

UNIVERSITAS CAROLINA PRAGENSIS
založena 1348

Univerzita Karlova v Praze
Fakulta sociálních věd
Institut ekonomických studií



Opletalova 26
110 00 Praha 1
TEL: 222 112 330
TEL/FAX: 222 112 304
E-mail: ies@mbox.fsv.cuni.cz
[Http://ies.fsv.cuni.cz](http://ies.fsv.cuni.cz)

**Examiner's Report on Master's Thesis *From the Lira to the Single Currency: the Euro's Transitional Costs and its Unexpected Side Effects. The Italian Case* written by
Dr. Massimiliano Dragonetti**

Transition from Lira to Euro in Italy and its short run and medium run effects are of utmost importance. The case is clearly showing interesting negative effects of a not very well managed introduction of the Single European Currency in Italy. As the Czech Republic will sooner or later introduce Euro the Italian case becomes very topical as it provides us a scenario which should not be followed.

Master's thesis written by Dr. Dragonetti is based on an interdisciplinary approach which resulted in a very comprehensive treatise on the surprising unexpected side effects following the introduction of Euro. To understand what happened and why it was necessary to combine political, sociological and psychological approaches with economic ones. Economic analysis usually relying on orthodox neoclassical concept of economic man equipped with fundamental rationality certainly could not help the author to understand and explain major causes of mentioned side effects. Understanding of actual social phenomena requires interdisciplinary approaches instead. In his master's thesis Dr. Dragonetti has shown persuasively his ability to apply interdisciplinary approaches and methods of scientific work.

The thesis is divided into 7 chapters. The structure is well-thought-out, conclusions are logical and are justified. The introduction and the first three chapters are devoted to the presentation of facts about the perception of effects of introduction of Euro by Italians and other Euro Zone countries. Comparative analysis based on Euro Barometer reports date shows persuasively a quite important difference in opinion about effects of the introduction of Euro in Italy and the Euro Zone. The following three chapters focus on an interdisciplinary

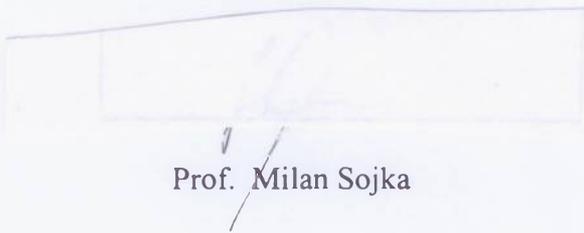
scientific explanation of facts described in the first three chapters. Dr. Dragonetti used a very clever explanation of the difficulties in comparing value of Liras and newly introduced Euro met by general people in everyday life. He used a cluster-sample approach relying on his condominium dwellers to show persuasively those difficulties on the bases of tips given originally in Liras and now in Euro. Especially the chapter six is providing us with a very persuasive explanation of surprising differences between economic and statistical findings on the one hand and perception of this reality. Chapter 7 presents comparative analysis of the situation in six other Euro Zone countries after introduction of the Single Currency. It persuasively shows us differences between Italy and majority of the other Euro Zone members. There are very interesting data showing us the changes in time which more or less display the same tendency but with different pace. The most important causes of this state of things are explained in conclusion.

Dr. Dragonetti provides us with a very persuasive arguments showing that Italian government due to the ill-conceived plan of Euro's introduction made the things worse for Italian citizens. The thesis is written in a very good English. It is very friendly to the reader as its author uses many graphs to make date easily comprehensible. He has a very broad knowledge of the literature related to the subject.

I evaluate the Master's thesis written by Dr. Massimiliano Dragonetti as excellent.

In the discussion the author could shortly explain what is according to him the message of the Italian case of transition from Lira to Euro.

June 21, 2006



Prof. Milan Sojka