Report on **Bachelor / Master Thesis**

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	**Lucia Žídeková**
Advisor:	**prof. PhDr. Tomáš Havránek, Ph.D.**
Title of the thesis:	**Does Euro Adoption Reduce Central Bank Staff?**

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

Short summary

This is an original and extremely well executed thesis. It tackles a completely novel research question, which, to the best of my knowledge, has not been examined before, not even vaguely: does euro adoption reduce the staff of national central banks? In theory, yes, this should be the case. The national central banks delegate much of their responsibilities to Frankfurt, so they don't really need so many experts, especially on monetary policy. And in any case, one observes the steady expansion of ECB personnel. On the other hand, having some experience with the way how central banks work, I had many doubts about the mechanisms in which staff count would be reduced in national central banks. Lucia Zidekova rigorously addresses this interesting question using synthetic control method. I very much appreciate the fact that she doesn't oversell here results: they are not clear cut, SCM is a complicated method, and there are many caveats. Still, the evidence shows that reduction in central bank staff is plausible – relative to the counterfactual in which no euro adoption happened. In sum, this is a great example of how a BA thesis should look. I strongly recommend a distinction in this case.

Contribution

The topic is completely new, intuitively interesting, and of practical importance. The resulting paper could be published in an international journal (after some arguing with the referees regarding the robustness of the results). I award maximum score.

Methods

The synthetic control method is a proper technique to answer the question raised in the title. I appreciate the author's honesty in mentioning the problems of this complex technique. I appreciate the inclusion of placebo tests. I appreciate the careful data collection from many diverse sources. Well done.

Literature

The related literature is covered well; I have no objections.

Manuscript form

The thesis is written in very good English and typeset in LaTeX. I appreciate the structure: first, stylized facts (figures) are introduced and described. Then a rigorous, SCM analysis follows. Brilliantly executed.

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Overall evaluation and suggested questions for the discussion during the defense

This is an outstanding thesis that should be awarded for the following reasons:

1) The research topic is completely new, interesting, relevant, and wholly economic.
2) The author uses up-to-date, adequate, complex techniques to address the question. These techniques go much beyond what is taught at the BA level (and, indeed, MA level).
3) The author carefully collects her own dataset.
4) The thesis is perfectly executed, written, and typeset.
5) The results are interpreted without exaggeration, which shows that the author understands the details of the complex techniques she uses.

In my view, the thesis fulfills the requirements for a bachelor's thesis at the IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A. The results of the plagiarism software analysis do not indicate significant text similarity with other available sources.

SUMMARY OF POINTS AWARDED *(for details, see below):*

CATEGORY		POINTS
Contribution	*(max. 30 points)*	30
Methods	*(max. 30 points)*	29
Literature	*(max. 20 points)*	20
Manuscript Form	*(max. 20 points)*	19
TOTAL POINTS	*(max. 100 points)*	**98**
GRADE	**(A – B – C – D – E – F)**	**A***

NAME OF THE REFEREE: Prof. PhDr. Tomáš Havránek, Ph.D.

DATE OF EVALUATION: *7.8.2023*   Digitally signed, Tomas Havranek

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                                    Referee Signature

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

**Overall grading:**

TOTAL	GRADE
91 – 100	**A**
81 - 90	**B**
71 - 80	**C**
61 – 70	**D**
51 – 60	**E**
0 – 50	**F**