

Report on Master Thesis

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

Student:	Nino Nakani
Advisor:	Doc. Mgr. Tomas Holub PH.D.
Title of the thesis:	Central bank's Independence, Transparency, and accountability: Comparison between the National Bank of Georgia and European Central Bank

OVERALL ASSESSMENT *(provided in English):*

The main objective of the thesis is to measure and compare the transparency and accountability of the Central Bank of Georgia and the European Central Bank. The comparison, the author argues, is important in the context of Georgia's aspirations for European integration, which in turn imposes some minimum standards on the quality of the framework in which the central bank operates.

The thesis covers extensively the related literature, presenting an exhaustive review of the relevant empirical papers. However, for the central banking context, a more rigorous account of the theoretical literature would have also been helpful. This is in particular important to understand in what context central bank independence became an accepted paradigm in most of the countries. In this respect the thesis presents only the recent debate on the subject and could be further improved.

The methodological approach is rigorous and presents a detailed step by step guide on how the author arrives at the quantitative results. However the exercise is only a benchmarking tool, which in a study limited to only two central banks does not give you a great deal of possibilities for inference. Moreover, the results in the thesis can hardly be extrapolated to other, even similar situation. The results, therefore, could have been strengthened by including in the analysis an additional central bank, such as Bank of England, for instance, as an additional benchmark in transparency and accountability. This would have contrasted between the ECB and BoE one one hand, and Bank of Georgia and ECB, which would have been an interesting exercise considering that ECB is a relatively young institution. This can also be seen in the fact that the author does not follow any changes in ECB's set up, which would have been possible in the case of BoE.

Considering the goals of the thesis however, I believe that the author managed to convey in a clear and exhaustive manner the main differences between ECB and Bank of Georgia and that the conclusion inferred could possibly serve as a good starting point for a meaningful discussion on the role, accountability and transparency of the Central Bank of Georgia. Overall, the thesis could be graded as „velmi dobre“, that is „2“.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	20
<i>Contribution</i> (max. 30 points)	20
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	
GRADE (1 – 2 – 3 – 4)	

NAME OF THE REFEREE: *Adrian Babin*

DATE OF EVALUATION: 19/06/2015



Referee Signature