughout the European Union at presentations in Brussels, Strasbourg, Berlin and Warsaw. We are very pleased that the research of our economists at CASE and CASE Ukraine, has been useful for those involved in the discussions on future trade integration between the EU and Ukraine. For those interested in EU-Eastern neighborhood relations, you can see the first results of our ENEPO project are already available for download on our website (page two).

The current edition of the Polish Economic Outlook quarterly publication, which gives an assessment of the Polish economy and forecasts for the next four quarters, is now available. We hope you enjoy the new format, which is shorter and includes a special section on a current key issue (page three).

In the past months we have produced a record number of publications. Many of the conference papers from the Winds of Change are now available on the site. We have also launched a new series, entitled "e-briefs" which are short readable policy briefs which highlight the results of our latest projects or comment on current events (page three).

We welcome you to attend our upcoming events. We think the BRE Bank - CASE seminar on energy issues with special guest Prof. Robert Lieber of Georgetown University will be of particular interest (page two).

Finally, please join us in welcoming our newest staff members, Joanna Swiatecka and David Cartaxo. See their short bios on page three.

Best regards,
Ewa Balcerowicz
CASE President

Ukraine Report Presented to European Parliament and Polish Senate

The CASE report "Prospects for EU-Ukraine relations" has garnered much interest among EU parliamentarians and officials involved in policy decisions on Europe's 'Eastern neighborhood.' The main findings of the report were recently presented at two mini-hearings of the European Parliament and at a session of the Polish Senate (opposite photo).



"The presentations come at a very appropriate time, as Ukraine and the EC are just beginning negotiations on an enhanced trade agreement," says Malgorzata Jakubiak, one of the co-editors of the report. Jakubiak, along with co-authors Vitaliy Vavryschuk and Dmytro Boyarchuk of CASE Ukraine, recently presented the report's main findings during a joint session of the Foreign Relations Committee and the Committee on EU relations at the Polish Senate. Earlier this month the team presented at a mini-hearing of the European Parliament's Committee on International Trade in Brussels as well as a session of the Baltic Intergroup of the European Parliament in Strasbourg. The report has also been presented to academic audiences in Berlin (hosted by DIW Berlin - German Institute for Economic Research) and Kyiv (hosted by CASE Ukraine). Click here to access the full report: [Prospects for EU-Ukraine Economic Relations](#).

CASE Economists Suggest EU Integration as Potential Model for Yemen

A team of CASE economists recently returned from Sana'a where they participated in a discussion on the future development of Yemen organized by the German Technical Cooperation (GTZ). Discussants from Yemen's Ministry of Planning and International Cooperation and from other key government agencies agreed that it was crucial that Yemen be allowed to integrate



into the Gulf Cooperation Council (GCC) by 2015. CASE experts offered the country's policymakers a feasible roadmap for the GCC integration, while they argued that substantial gains to Yemen would be possible only if GCC integration process is used to anchor a strong domestic reforms agenda.

"The seminar offered useful ideas that would help Yemen to make a clear road map that achieves economic integration between Yemen and the GCC countries in accordance with a joint Yemeni-Gulf." assessed Dr. Mohammed al-Hawri, Deputy Minister of Planning and International Cooperation.

EVENTS

One year of ENEPO Project Complete

CASE is leading a three year, 11-team consortium in a specific - targeted research project within the EU's Sixth Framework Program, which analyzes various aspects of the EU's relations with its eastern neighbors (EU Eastern Neighborhood: Economic Potential and Future Development). As the first year of this project comes to a close, we can already see the first results of the research.



A working paper entitled "The Evolution of EU policies towards its CIS neighbours" has been written by Prof. Margot Light of the London School of Economics. A team led by Irina Sinitsina of CASE has prepared the first draft of a paper on the "Analysis of various dimensions of the existing development gap between the CIS and selected EU countries." A working paper on "Concepts and definitions of institutional development (harmonization) and methodology of measuring them" has been prepared by Anna Kolesnichenko of CASE Ukraine. Alina Kudina of CASE Ukraine has also prepared a working paper on portfolio investment flows. To view more information about the project, and to access the papers already available, please see www.enepo.case.com.pl.

Special Announcement from GDN: Launch of Global Development Competition

Submissions are being accepted for the 2007 round of the Global Development Awards and Medals Competition. In past years CASE researchers took part in this competition regularly and successfully, including Maryla Maliszewska who won the Medal for Outstanding Research in Development in 2004 for her work on trade integration. This year, submissions are being accepted for research proposals or completed paper on any of the following five themes:

1. Fragile States: Addressing Vulnerability,
2. Household Exposure to Risk: Effects on Poverty
3. The Rule of Law: Providing Security for Development
4. Women's Rights, Security and Development
5. Natural Resources: Risks and Implications for Sustaining Development

The deadline is September 17, 2007. For more information on the competition, visit the GDN website at <http://www.gdnet.org/2007awards>.

Upcoming Seminar: Lieber to Speak on Energy, Policy, Economy

Warsaw, June 12 at 15:00 at Warsaw School of Economics

Join us for the next BRE-CASE seminar with special guest Professor Robert Lieber who will discuss energy policy, incorporating economic, political, resource and security dimensions. Dr. Lieber will also speak about US-European energy cooperation within the broader context of US-European relations. Dr. Lieber is a Professor



of Government and International Affairs at Georgetown University, and is an authority on American foreign policy. He received his Ph.D. at Harvard and has taught at Harvard, Oxford and the University of California-Davis. In the policy realm, he has been a foreign policy advisor in several presidential campaigns and consultant to the State Department and for National Intelligence Estimates. Dr. Lieber is author or editor of fourteen books on international relations and U.S. foreign policy, the latest being "The American Era: Power and Strategy for the 21st Century" (Cambridge University Press, 2005, 2007). Joining Dr. Lieber in the panel discussion on June 12th will be Professor Jan Popczyk of Politechnika Śląska who will be speaking on technological innovation and Dr. Tadeusz Syryjczyk who will discuss the interaction between consumers, the market, and the state. The discussion will be moderated by Dr. Andrzej Cylwik, president of CASE-Advisors.

Upcoming Events:

12 June BRE-CASE Seminar „Energy, Policy, Economy” with guest Prof. Lieber from Georgetown University, Professor Jan Popczyk of Politechnika Śląska, and Dr. Tadeusz Syryjczyk Warsaw School of Economics

28 - 29 June Final AHEAD conference at the Centre for European Policy Studies in Brussels. AHEAD (Ageing, Health Status and Determinants of Health Expenditure) is a 3-year international project carried out since February 2004 by a consortium of 18 institutes belonging to the ENEPRI network. Two of nine sub-themes were coordinated by CASE. Stanisława Golinowska directed the work of the CASE team. The work concentrated on the current state of health in Eastern Europe, analyzing the factors determining an individual's state of health.

PEOPLE

Vladimer Papava and Georges de Menil join CASE Advisory Council



Georges de Menil



Vladimer Papava

At the latest annual meeting of the CASE Supervisory Council, two new members were nominated to join the CASE Advisory Board. Georges de Menil is a Professor of Economics at Ecole des Hautes Etudes en Sciences Sociales in Paris. He is co-founder, co-chairman and senior editor of „Economic Policy,” an international economic review. He is member of various other boards, including the Board of Directors of the Paris School of Economics.

Vladimer Papava is a senior fellow at the Georgian Foundation for Strategic and International Studies and Deputy Head of the Finance and Budget Committee in the Georgian Parliament. He is the former Minister of Economy of Georgia (1994- 2000).

New Faces at CASE

We are pleased to welcome two new project officers to our team. They will be helping in project application and administration. Joanna Swiatecka is a graduate of Johns Hopkins University (International Relations, 2003) and David Cartaxo holds a BA from the University of Lisbon (European Studies, 2006). David is a native of Portugal and has been in Poland since he arrived in 2005 on a scholarship through the Erasmus exchange program. Joanna is originally from Poland but has spent the majority of her life in the USA. Their knowledge of several foreign languages, diverse work experiences, and enthusiasm will be a great asset to CASE. To read their full profiles, see the CASE People subpage on our website.



Joanna Swiatecka



David Cartaxo

PUBLICATIONS

Polish Economic Outlook 1/2007



The latest edition of PEO rates 2006 as a year in which economic growth exceeded expectations, reaching the highest

yearly rate since 1997. The outlook for the Polish economy looks positive in the short and medium terms. Forecasts show GDP growth will remain high (above 6%) in 2007, largely due to strong domestic demand, though it is expected to slow by 2008. Inflation remained among the EU's lowest in 2006, yet upward pressures were already visible in the first quarter of 2007. The authors of the report comment on rapidly rising levels of employment and wages, the improvement in the fiscal balance and the continued surge in exports. The report includes a special section devoted to Poland's "Euro Readiness" in comparison to other new member states, which shows that the Polish economy seems capable of fulfilling the Maastricht criteria, with 2012 looking like the the most likely target date. Click here to download the latest Polish Economic Outlook.

New "E-Brief" Publication Launched

The series provides a way for CASE scholars to publicize the results of their latest research and provide insight into current policy debates in a format that is accessible to an

educated, non-specialist readership. E-briefs are directed towards policy-makers, journalists, business leaders and the general public. In the latest in this series, Dr. Przemysław Wozniak considers the effects of the 2004 European Union enlargement on price levels in the EU and highlights the most important policy implications. Click here to view: When Can We Expect Price Convergence in the Enlarged EU?

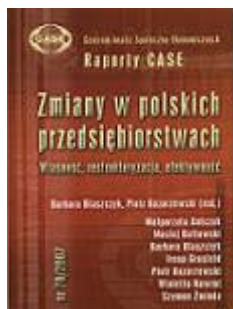


Post-Conference Papers published in "Studies and Analyses" Series

The CASE and CASE Ukraine International Conference brought together distinguished economists from around the world to discuss and debate the effects of globalization and the economic challenge posed by Asia to Europe. Conference papers by Anders Aslund, Leszek Balcerowicz, Ray Barrell and others, are now available for download on our website. See the publications section at the end of the newsletter for a complete listing.



PUBLICATIONS



Changes in Polish Enterprises: Ownership, Restructuring, and Effectiveness

This latest book, edited by Drs. Barbara Błaszczyk and Piotr Kozarzewski analyzes the privatization and reform processes in Poland and their effects on the evolution of the enterprise sector in Poland over the last fifteen years. The authors attempt to explain

the link between the character of privatization and the emerging new ownership structures, and the economic behavior of enterprises and their effectiveness. The book is the result of a three year project. The major findings of the project were also discussed at a BRE-CASE seminar in February. The book will soon be available for purchase at www.cedewu.pl.

Books and Book Chapters

Comments on Chapters by Gur Ofer and Justin Yifu Lin M. Dąbrowski [in:] F. Bourguignon, Y. Elkana and B. Pleskovic (eds.), **Capacity Building in Economic Education and Research**, The World Bank: Washington DC, 2007, p. 77 - 83.

CASE Reports

No. 71 The New EU Frontier: Perspectives on Enhanced Economic Integration

Małgorzata Jakubiak, Wojciech Paczynski (eds.), Małgorzata Jakubiak, Anna Kolesnichenko, Wojciech Paczynski, John Roberts, Sinan Ulgen

No. 70 Zmiany w Polskich Przedsiębiorstwach: Własność, restrukturyzacja, efektywność

(Changes in Polish Enterprises: Ownership, Restructurization, Effectiveness)

Barabara Błaszczyk, Piotr Kozarzewski (eds), Małgorzata Antczak, Maciej Baltowski, Irena Grosfeld, Wioletta Nawrot, Szymon Zminda

No. 69 Regional Free Trade Agreements of Bosnia and Herzegovina: analysis and policy recommendations

Małgorzata Jakubiak, Amir Hadziomeragic, Nermin Oruc, Wojciech Paczynski

Studies and Analyses

No. 344 Do Institutions, Ownership, Exporting and Competition Explain Firm Performance? Evidence from 26 Transition Countries

Simon Commander, Jan Svejnjar

No. 343 Sustainable Adjustment of Global Imbalances
Ray Barrell, Dawn Holland, Ian Hurst

No. 342 Institutions and Convergence
Leszek Balcerowicz

No. 341 The Evolution of EU policy towards its CIS neighbours
Margot Light

No. 340 The Polish Tax System: What has been achieved thus far? What can be done in the future?
Radosław Piwowarski

No. 339 Institutional Transplants in the Transformation of Poland's Economy and Polity
Jacek Rostowski

No. 338 How Can the EU Emulate the Positive Features of the East Asian Model?
Anders Aslund

No. 337 The Political Economy of Growth and Governance
Paul Hare

BRE-CASE

No. 89 Przedsiębiorstwa sektora prywatnego i publicznego w Polsce (1999-2005)
(Enterprises in the Private and Public Sector in Poland from 1999 - 2005)

E-briefs

3/2007 When can we expect price convergence in the enlarged EU?
Przemysław Wozniak

2/2007 EU-Ukraine Integration: What Lies Ahead?
Małgorzata Jakubiak

1/2007 Russia and Belarus: A Lesson in Market Economy
Piotr Kozarzewski

Articles in Economic Journals

EMU Enlargement: A Progress Report, CESE ifo Forum (Spring 2007), 39 - 44.
Marek Dabrowski

Internal Labor Mobility in Central Europe and the Baltic Region, World Bank Working Paper no. 105, 2007.
Pierella Paci, Erwin R. Tiongson, Mateusz Walewski (CASE), Jacek Liwiniski (CASE), Maria M. Stoilkova