Title: Two Essays on Inflation Targeting
Author: Mgr. Jakub Matějů
Department: Institute of Economic Studies
Supervisor: Roman Horváth, PhD.

Abstract: The thesis consists of two essays on inflation targeting. The first essay examines how do monetary authorities set their inflation targets. Survey of central banks' communication regarding the target is presented, theoretical model is developed and finally empirical analysis is conducted on a panel of inflation targeting countries. This pioneering analysis of the topic leads us to conclusion that inflation targets are influenced by more variables than central banks admit. In addition to past and foreign inflation, inflation variability and GDP growth we find significant impact of central bank credibility and other institutional factors. The short second essay surveys literature assessing performance of inflation targeting and outlines perspectives of inflation targeting as a monetary policy framework. The conclusion is that if inflation targeting central banks stick to their best practice in transparency and communication and remain open to innovations, inflation targeting will have a good chance to score well even in the periods of turmoil.