

## REPORT ON THE MASTER THESIS

IEPS – International Economic and Political Studies, Faculty of Social Sciences, Charles University

<b>Title of the thesis:</b>	<b>Policymaking in times of crisis. An inquiry into the relationship between crisis time policymaking in the Eurozone and the world of academic economics.</b>
<b>Author of the thesis:</b>	<b>Milan Slezak</b>
<b>Referee (incl. titles):</b>	<b>Prof. Ing. Oldrich Dědek, CSc.,</b>

**Remark:** It is a standard at the FSV UK that the Referee's Report is at least 500 words long. In case you will assess the thesis as "non-defendable", please explain the concrete reasons for that in detail.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Theoretical background (max. 20)</i>	20
<i>Contribution (max. 20)</i>	20
<i>Methods (max. 20)</i>	18
<i>Literature (max. 20)</i>	15
<i>Manuscript form (max. 20)</i>	17
<b>TOTAL POINTS (max. 100)</b>	<b>90</b>
<b>The proposed grade (1-2-3-4)</b>	<b>1</b>

You can even use a decimal point (e.g. giving the grade of 2.5 for 60 points).

### **Comments of the referee on the thesis highlights and shortcomings (following the 5 numbered aspects of your assessment indicated below).**

**1) Theoretical background:** The subject of thesis is very topical in its effort to identify background of practical policymaking in new EU countries with respect to existing or prospective Eurozone membership. The research agenda is unquestionably bold and not trite. Why academic debate based on OCA arguments is often unable to give right advice for policymakers as far issues such as the ways out of the current Eurozone crisis or preparedness for euro adoption are concerned? And how countries answer these questions in a practical way? This is an area which attracts a prominent attention both in academic research and practical policymaking.

**2) Contribution:** The thesis is a though provoking exercise for the economic profession in the way in which it puts some doubts about practical usefulness of a flagship in the theoretical background of monetary unions – Optimum Currency Areas (OCA). The author does not question theoretical insights of OCA into efficient function of a monetary union. But the key point of the thesis is that these insights are difficult to translate into practical decision-making. The presented arguments are persuasive and do not lack clarity. The thesis is a unique contribution to the debate about the relevance of OCA for real convergence accession criteria some authors are permanently calling for. It is also inspiring for the debate whether OCA was instructive in giving advice how to strengthen Eurozone system of economic governance to cope with current crisis.

**3) Methods:** The thesis is composed of two parts. The first one concentrates on the discussion and evaluation of OCA principles. The second one offers a quick view on new EU countries from two perspectives – Politics and Economy with the aim to evaluate the comfort these countries derive from being part of Eurozone or from their commitment to adopt euro in some future time. Both views are bridged by the question what are the driving forces in these countries if OCA fails to deliver practical hints. The confrontation of OCA theory with empirical evidence is a right method for the kind of analysis the thesis is advancing.

**4) Literature:** The author of master thesis refers only to basic literature about the OCA, although this piece of this theory is much more developed. For example the issue of the so call endogenous OCA is completely omitted. The data descriptions of country-comparative studies that contain GDP development only seem also quite poor and lopsided. On the other hand these shortcomings do not seem to invalidate key findings and conclusions of the thesis.

**5) Manuscript form:** Putting aside some irritating shortcomings as missing page numbering or improper referencing the thesis is written in good and understandable English. Ideas are presented in clear and unambiguous way with a sense for exact reasoning.

**DATE OF EVALUATION: January 20, 2013**

*prof. Oldřich Dědek*  
**Referee Signature**

**The referee should give comments to the following requirements:**

**1) THEORETICAL BACKGROUND:** Can you recognize that the thesis was guided by some **theoretical fundamentals** relevant for this thesis topic? Were some important theoretical concepts omitted? Was the theory used in the thesis consistently incorporated with the topic and hypotheses tested?

Strong                      Average                      Weak  
20                              10                              0                      points

**2) CONTRIBUTION:** Evaluate if the author presents **original ideas** on the topic and aims at demonstrating **critical thinking** and ability to draw conclusions based on the knowledge of relevant theory and relevant empirical material. Is there a distinct **value added** of the thesis (relative to knowledge of a university-educated person interested in given topic)? Did the author explain **why** the observed phenomena occurred? Were the policy implications well founded?

Strong                      Average                      Weak  
20                              10                              0                      points

**3) METHODS:** Are the **hypotheses** for this study clearly stated, allowing their further verification and testing? Are the theoretical explanations, empirical material and **analytical tools** used in the thesis relevant to the research question being investigated, and adequate to the aspiration level of the study? Is the thesis **topic comprehensively analyzed** and does the thesis not make trivial or irrelevant detours off the main body stated in the thesis proposal? More than 10 points signal an exceptional work, **which requires your explanation "why" it is so**.

Strong                      Average                      Weak  
20                              10                              0                      points

**4) LITERATURE REVIEW:** The thesis demonstrates author's full understanding and **command of recent literature**. The author quotes relevant literature in a proper way and disposes with a representative bibliography. (Remark: references to Wikipedia, websites and newspaper articles are a sign of **poor research**). If they dominate you cannot give more than 8 points. References to books published by prestigious publishers and articles in renowned journals give much better impression.

Strong                      Average                      Weak  
20                              10                              0                      points

**5) MANUSCRIPT FORM:** The thesis is **clear and well structured**. The author uses appropriate language and style, including academic **format** for quotations, graphs and tables. The text effectively refers to graphs and tables, is easily readable and **stimulates thinking**.

Strong                      Average                      Weak  
20                              10                              0                      points

**Overall grading scheme at FSV UK:**

TOTAL POINTS	GRADE	Czech grading	US grading
81 – 100	<b>1</b>	= excellent	= A
61 – 80	<b>2</b>	= good	= B
51 – 60	<b>3</b>	= satisfactory	= C
41 – 50	<b>3</b>	= satisfactory	= D
0 – 40	<b>4</b>	= fail	= not recommended for defence