

Název práce EN: Position of the central bank and its influence upon economy (in the context of global financial crisis)

Shrnutí EN / Summary:

The thesis focuses on the definition of the role of the central bank, particularly the Czech National Bank, from the legal and economic viewpoint. It also describes the global financial crisis and demonstrates conclusions adopted earlier against its background.

The basis of the thesis is the description of the Czech National Bank as an institution and position of its representatives. It focuses on the independence of the central bank and it mentions its responsibility in this context. These phenomena are analyzed on the basis of constitutional and statutory texts and a conclusion is drawn on a relatively high independence and only a small responsibility of the Czech National Bank. We stress that the Czech National Bank is a highly transparent institution. Attention is paid to the organizational and personal structure of the Czech National Bank. In the first part of the thesis, the Czech National Bank is defined as a public legal person representing one degree of the two-degree bank system endowed with a high level of independence.

The following parts deal with the activities of the CNB. In particular they define monetary policy, its aims and tools, issuing activity, foreign currency activity, supervision over the financial market, its role as the bank of banks and provision of the transactions entered into with the state. The remaining activities are referred to as “other activities” and are included into one common chapter. Attention focuses on targeting inflation as a monetary and political mode, or transmission mechanism, and its tools. The role of repo transactions particularly in adding liquidity to the detriment of credits is stressed. Individual activities and tools are identified with concrete parts and sections of the implementing law.

The final part of the thesis deals with the current financial crisis in the period before and after the fall of the investment bank Lehman Brothers and role of the CNB within its framework. The main issues related to the CNB are discussed – decreasing the repo rate, regulation, currency exchange rate and inflation targeting. Expansive monetary policy is criticized as one of the features contributing to the rise and spread of the present recession. The liquidity-providing repo operation, a new CNB tool, is described as an indicator of market entities’ attitude to the market situation. The current uncertainty as a new phenomenon on financial markets is put into context with the credibility of the CNB.