



CERGE-EI

Center for Economic Research and Graduate Education – Economics Institute

Report on Activities for the Meeting of Heads of National Economic Research Organizations

OECD Headquarters: 6 June 2005

CERGE-EI is a joint workplace in the field of Economics, associated with two highly respected institutions, Charles University in Prague and the Academy of Sciences of the Czech Republic.

The Center for Economic Research and Graduate Education of Charles University (CERGE) was founded in 1991 as an American-style Ph.D. program in Economics taught entirely in English. In 1992, the Economics Institute of the Academy of Sciences of the Czech Republic (EI) was created as an economics research institution, seeking to carry out topical research of the highest international standards.

Recognizing their overlapping goals and interests, the two institutions entered into a cooperation agreement in 1993, which later evolved into a formal joint workplace agreement in 1999. Our partnership represents a unique example of cooperation in the Czech Republic and serves as a model of how to break down the artificial division between universities and research institutions that existed throughout the communist period. CERGE-EI reinforces the relationship of teaching and research by creating an environment of intellectual curiosity and scientific rigor.

The goals and interests which serve as CERGE-EI's mission are:

- to train future public officials, business leaders, and university faculty and researchers from the former communist countries of Central and Eastern Europe in modern economics;
- to stimulate and support academic and policy-oriented economic research;
- to disseminate this research and policy information to government officials, corporate managers, and academic economists throughout the region and the world through seminars, symposia, conferences, working papers, and other publications; and

- to facilitate the transfer of modern western standards of economic instruction and scientific work to the Czech Republic and other countries of Central and Eastern Europe, with a special emphasis on educating the instructors of future generations of business leaders and voters.

Located in the historic center of Prague, CERGE-EI has grown to be recognized as a regional center of educational excellence and has won numerous accolades from US governmental institutions, the European Commission, international grant authorities and research organizations: in 1992 and 1994, the European Community Secretariat of the ACE Programme designated the institution the only "Recognized Centre of Excellence in Ph.D. Studies in Economics" in Central and Eastern Europe, and in 1993 and 1994, CERGE-EI was recognized as a Center of Excellence in Economics Education and Research by the US Agency for International Development (USAID). As a further indication of overall academic quality, CERGE-EI's PhD in Economics is fully accredited in both the United States and the Czech Republic. Its location in the heart of Europe has proven to be beneficial in attracting high-quality researchers, faculty and students concerned with the impact of social, economic and political transition in the CEE/fSU region.

Throughout our history, collaborative efforts between international organizations have played a major role. Since 1999, CERGE-EI has been the East European Regional Network representative for the Global Development Network (GDN). The GDN is comprised of nine regional networks and an independent secretariat in Washington, D.C., and is an open, worldwide network of policy and research institutes which aims to support the generation, sharing and application to policy of development knowledge. Our library is an official depository for World Bank publications.

Research

Along with educating the future generation of economists in the post-communist region, CERGE-EI's main task is to stimulate and support advanced economic research. The primary charge of CERGE-EI faculty members is therefore carrying out significant research program generating high quality theoretical and empirical studies published in prime-quality international peer-refereed journals. CERGE-EI is therefore maintains state-of-the-art computer and library facilities, and allows its faculty members to allocate a significant portion of their time to this endeavor.

Research carried out at CERGE-EI is initiated by local permanent faculty and researchers, with topics being derived from their research interests and programs. As evidence of the strength of the faculty that CERGE-EI has been able to build lies in the fact that numerous projects of local faculty members have been accepted and financed by Czech, European, and US grant institutions. Recently hired junior faculty members have earned their economics Ph.D. at many of the best international universities. More importantly, CERGE-EI researchers regularly publish in leading international economic journals, including the American Economic Review, European Economic Review, Review of Economics and Statistics, International Economic Review, Journal of Economic Dynamics and Control, Journal of Development Economics, Economics of Transition, to name but a few of the most recent destinations of CERGE-EI's research output. A complete list of CERGE-EI faculty publications can be found in the CERGE-EI Institutional Faculty & Researchers Homepages.

Student involvement in the research projects of CERGE-EI has also become a critical and irreplaceable part of their education; their dissertation topics are typically closely related to research programs focused on topical problems relating to the economic and social development of the countries in transition. Last but not least, an important research goal of CERGE-EI is to carry out studies of the Czech economy and be active in the Czech economic community.

Research Goals and Principles

Research at CERGE-EI is based on the following principles:

1. The overall theoretical and empirical research should reach a level and quality consistent with that of the leading world universities and research institutes.
2. The main research agenda should focus on issues and problems that are related to the ongoing transition of centrally planned economies to the market system and their economic integration, especially with respect to the planned joining of the European Union. However, research in all fields of modern economics is supported.
3. Research utilizes the most recent techniques backed by modern computer and library facilities. CERGE-EI seeks to "import" know-how and make it available to the local researchers not only from within but also other cooperating institutions. To do so, CERGE-EI regularly hires top-quality assistant professors in economics on the international market, both from Europe and the US. Furthermore, CERGE-EI hires prominent senior faculty on permanent visitor contracts.
4. Research work is conducted along ethical lines consistent with those of leading world research institutions.
5. Advanced CERGE-EI students should participate in the research program. Their doctoral dissertations should conform to the general research orientation of CERGE-EI as an institute.

Dissemination of Research Results

Directly linked to the research task of CERGE-EI is the dissemination of the research results. This is done primarily in the following ways:

- by producing and making easily available internal publications as Working Papers, Discussion Papers and, occasionally, books;
- by organizing frequent events such as research seminars, conferences and workshops, panel discussions, and the Round Table Discussion Series; and
- by providing advisory and consultation services to government officials and members of Parliament, and by staging outreach courses.

Most importantly, the faculty members and researchers of CERGE-EI disseminate their research on their own through publications in economic journals and through their participation in scientific conferences and symposia. For a complete list of CERGE-EI faculty publications, please see the CERGE-EI Institutional F&R Homepages.

Current Grant Projects

CERGE-EI faculty members have had numerous projects selected and funded by Czech, European, and US grant institutions.

The grants can be grouped in several grant organization clusters:

- Czech grant agencies
- GDN grants
- EC/PHARE project grants
- CERGE-EI / World Bank Fellowships
- and other.

For a complete list of CERGE-EI faculty grants, please see the CERGE-EI Institutional F&R Homepages.

Cooperation with Other Institutions

Cooperation with Universities and other domestic Institutions

CERGE-EI has strong administrative and academic ties both to Charles University and to the Academy of Sciences of the Czech Republic. Because of CERGE-EI's organizational structure, cooperation with other university faculties and scientific institutes in the Czech Republic occurs on many levels. CERGE-EI faculty members teach courses in the Social Sciences and Mathematics faculties of Charles University, and several research staff have cooperated on projects with organizations such as the Institute of Sociology of the Academy of Sciences of the Czech Republic. There have also been a number of our advanced students who have taught undergraduate and masters-level courses at the Prague Economics University. Through various inter-governmental exchanges, CERGE-EI regularly hosts official academic visitors from universities and national academies of science from all over the world.

Cooperation with Non-Academic Organizations

CERGE-EI cooperates with various ministries and agencies of the Czech Republic in the implementation and utilization of the research results of our institute, above all with the ministries dealing with economic-related issues (the Ministry of Finance, the Ministry of Industry and Trade, the Ministry for Regional Development, the Ministry of Labor and Social Affairs) but also with the Ministry of Foreign Affairs, the Ministry of Health, the Ministry of the Environment (including membership in its advisory board for economics), and other governmental agencies and institutes. In the area of political economy research, CERGE-EI cooperates with the Institute of International Affairs.

International Cooperation

CERGE-EI maintains a deep level of cooperation with a large number of foreign academic institutions and universities, including the William Davidson Institute of the University of Michigan Business School, the Economics Department of University College London,

ECARE of the Free University of Brussels, Hunter College – CUNY and University of Paris IX – Dauphine. Our researchers also carry out projects funded by the European Union's PHARE ACE program with researchers from these and other partner universities and economic institutions. CERGE-EI has been fortunate enough to have been a coordinating institute of three EU TEMPUS network grants since its inception, which has allowed for intensive cooperation (i.e. students, faculty members and administrators) between CERGE-EI and universities from eight EU member states.

Throughout its history, CERGE-EI has worked closely with The World Bank on a number of projects, including the preparation of country reports and various research projects. More recently, CERGE-EI was named as the Central and Eastern European network hub for the World Bank's Global Development. The Global Development Network is a worldwide network of policy and research institutes which aims to support the generation, sharing and application to development policy research. For more information on CERGE-EI's GDN activities, please see the dedicated GDN page on our website.

Regional Think Tanks Partnership Program

The objective of the program is to enhance and strengthen capacity of Russian and East/Central European economic think tanks through professional collaboration, joint policy studies, and outreach activities. Funding for the program is provided by USAID as a part of the Agency's support to post-communist economic transition, development of civil society, and capacity building in Russia and Eastern Europe. In the framework of this program CERGE-EI cooperates with the William Davidson Institute (WDI) at the University of Michigan Business School and the School (Faculty) of Economics at Ural State University (USU) in Ekaterinburg, Russia.

Quotes:

"The peace and prosperity of the post-communist world requires investment in economic education and understanding. CERGE-EI is making a critical contribution to filling the void left by decades of hiding the truth."

- *Vaclav Havel, President of the Czech Republic*

"I was impressed by the quality of the program at CERGE-EI when I visited there. It is a leader in economic education and research in the region."

- *Gary Becker, Professor, University of Chicago, and 1992 Nobel Laureate in Economics*

"One of the very, very few places in post-communist Central Europe where economic teaching and research is conducted at a level comparable to the great universities of the world."

- *Lord Dahrendorf, Warden, St. Anthony's College, Oxford*

"My best guess is that in the near future CERGE-EI will be the most prominent place in Europe to study economics."

- *Orley Ashenfelter, Professor, Princeton University, and Editor of the American Economic Review*

"The work at CERGE-EI furnishes thorough and up-to-date insights into crucial aspects of the transition. It is of great value to policy makers, scholars, and those interested in understanding the complex process of transition to a market economy."

- *Nicholas Stern, Sir John Hicks Professor of Economics, London School of Economics, and Chief Economist, EBRD*

"CERGE-EI is one of the very finest institutes working on economic problems in Central Europe. Its contributions to economic policy, research and training of the next generation have already been enormous and the work just gets better and better."

- *Jeffrey Sachs, Director, Harvard Institute for International Development*

"CERGE-EI is a unique institution in Central and Eastern Europe. It has achieved in a short period of time the most exacting standards for teaching graduate economics and conducting economic research."

- *Richard Quandt, Professor, Princeton University, and Program Officer for Central and Eastern Europe, Andrew W. Mellon Foundation*

"The shortage of economic expertise in Central and Eastern Europe is so critical that I relied on several students from CERGE-EI even before they had completed their education. I was thrilled to be able to hire one of the first graduates of the program for a key position."

- *Vladimir Dlouhy, former Minister of Industry and Trade of the Czech Republic*

"The expertise provided by those from CERGE-EI who assisted us in preparing country reports was invaluable. Not only were they well-trained, but they understood the economic transition in a way that no outsider ever could."

- *Tito Boeri, Head of the Directorate for Employment, Labour and Social Affairs, OECD Centre for Co-operation with Economies in Transition, and Professor, Bocconi University, Milan*

"The Library at CERGE-EI is an impressive achievement. It is well-stocked for the needs of the community, and serves as an example of a modern, open access facility that will be copied by other libraries throughout Central and Eastern Europe."

- *Stanley Kalkus, Professor of Library Science, Charles University, and former Librarian of the U.S. Navy*