FACULTY
OF SOCIAL SCIENCES
Charles University

Report on the part of the final state examination
Record of the thesis defence

Academic year: 2024/2025

Student's name and surname:	Bc. Ondrej Šebík
Student's ID:	24576296
Type of the study programme:	Master's (post-Bachelor)
Study programme:	International Economic and Political Studies with specialisation in International Economics
Study ID:	796371
Title of the thesis:	Heterogeneity in Inflation Expectations: Evidence from Czech Household Panel Data
Thesis department:	Institute of Economic Studies (23-IES)
Language of the thesis:	English
Language of defence:	English
Supervisor:	PhDr. Jiří Schwarz, Ph.D.
Reviewer(s):	PhDr. František Čech, Ph.D.
Date of defence:	16.09.2025 **Venue of defence:** Praha
Attempt:	regular

Examination proceedings:

Student presented thesis Heterogeneity in Inflation Expectations. Student presented problem and research question motivating thesis about inflation expectations. Diploma thesis used Czech panel data. Thesis consisted of 10 distinct hypotheses. Presented methodology used correlated random effects. Models individual effects as function of time covariates. Used generalised estimating equations for hypothesis 4. Results, found women expect higher inflation than men in line with literature, found that women expect higher inflation than men even after accounting for who does shopping. Respondents expected unemployment and inflation to go up in short term. People generally have pessimistic view of unemployment also have higher inflation expectations. Trust in Czech national bank helped to anchor inflation expectations. Government voters had lower inflation expectations. Voters for opposition may take inflation news as more salient. Test how inflation expectations feed into consumption behaviour. Conclusions, heterogeneity matters, individuals are not fully rational, do not have full information in inflation expectations. Czech National Bank would benefit from clear communication, spread knowledge of what is 2% target. Advise that future survey experiments should take into account exogenous variations. Survey could be run during election cycle.
Opponent's report: Very positive, suggests A, appreciates unique dataset of inflation expectations, comprehensive literature review, thorough methodology
Supervisor's report: Suggests strong A, impressive literature review, strong empirical thesis, bring contribution

Questions
Go beyond fixed random effects, what is the reason for going beyond standard baseline methodology, what it brings, what it takes?

Answer: Issue with panel data is introduced unobserved time heteregoneity.
Several ways to deal with this
Individual characteristics can all feed into inflation expectations.
Fixed effects deals with this.
Time invariant variables cannot be used.
Solution, correlated random effects.
Models individual effects as function of observed characteristics.

Question: Correlation between what and what, how correlated random effect takes it into account?
Answer: Model means of individual time varying covariates.

Question: Specific terms between effects, why important to distinguish between two, are there interesting results?
Answers: Between variation allows to model how habitual beliefs influence dependent variables.
Model Philips curve.

Question: Recent survey, supervisor was part of team that put structure of survey together, implemented by Ipsos, in analysis, is there something unexpected, original, related to recent times in inflation expectations, or if there is some result that is unexpected, counterintuitive
Answer: Women have higher inflation expectations than men, expected, but even after controlling for shopping, women still have higher inflation expectations than men.
Question: Is this a behavioural effect?
Answer: Many ways to grapple with question. Maybe when asked who is primary shopper in household, women may not answer yes as men purchase durable goods, women purchase groceries.

Question: The factors that impact inflation expectations, education factor?
Answer: Usually more educated individuals have lower inflation expectations, know monetary transmission mechanism, individuals with tertiary education in dataset had slightly higher inflation expectations, educated individuals discount news about inflation better than individuals with primary education. The lower income one has, the more one has to look at prices.

Result of defence:	excellent (A)	
Chair of the committee:	Brunclík Miloš, doc. PhDr., Ph.D. (present)	....
Committee members:	Franěk Jakub, Mgr., Ph.D. (present)	....
	Kukačka Jiří, PhDr., Ph.D. (present)	....