

REPORT ON THE MASTER THESIS

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

Title of the thesis:	Plausible Effects of the Adoption of the Euro on the Czech Economy: Comparison with the Case of the Slovak Republic
Author of the thesis:	Bc. Nikola Goralková
Referee (incl. titles):	PhDr. Petr Hedbávný

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

1) Theoretical background:

Main theoretical arguments (Maastricht convergence criteria, OCA criteria) are mentioned.

2) Contribution:

The thesis is a compilation of arguments mentioned in the body of academic and other literature. The contribution of the thesis in terms of its novelty is rather weak.

Since causal relationship is extremely difficult to establish, greater care would be advisable to the claims about causality throughout the thesis.

„Having the euro as a new currency brings many advantages for all the countries and this applies to the Slovak Republic and will also apply for the Czech Republic.“ (p. 26) – since the future is uncertain, such a claim is grossly inaccurate.

3) Methods:

Descriptive comparative analysis used in the thesis is a legitimate approach. However, for a good-quality master thesis, its expected depth and the precision of argumentation would be substantially higher.

Hypotheses are not being tested in a clear fashion.

„... the concept of the Copenhagen or Maastricht criteria“ (p. 5); „Since the Slovak Republic met the Copenhagen criteria, as can be seen in the Figure 1 ...“ – the terminology is incorrect: the two sets of criteria differ (EU membership vs. euro area membership criteria).

Greater care could be given to the commentary to the *Figure 5.3*.

The electoral support for the euro area membership is key for the question whether to enter the euro area or not. Greater attention to this aspect would make the analysis more even-handed and rounded.

4) Literature:

A higher number of references from top scholarly journals would be welcome.

A more detailed review of literature may be conducted: e.g. Horvath, R. (2007). Ready for Euro?

Evidence on EU new member states. *Applied Economics Letters*, 14(14), 1083-1086 would be a natural point of departure to frame the OCA criteria discussion of the topic. Additionally, the comparisons of the Slovak experience with other Visegrad countries may be referred to, e. g. Torój, A. (2012). *Poland and Slovakia during the crisis: would the euro (non-) adoption matter?* (No. 13). Ministry of Finance in Poland.

5) Manuscript form:

Sources are referred to in a scholarly way.

Horvath (2001) is mentioned in the text of the thesis – even though it is clearly referred to via its source (Lacina 2007), it would be preferable to see it among the references.

The use of conditional is imprecise at times.

Additional comments: (i) eurozone: replace with euro area (official terminology might be a preferred choice), (ii) 16.07.2003: replace with 16th July 2003, (iii) 1,4 %: replace with 1.4 % (decimal point, not a comma), (iv), „In 2009 when the euro was introduced in Slovakia, the Slovak economy experienced a sharp decline of GDP from 5.4 in 2008 to -5.3“ (p. 25) - GDP: replace with GDP growth; 5.4: replace with 5.4 %.

Suggested questions for the defence are:

In the thesis, you write that „After analyzing and examining several documents and studies, especially documents issued by the Slovak National Bank or the Slovak government, the first hypothesis can be confirmed.“ (p.43) Discuss a legitimate objection that the research by the Slovak government need not be unbiased.

I recommend the thesis for final defence.

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

CATEGORY	POINTS
<i>Theoretical background (max. 20 points)</i>	14
<i>Contribution (max. 20 points)</i>	4
<i>Methods (max. 20 points)</i>	4
<i>Literature (max. 20 points)</i>	15
<i>Manuscript form (max. 20 points)</i>	14
TOTAL POINTS (max. 100 points)	51
The proposed grade (A-B-C-D-E-F)	E

DATE OF EVALUATION: 16th May 2019

Referee Signature

Overall grading scheme at FSV UK:

TOTAL POINTS	GRADE	Quality standard
91 – 100	A	= outstanding (high honour)
81 – 90	B	= superior (honour)
71 – 80	C	= good
61 – 70	D	= satisfactory
51 – 60	E	= low pass at a margin of failure
0 – 50	F	= failing. The thesis is not recommended for defence.

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 to this thesis topic? Were some important theoretical concepts **omitted**? Was the theory used in the thesis consistently **incorporated with the topic** and hypotheses tested? Has the author demonstrated a genuine **understanding** of the theories addressed?

Strong	Average	Weak	
20	15	< 10	points

2) CONTRIBUTION: Evaluate if the author presents **original ideas** on the topic and aims at demonstrating **critical thinking** and the 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	15	< 10	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 12 points signal an exceptional work, **which requires your explanation "why" it is so**.

Strong	Average	Weak	
20	15	< 10	points

4) LITERATURE REVIEW: The thesis demonstrates the author's full understanding and **command of recent literature**. The author **quotes** relevant literature in a **proper way** and works with a **representative bibliography**. (Remarks: 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 a much better impression. Any sort of **plagiarism** disqualifies the thesis from admission to defence.)

Strong	Average	Weak	
20	15	< 10	points

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

Strong	Average	Weak	
20	15	< 10	points