
CNB Economic Research: Focus on 2005–2006

I. Introduction

The Czech National Bank (CNB) publishes regularly – every two years – a report on its economic research activities. This tradition started with the reports focusing on Research Programmes 2001–2002 and 2003–2004.

The purpose of the report is to summarise the outcomes of the economic research projects and activities undertaken by the CNB, with a special focus on projects and activities that were part of the CNB Research Programme 2005–2006.

The reports are prepared by the CNB's Economic Research and Financial Stability Department (ERFSD). More information on the CNB's various research activities can be found at <http://www.cnb.cz/en/research>.

II. Arrangements

The CNB economic research is organised around two-year Research Programmes (RPs), which are directed by the medium-term economic research priorities. Both types of documents are approved by the CNB Board (Table 1). The Board's involvement in formulating the CNB's economic research priorities and approving projects is aimed at ensuring that the research outputs are relevant to the work of the central bank.

Table 1 ERFSD documents approved by the CNB Board

	Medium-term Priorities	Research Programmes
2001	Economic Research Priorities 2001–2006	RP 2001–2002
2002		RP 2003–2004
2003		RP 2003–2004 – Interim
2004		RP 2005–2006
2005		RP 2005–2006 – Interim
2006	Economic Research Priorities 2007–2012	RP 2007–2008
2007		RP 2007–2008 – Interim
2008		RP 2009–2010

The current medium-term priorities were prepared in 2005 and approved by the CNB Board at the beginning of 2006. Subsequently, they guided the preparation of the RP 2007–2008 in 2006 and the RP 2009–2010 in 2008. They will also guide the RP 2011–2012. The priorities for the four areas (monetary policy, macro-modelling and forecasting, financial stability and the real economy and fiscal policy) react to the three challenges identified: (i) to increase the emphasis on research in the European context, (ii) to give research support to changes in the CNB's core activities, and (iii) to identify and utilise shifts in the economic research frontier.

The research priorities, like the RPs, are consulted with the CNB Research Advisory Committee (RAC), which is an advisory body to the CNB Board. The RAC typically has around 15 members, six of whom are distinguished external experts. The list of RAC members is attached in the Appendix (Table A1).

The RP for each two-year period consists of research projects and research-related activities such as seminars and publications. The research projects cover the four above-mentioned areas. Each area is coordinated by an adviser to the CNB Board. Projects are submitted by researchers from all CNB departments with co-authors from other domestic as well as foreign institutions in response to the Call for Projects that is announced each April on the CNB website.

The coordinators supervise on average 6 ongoing projects and 15 researchers (Table 2). On average, CNB researchers contribute 70% of the man years, of which the ERFSD 13% and other CNB departments 57%. External researchers cover 30% of the man years on average. The external researchers come typically from the following institutions: domestic universities (e.g. CERGE–EI, Faculty of Social Sciences at Charles University, Prague University of Economics), government ministries (e.g. Ministry of Finance), international institutions (e.g. EBRD, EC, ECB, IMF, OECD, WB), universities abroad (e.g. University of Siena, Brunel University, University of Strasbourg) and other central banks (e.g. Austrian National Bank, Bank of England).

The 2005–2006 period was characterised by a relatively low share of ERFSD experts in research teams. This was a consequence of the relatively small capacity of the ERFSD in comparison to other CNB departments as well as of an increasing share of coordinating activities. After the CNB Board decided to enlarge the ERFSD team in 2005, the capacity available for research projects gradually increased and the share of the ERFSD rose to 22% of the total man years in 2008.

Table 2 Projects, coordinators and researchers

	2002	2003	2004	2005	2006	2007	2008	Average 2002–08
Coordinators	5	5	5	5	5	4	4	5
Projects ongoing per coordinator	4	7	6	6	5	8	6	6
Researchers supervised per coordinator	11	18	14	14	13	20	14	15
% of ERFSD researchers*	13	11	4	10	7	21	22	13
% of external researchers*	22	25	43	17	29	33	35	29

* In man years (i.e. repetition of names not addressed). Affiliations valid for the year analysed.

III. Research Projects

Under the four RPs (from 2001–2002 to 2007–2008), a total of 124 research proposals were submitted. Of these, 30 were not approved, 62 were completed and 23 are ongoing (Tables 3 and 4). 25% of the approved research projects are ongoing, 65% were completed and 10% were terminated by the coordinator. The RP 2005–2006 paints a picture consistent with these aggregate numbers. 80% of the approved projects have been completed, 12% are ongoing and 8% were terminated at the decision of the coordinator. As far as ongoing projects are concerned, their deadlines were postponed mainly to allow for replenishment of research teams (after the initially proposed team members left their positions). The list of 2005–2006 research projects together with a description of the status and outcomes is attached in the Appendix (Table A2).

Table 3 Monitoring project progress

Year of approval of RP	2001	2002	2003	2004	2005	2006	2007
Research Programme*	2001–2002	2003–2004	Interim 2003–2004	2005–2006	Interim 2005–2006	2007–2008	Interim 2007–2008
Projects submitted	26	25	6	18	14	23	12
Proposals not approved (ERFSD, RAC)	4	4	1	2	4	3	2
Proposals not approved (BB)	0	1	2	0	1	3	3
Projects approved	22	20	3	16	9	17	7
Projects terminated	2	3	0	2	0	2	0
Projects finished internally (IDP)	4	1	0	2	1	0	0
Projects finalised (WP, IRPN)	16	16	3	10	7	2	0
Work-in-progress projects	0	0	0	2	1	13	7

* The data on project progress are from June 2008.

Table 4 Summarising ratios (in %)

	Programme 2001–2002	Programme 2003–2004	Programme 2005–2006	Programme 2007–2008
Projects completed out of approved	91	87	80	8
Projects ongoing out of approved	0	0	12	83
Drop-out rate for projects approved	9	13	8	8
Projects approved	85	74	78	69
Total drop-out rate	38	35	28	37

* Calculations based on data from June 2008. The total drop-out rate shows how many projects out of the proposed ones were not finished (proposals not approved or approved projects cancelled) after taking ongoing projects into account.

IV. CNB Research Publications

The CNB's economic research is published in three series of publications. Two are external and are intended to disseminate the results of the CNB's research projects and the other research activities of the staff of the CNB and collaborating outside contributors. They are refereed internationally. Working Papers (WPs) aim to present original research contributions relevant to central banks. Research and Policy Notes (RPNs) aim to present topics related to strategic issues or specific aspects of monetary policy and financial stability in a less technical manner than WPs. The third series is internal. Internal discussion papers (IDPs) are intended to disseminate interim results of projects that could not be refereed internationally because they met with data or model difficulties in the final stages of the work. They are approved for publication by the coordinator of the relevant research area.

The CNB publishes 14 WPs and RPNs on average per year (Table 5). Out of these, 12 are WPs and 2 RPNs. The 2005–2006 period saw a 20% increase in the number of papers published compared to 2003–2004. In subsequent years, the number of research publications stabilised. In 2005–2006, off-project papers gained in importance. These are mainly papers invited by the Board covering topical issues or prepared by visiting researchers or new CNB experts who could not participate in the Call for Projects. In the current period, the share of off-project papers has decreased and is comparable to the 2003–2004 period.

Table 5 CNB research papers

Year	2002	2003	2004	2005	2006	2007
WPs published from projects	3	11	9	9	7	14
WPs published off project	1	1	1	3	4	2
WPs by invited speakers	0	0	0	2	2	1
RPNs published from projects	0	2	3	4	1	1
RPNs published off project	0	0	1	1	0	0
RPNs by invited speakers	0	0	0	0	1	1
WPs total	4	12	10	14	13	17
RPNs total	0	2	4	5	2	2
External publications TOTAL	4	14	14	19	15	19
IDP	1	3	0	1	0	1

The external CNB research series are comparable in terms of volume of outcomes published to inflation-targeting central banks in countries of similar size and to some ESCB members (Table 6).

Table 6 International comparison: Research papers published by central banks

Year	2002	2003	2004	2005	2006	2007
Inflation-targeting central banks in small open economies						
Reserve Bank of New Zealand	8	10	8	7	12	15
Sveriges Riksbank	12	13	18	15	9	18
National Bank of Hungary	6	13	12	7	11	6
National Bank of Poland	28	15	14	14	16	8
ESCB members in small open economies						
Austrian National Bank	25	6	8	12	28	4
National Bank of Portugal	13	19	20	15	17	21
Bank of Greece	n.a.	8	11	11	22	11
National Bank of Belgium	17	6	23	13	29	18
Average	16	11	14	12	18	13

V. The Relevance of CNB Research Publications

The primary aim of the CNB research publications is to produce research relevant to the CNB that is of sufficient academic quality. Quality is guaranteed by the referee process for WPs and RPNs, which is comparable to regional journals. Relevance is ensured by declaring medium-term research priorities and announcing priority topics for each Call for Projects. These both provide researchers with information on what projects are required by the CNB. In addition, the selection procedure takes the relevance of project proposals into account. The effort to focus research capacities on relevant topics pays off. The ratio of the CNB research publications that have been

directly used by the CNB is quite high – 60% (Table 7). In this report, direct use refers to an immediate impact of the research outcome on CNB documents such as the Inflation Report or Financial Stability Report.

Table 7 Relevance of the CNB research publications

Year of WP/RPN publication	2002	2003	2004	2005	2006	2007	2008	2002–2008
% of total WPs/RPNs with direct use in CNB	75	71	79	63	27	58	71	61
WPs and RPNs with direct use in CNB	3	10	11	12	4	11	5	56
Total WPs and RPNs published	4	14	14	19	15	19	6	73

VI. Follow-up Academic Publications

Despite the fact that follow-up academic publications are not the primary aim of the CNB's research, CNB researchers are encouraged to submit their work to academic journals. On average, 46% of CNB WPs and RPNs were published in academic journals with non-zero impact (Table 8). For comparison, the European Central Bank (ECB) reports on its website that 40% of its WPs from the comparable period (2002–2008) were followed-up with an academic publication. The average publication gap between the finalization of CNB WPs and RPNs and the follow-up academic publication is 1.5 years, the range going from 1 to 4 years. The percentage indicator of follow-up academic publications may be descending in time because of this gap. The academic journals that accept CNB follow-up research publications are both regional and international. The average impact factor for the CNB's WPs and RPNs was 0.40 (<http://citec.repec.org/s/2006/cnbwpaper.html>; the impact factor is defined as the number of citations over the number of working papers in a given year).

Table 8 WPs and RPNs in academic refereed journals with non-zero impact

Year	2002	2003	2004	2005	2006	2007	2008	2002–2008
% of WPs/RPNs later published in journals	75	71	57	37	40	26	43	46
-sorted by publication year of WP/RPN								
No of WPs/RPNs later published in journals	3	10	8	7	6	5	3	42
-sorted by publication year of WP/RPN								
Total WPs and RPNs published	4	14	14	19	15	19	6	73
-sorted by publication year of WP/RPN								
Memo: % of ECB WPs published	51	59	53	45	29	23	16	39
-sorted by publication year of WP								
Average impact factor per WP/RPN	0.102	0.6661	0.892	0.254	0.242	0.174	0.528	0.41
-sorted by publication year of WP/RPN								
Average impact factor per WP/RPN	0.102	0.0583	0.564	0.41	0.481	0.287	0.861	0.39
-sorted by publication year of journal publication								

The notable journals that have featured follow-up CNB publications include: European Economic Review (6.98), Economics of Transition (3.05), Economics Letters (1.73), Empirica (1.63), Economic Systems (1.43), Economic Modelling (1.63), Computational Economics (1.27) and Contemporary Economic Policy (1.07) (impact factors as of 5 February 2008 according to the REPEC simple impact factor; see http://ideas.repec.org/top/top_journals.simple.html). The full list of follow-up academic publications is attached in the Appendix (Table A3).

In order to motivate researchers to submit CNB WPs and RPNs to academic journals the ERFSD started awarding prizes for best research paper in 2005. Prizes are awarded for papers which have been published in academic journals with a high impact factor and which have made a substantial contribution to resolving economic problems relevant to central bank. The list of papers awarded is attached in the Appendix (Table A4).

VII. The Transparency of CNB Economic Research

One of the aims of the CNB's economic research is to provide the domestic as well as the international audience with as much access to the research outcomes as possible. The transparency of CNB research became a priority in 2005, when the initial stage of the ERFSD was evaluated and it was concluded that the output produced was now sufficient to implement a comprehensive dissemination strategy. Several tools are used to ensure full research transparency.

First, the CNB website is the primary communication tool for the ERFSD. It contains introductory information about the ERFSD, all the publications (working papers, research policy notes and research bulletins), the yearly Call for Projects, information about seminars and conferences, and information on the Research Advisory Committee. The information is updated in real time.

Secondly, the CNB Research Bulletin (RB) summarises the outcomes of research projects relating to a pre-selected topic in the form of several short articles. The RB also provides information on the CNB's research-related activities. It is written in a highly non-technical language in order to make the CNB's research results more accessible to the general public. It is distributed internationally, with about 620 names currently on the mailing list.

Thirdly, in 2005–2006, the ERFSD started developing the CNB's RePEc site (<http://edirc.repec.org/data/cnbgvycz.html#HoPEc>). It is now fully developed and helps the CNB to disseminate its research outcomes to a broad international academic audience.

Fourthly, the first CNB Research Open Day was held in 2005, kicking off a tradition of informal one-day annual gatherings of CNB researchers and researchers from domestic as well as international institutions to discuss the CNB's research outcomes. The ERFSD award for the best CNB research publication is announced during this informal conference.

VIII. Seminars and Conferences

The CNB jointly with the CERGE-EI (<http://www.cerge.cuni.cz>) and the Czech Economic Society (<http://www.cse.cz/cs/hlavni-stranka/>) organises up to four seminars each year. These seminars provide an opportunity for the Czech audience – which includes members of the Czech Economic Society, and also students – to hear distinguished speakers from abroad. In the 2005–2006 period, the following speakers visited the CNB: Stephen Cecchetti (Brandeis University), Richard Disney (University of Nottingham), Robert F. Engle (New York University), Finn E. Kydland (Carnegie Mellon University), Adrian Pagan (Australian National University), Gary Schinasi (International Monetary Fund) and Klaus Schmidt-Hebbel (Central Bank of Chile).

The CNB also occasionally cooperates with domestic and international institutions in organising conferences that are relevant to the CNB's economic research. For example, it acted as a co-organiser of the Society for Economic Dynamics Annual Conference (2007), the Eurosystem

Wage Dynamics Network meeting (2007) and the Prague-Budapest Spring Workshop in Macroeconomic Theory (2006).

IX. International Cooperation

One of the challenges the CNB identified when preparing its 2007–2012 research priorities was a need to increase the emphasis on the European context of its economic research. One of the means selected to achieve this is enhanced international cooperation. ERFSD experts are involved in the work of the Eurosystem Wage Dynamics Network (http://www.ecb.int/home/html/researcher_wdn.en.html) and the ECB-CFS Network on Capital Markets and Financial Integration in Europe (<http://www.eu-financial-system.org/>). In 2004–2006, an EU twinning project with Deutsche Bundesbank helped to expand the financial stability research at the CNB.

The second important means of enhancing international cooperation is the CNB Research Visitor Scheme, which started operating in May 2006. This scheme is offered to researchers who are working with CNB researchers on projects, and also to consultants. Typically, there are 10–15 visitors every year, from institutions such as the Centre for Economic Research and Graduate Education (CERGE-EI) at Charles University, Deutsche Bundesbank, the European Central Bank, the European Commission, the International Monetary Fund, Oesterreichische Nationalbank, the Reserve Bank of New Zealand, Tilburg University and the University of Economics (Prague).

X. International Recognition

The ERFSD was established in 2001. Since then the CNB's economic research come a long way. Eight years on, its research is international recognised.

Out of the 68 CNB working papers published to date, 33 have been cited in studies included in the RePEc database. The total number of CNB WP citations in RePEc is 100, of which 21 are self-citations. According to the average impact factor (IF) for working papers in RePEc, the CNB WP series has an IF of 0.42, which puts it in 94th place among the 169 qualifying series that have more than 5 citations and 50 or less per cent self-citations. These qualifying series, in turn, are selected out of the 748 working paper series that consist of more than 50 downloadable items. The CNB WP series ranks below, for example, the ECB's working paper series (ranked 11th, IF 1.64), but above the Bank of Finland Institute of Transition's discussion paper series (ranked 112th, IF 0.33). The international recognition of the CNB WP series is reflected in a gradually improving impact factor, from 0.39 in 2002 to 0.53 in 2006.

Table 9 CNB WP citation statistics in RePEc

	2002	2003	2004	2005	2006	2002–2006
No. of documents published	4	12	10	14	13	53
No. of documents cited	2	9	7	5	8	31
Average RePEc impact factor	0.39	0.41	0.47	0.45	0.53	0.42
No. of citations	23	26	15	12	20	96

The research results are presented regularly at prestigious conferences, such as the European Economic Association (EEA) annual conference and the European Association of Labour Economics annual conference. As regards the EEA, one paper was accepted for presentation at each of the EEA Congresses in 2001, 2002 and 2003. In 2006, four papers submitted by CNB economists were accepted, and in 2007, three such papers were accepted. CNB experts also

collaborate with the Centre for Economic Policy Research and recently published several papers in the discussion paper series and the policy insight series.

CNB experts have also received numerous awards for their research. Notably, the Czech Economic Association has honoured several CNB experts with its “Young Economist” award and with its “Karel Engliš Award” for the best paper on economic policy. In 2008, one CNB staff member received the Financial Stability Institute Award from the Bank for International Settlements. CNB experts also feature among the winners of the Olga Radzyner Award – an award for scientific work on European economic integration established by the Austrian National Bank – in 2000, 2001, 2007 and 2008.

Appendix

Table A1 Research Advisory Committee

RAC	President	Chair	Secretary to the chair	External members	CNB – Department Directors	CNB – Advisers to the Board
2001	Z. Tůma		M. Hrnčíř	A. Bulíř Z. Drábek E. Hochreiter J. Jonáš L. Mahadeva D. Mayes	A. Čapek V. Mašindová J. Schmidt P. Vojtíšek	V. Flek T. Hlédik K. Šmídková
2002	Z. Tůma		M. Hrnčíř	A. Bulíř Z. Drábek E. Hochreiter J. Jonáš L. Mahadeva D. Mayes	A. Čapek V. Mašindová J. Schmidt P. Vojtíšek	V. Flek T. Hlédik K. Šmídková
2003	Z. Tůma		M. Hrnčíř	A. Bulíř Z. Drábek E. Hochreiter J. Jonáš L. Mahadeva D. Mayes	A. Čapek V. Mašindová J. Schmidt	V. Bezděk V. Flek T. Hlédik K. Šmídková
2004	Z. Tůma		M. Hrnčíř	I. Angeloni N. Batini A. Bulíř L. Halpern E. Hochreiter D. Mayes	T. Holub L. Pýtr J. Schmidt	V. Bezděk A. Čapek V. Flek T. Hlédik K. Šmídková
2005	Z. Tůma	M. Singer	K. Šmídková	N. Batini A. Bulíř C. Detken L. Halpern E. Hochreiter D. Mayes	T. Holub L. Pýtr J. Schmidt	J. Antal V. Bezděk M. Cincibuch V. Flek M. Hlaváček
2006	Z. Tůma	M. Singer	K. Šmídková	N. Batini A. Blake A. Bulíř S. Cecchetti C. Detken L. Halpern	P. Hollmann T. Holub L. Pýtr J. Schmidt	J. Antal V. Bezděk M. Cincibuch V. Flek M. Hlaváček
2007	Z. Tůma	R. Holman	K. Šmídková	N. Batini I. Begg A. Blake S. Cecchetti C. Detken L. Halpern	P. Hollmann T. Holub L. Pýtr J. Schmidt	J. Antal M. Cincibuch J. Frait M. Hlaváček
2008	Z. Tůma	R. Holman	K. Šmídková	N. Batini I. Begg A. Blake C. Detken L. Halpern	P. Hollmann T. Holub L. Pýtr J. Schmidt	J. Antal M. Cincibuch K. Galuščák M. Hlaváček

Table A2 Research Projects 2005–2006

A1/05 Evaluation of Inflation Target Fulfilment	
Status	Completed
CNB research	– CNB WP 11/2007 Filáček J.: Why and How to Assess Inflation Target Fulfilment
CNB relevance	Used as a background text for the CNB publication “Ten Years of Inflation Targeting 1998–2007” (http://www.cnb.cz/m2export/sites/www.cnb.cz/en/public/publications/download/10_years_inflation_targeting_en.pdf) and other outputs of the CNB Monetary Department.
Follow-up publications	– Finance a úvěr – Czech Journal of Economics and Finance, 57(12), pp. 577–594.
Follow-up conferences	– CNB Research Open Day 2008, Prague.
A2/05 Exchange Rate Peg Versus Inflation Targeting Prior to Euro Adoption	
Status	Completed
CNB research	CNB WP 15/2007 Antal, J., Brázdk, F.: The Effects of Anticipated Future Change in the Monetary Policy Regime
CNB relevance	
Follow-up publications	
Follow-up conferences	– ZEI summer school: June 2006, Bank of England seminar: July 2006, Dynare conference, September 2006, Research Open Day, 6 May 2008
A3/05 Financial Markets Perception of the EMU Enlargement	
Status	Completed
CNB research	– CNB WP 13/2007 Cincibuch, M., Horníková, M.: Measuring the Financial Markets’ Perception of EMU Enlargement: The Role of Ambiguity Aversion.
CNB relevance	Used to support the CNB’s technical assistance in May 2006.
Follow-up publications	– Cincibuch, M., Horníková, M. (2008): Measuring the Financial Markets’ Perception of EMU Enlargement: The Role of Ambiguity Aversion. Czech Journal of Economics and Finance, 58(5–6).
Follow-up conferences	– Inflation Targeting seminar organised by the Czech National Bank and the CCBS in Prague in May 2006
A4/05 An Upgrade of Policy Rule Estimation Methods Applied to an International Sample of Central Banks	
Status	Completed
CNB research	– CNB WP 2/2008 Podpiera, J.: Policy Rate Decisions and Unbiased Parameter Estimation in Conventionally Estimated Monetary Policy Rules

CNB relevance	
Follow-up publications	<ul style="list-style-type: none"> – Policy Rate Inertia Reconsidered: Evidence from Endogenous Interest Rate Trajectory, <i>Economics Letters</i>, 2008, Vol. 100, Issue 2, pp. 238–240 (August 2008) – The Role of Ad Hoc Factors in Policy Rate Settings, <i>Economic Modelling</i>, 2008
Follow-up conferences	
A6/05 Welfare-based Optimal Monetary Policy in a Small Open Economy with Two Domestic Sectors	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB WP 16/2007 Rychalovská Y.: Welfare-Based Optimal Monetary Policy in a Two-Sector Small Open Economy.
CNB relevance	
Follow-up publications	
Follow-up conferences	
B1/05 Inflation Targeting Under ERM2: Fairy Tale or Fair Policy?	
Status	Completed
CNB research	<ul style="list-style-type: none"> – IDP 3/2008 Beneš, J., Hurník, J., Vávra, D.: Exchange Rate Management and Inflation Targeting: Modeling the Exchange Rate in Reduced-Form New Keynesian Models
CNB relevance	
Follow-up publications	<ul style="list-style-type: none"> – Beneš, J., Hurník, J., Vávra, D. (2008): Exchange Rate Management and Inflation Targeting: Modeling the Exchange Rate in Reduced-Form New Keynesian Models. <i>Czech Journal of Economics and Finance</i>, 58(3–4).
Follow-up conferences	
B3/05 A Monetary Alternative to the Stochastic Dynamic General Equilibrium Model	
Status	Completed
CNB research	<ul style="list-style-type: none"> – IDP 2/2008 Hurník, J.: A Monetary Alternative to the Stochastic Dynamic General Equilibrium Model.
CNB relevance	
Follow-up publications	
Follow-up conferences	

B4/05 A Study of the Monetary Policy Transmission Mechanism in a Small Eurozone–Czech Republic Model	
Status	Work in progress
CNB research	
CNB relevance	
Follow-up publications	
Follow-up conferences	
B5/05 The Equilibrium in Real Exchange: What Can Mark-ups Tell Us?	
Status	Completed
CNB research	– CNB WP 10/2006 Podpiera, J., Raková, M.: Degree of Competition and Export-Production Relative Prices when the Exchange Rate Changes: Evidence from a Panel of Czech Exporting Companies.
CNB relevance	
Follow-up publications	– Finance a úvěr – Czech Journal of Economics and Finance, 58(1–2), pp. 38–56.
Follow-up conferences	– Fourth Anniversary Conference of the Czech Economic Society, November 2006, VSE Prague – http://www.cse.cz/soubory/konference/04/Program_VKCSE_IV.pdf – Conference of Applied Econometric Association: Exchange Rate and Risk Econometrics, Athens, October 2006 – CNB Research Open Day, May 2007
C1/05 Efficiency of the Czech Commercial Banks: Evidence from a Decade of Economic Transition	
Status	Completed
CNB research	– CNB WP 6/2005 Podpiera, A., Podpiera, J.: Deteriorating Cost Efficiency in Commercial Banks Signals an Increasing Risk of Failure.
CNB relevance	– Podpiera, A., Podpiera, J.: Deteriorating Cost Efficiency in a Bank Signals the Risk of Failure. Thematic article in CNB Financial Stability Report, 2005 (published in June 2006).
Follow-up publications	– Pruteanu-Podpiera, A., Podpiera, J.: The Czech Transition Banking Sector Instability: The Role of Operational Cost Management, Economic Change & Restructuring, 2009, revised and resubmitted.
Follow-up conferences	– ISBME, 22nd Conference on Banking and Monetary Economics, Strasbourg, June 2005 – http://www.univ-orleans.fr/deg/GDRecomofi/Activ/podpiera_pruteanu_strasbg05.pdf
C2/05 Cross-Border Financial Risk Propagation and Regulation of Multinational Financial Intermediaries in the Enlarged European Union	
Status	Completed
CNB research	– CNB WP 9/2006 Derviz, A., Podpiera, J.: Cross-Border Lending Contagion in Multinational Banks.
CNB relevance	

Follow-up publications	<ul style="list-style-type: none"> – ECB WP 807/2007 Cross-Border Lending Contagion in Multinational Banks – paper submitted to International Review of Economics and Finance.
Follow-up conferences	<ul style="list-style-type: none"> – CNB Research Open Day, 22 May 2007 – CEUS Workshop “Financial Market Integration in Europe”, Otto Besiheim School of Business, Vallendar, Germany, 31 May–1 June 2007 – German Finance Association annual congress 2007, Dresden, 30 September–1 October 2007.
C3/05 Sectoral Balance Sheets as a Factor of Financial Stability	
Status	Work in progress
CNB research	
CNB relevance	
Follow-up publications	
Follow-up conferences	
C4/05 Micro-analysis of the Effects of Foreign Direct Investment on Non-financial Corporations in the Czech Republic and Other New EU Member States	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB WP 8/2007 Geršl, A., Rubene, I., Zumer, T.: Foreign Direct Investment and Productivity Spillovers: Updated Evidence from Central and Eastern Europe.
CNB relevance	Geršl, A., Hlaváček, M. (2007): Foreign Direct Investment and the Czech Corporate Sector: Potential Risks to Financial Stability. Thematic article in CNB Financial Stability Report 2006, pp. 80–88.
Follow-up publications	<ul style="list-style-type: none"> – Geršl, A., Hlaváček, M. (2007): Foreign Direct Investment, Corporate Finance, and the Life Cycle of Investment. Czech Journal of Economics and Finance 9–10/2007, pp. 448–464. – Geršl, A., Rubene, I., Zumer, T. (2007): Foreign Direct Investment and Productivity Spillovers in the Central and Eastern European Countries. Workshops – Proceedings of OeNB Workshops No 12 (Emerging Markets: Any Lessons for Southeast Europe? March 5 and 6, 2007). OeNB Vienna, pp. 46–83.
Follow-up conferences	<ul style="list-style-type: none"> – 6th Bundesbank MiDi Workshop, 18 November 2008 – Workshop Country Risk and FDI, TU Dresden, 10–11 January 2008 (paper by Geršl, Hlaváček: Foreign Direct Investment, Corporate Finance, and the Life Cycle of Investment) – 5th Europaeum Workshop, Prague, 5–6 October 2007 (paper by Geršl, Rubene, Zumer: Foreign Direct Investment and Productivity Spillovers in the Central and Eastern European Countries) – 5th Emerging Market Workshop, OeNB Vienna, 5–6 March 2007 (paper by Geršl, Rubene, Zumer: Foreign Direct Investment and Productivity Spillovers in the Central and Eastern European Countries)
C5/05 Sources of Company Finance and Credit Channel Effects in the Monetary Transmission Mechanism in the Czech Republic	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB IDP 1/2008 Kollár, M., Komárek, L., Zdeněk, M.: Sources of Company Finance and Credit Channel Effects in the Monetary Transmission Mechanism in the Czech Republic.
CNB relevance	

Follow-up publications	
Follow-up conferences	
C6/05 Banking Competition, Excessive Risk-taking and Cost Efficiency: A Micro-data Analysis of the Czech Banking Industry	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB WP 5/2007 Podpiera, J., Weill, L.: Bad Luck or Bad Management? Emerging Banking Market Experience. – CNB WP 6/2007 Pruteanu-Podpiera, A., Weill, L., Schobert, F.: Market Power and Efficiency in the Czech Banking Sector.
CNB relevance	Podpiera, A.(2008): Competition and Efficiency in the Czech Banking Sector, Thematic article in the CNB Financial Stability Report 2007, pp. 86–93
Follow-up publications	<ul style="list-style-type: none"> – Podpiera, J., Weill, L. (2008): Bad Luck or Bad Management? Emerging Banking Market Experience, Journal of Financial Stability, 4(2), pp.135–148 – Pruteanu-Podpiera, A., Schobert, F., Weill, L. (2008): Banking Competition and Cost Efficiency: A Micro-Data Analysis on the Czech Banking Industry, Comparative Economic Studies, 50(2), pp. 253–273.
Follow-up conferences	<ul style="list-style-type: none"> – Conference on Risk, Regulation and Competition: Banking in Transition Economies, Ghent, September 2006
D1/05 Fiscal Impact of Labour Taxation in the Czech Republic	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB WP 7/2006 Bicakova, A., Slacalek, J., Slavik, M.: Fiscal Implications of Personal Tax Adjustments in the Czech Republic.
CNB relevance	The results of the project were used in the “Analyses of the Czech Republic’s current economic alignment with the euro area” 2008.
Follow-up publications	<ul style="list-style-type: none"> – Bicakova, A., Slacalek, J., Slavik, M. (2008): Labor Supply after Transition: Evidence from the Czech Republic, CERGE-EI WP No. 351 – Bicakova, A., Slacalek, J., Slavik, M. (2008): Labour Supply after Transition: Evidence from the Czech Republic, ECB WP No. 887
Follow-up conferences	<ul style="list-style-type: none"> – The Czech Economic Society 2006 meeting – Public Finance workshop on “Assessing the Impact of Tax Reforms” (28 September 2006, Banco de Espana, Madrid) – The European Economic Association meeting in August 2008
D2/05 Distribution of Marginal and Average Effective Tax Rates	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB WP 9/2007 Galuščák K., Pavel, J.: Unemployment and Inactivity Traps in the Czech Republic: Incentive Effects of Policies.
CNB relevance	The results of the project were used in the “Analyses of the Czech Republic’s current economic alignment with the euro area” 2006, 2007 and 2008, a document by the CNB. In the 2008 document, updated results analysing the 2008 reform of taxes and benefits were used. The CNB WP was cited in “The 2008 Economic Review – the Czech Republic” published by the OECD.
Follow-up publications	<ul style="list-style-type: none"> – Galuščák, K., Pavel, J.: Past nezaměstnanosti a nečinnosti. Ekonom, 12 October 2006 (information on the project and preliminary results).
Follow-up conferences	<ul style="list-style-type: none"> – Preliminary results of the project were presented at the workshop on making-work-pay policies and indicators organised by the Commission’s Directorate-General for Economic and Financial Affairs in March 2005 – Preliminary results of the project were presented at the workshop organised by the Ministry of Finance in May 2005 and at the Czech-French workshop at the

	<p>CNB in May 2006</p> <ul style="list-style-type: none"> – Preliminary results were presented at the annual EALE conference (European Association of Labour Economists) in Prague, 21–23 September 2006
D3/05 Fiscal Policy Modelling in the Czech Republic	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB IDP 4/2008 Radkovský Š., Štiková R.: Kvantifikace účinků fiskální politiky v ČR pomocí modelu SVEC.
CNB relevance	
Follow-up publications	
Follow-up conferences	<ul style="list-style-type: none"> – Preliminary results were presented at the seminar on economic modelling at the Faculty of Social Sciences, Charles University in Prague (November 2006).
E2/05 Aggregate Wage Flexibility as a Correction Mechanism to Deal with Economic Disturbances	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB WP 1/2006 Babetskii, I.: Aggregate Wage Flexibility in Selected New EU Member States.
CNB relevance	<p>Since 2005, this work regularly contributes to the CNB's analyses of the Czech Republic's economic alignment with the euro area.</p> <ul style="list-style-type: none"> – Babetskii, I. (2005; 2006; 2007): The Degree of Adjustment of Real Wage Growth to the Unemployment Rate – The Phillips Curve. (Section 2.2.1) in: D. Hájková (ed.) Analyses of the Czech Republic's Current Economic Alignment with the Euro Area 2005; 2006; 2007. CNB, Prague; pp. 32–33, p. 68 (2005); pp. 44–45, p. 82 (2006); and p. 50, p. 91 (2007). The full text is available at: http://www.cnb.cz/en/monetary_policy/strategic_documents/.
Follow-up publications	<ul style="list-style-type: none"> – Babetskii, I. (2007): Aggregate Wage Flexibility in Selected New EU Member States. CESifo WP, No. 1916. – Babetskii, I. (2006): Wage Flexibility in the Enlarged EU. In: P. Zemčík and K. Žigić (eds). Czech Republic 2006: Accelerated Growth. CERGE-EI, Prague, pp. 80–81.
Follow-up conferences	<ul style="list-style-type: none"> – ECB Wage Dynamics Network meeting, Frankfurt, 13 December 2006 – CESifo Conference “Enlarging the Euro Area”, Munich, 24 November 2006 – European Association of Labour Economics, Prague, 21–23 September 2006 – Aggregate Wage Flexibility in Selected New EU Member States. EUROFRAME, Berlin, 2 June 2006 – CNB Research Open Day, Prague, 16 May 2006 – Aggregate Wage Flexibility in Selected New EU Member States. Ministry of Finance, Smilovice, 6 December 2005 – International Monetary Fund, Research Seminar of the European Department, 17 March 2005
E3/05 Short-term Forecasting of GDP Growth Based on the LEI Approach	
Status	Completed
CNB research	<ul style="list-style-type: none"> – CNB RPN 1/2007 Benda, V., Růžička, L.: Short-term Forecasting Methods Based on the LEI Approach: The Case of the Czech Republic.
CNB relevance	Used for short-term predictions of GDP.
Follow-up publications	

Follow-up conferences	
E4/05 The Effects of Foreign Investment on Productivity, Trade and Macroeconomic Dynamics	
Status	Completed
CNB research	– CNB WP 3/2007 Brůha, J., Podpiera J., Polák, S.: The Dynamics of Transition Economy Convergence in a Two-Country Model.
CNB relevance	
Follow-up publications	Paper submitted to the Journal of Monetary Economics.
Follow-up conferences	
E5/05 Inflation Persistence in the Czech Republic: Disaggregated Evidence	
Status	Completed
CNB research	– CNB WP 1/2007 Babetskii, I., Coricelli, F., Horváth, R.: Measuring and Explaining Inflation Persistence: Disaggregate Evidence on the Czech Republic
CNB relevance	This project proposed a new measure of core inflation and evaluated its predictive ability vis-à-vis the other core inflation measures in use by the Monetary and Statistics Department of the CNB.
Follow-up publications	– Institute of Economics Studies Working Paper No. 22/2007 – CERGE-EI Working Paper 2008, No. 353
Follow-up conferences	– Bank of Estonia (April 2008) – University of Barcelona (January 2008) – EUROPAEUM conference, Charles University, Prague (October 2007) – European Economic Association Annual Congress (August 2007) – GDN conference, CERGE-EI, Prague (August 2007) – Czech National Bank, Research Open Day 2007 (22 May 2007) – Deutsche Bundesbank, Follow-up Meeting of Inflation Persistence Network (28 March 2007) – Czech Economic Society, Annual Conference (25 November 2006) – Deutsche Bundesbank, Friday seminars, by invitation (10 November 2006) – The 2nd IES Young Scholars Workshop, FSV UK, (26 September 2006)
E6/05 Transmission of Exchange Rate Shocks into Domestic Inflation: The Case of the Czech Republic	
Status	Completed
CNB research	– CNB WP 12/2007 Babetskaia-Kukharchuk, O.: Transmission of Exchange Rate Shocks into Domestic Inflation: The Case of the Czech Republic
CNB relevance	
Follow-up publications	– Exchange Rate Pass-through into Czech Inflation. In P. Zemčík and K. Žigić (eds.), Czech Republic 2006, Prague: CERGE-EI, 2006. – Conference volume “Efficient Monetary Policy Options in Transition Economy”, 2nd International Scientific and Practical Conference organised by the National Bank of the Republic of Belarus, 2008 (in Russian and English).

Follow-up conferences	<ul style="list-style-type: none">- Seminar Development-Transition. Centre d'Economie de la Sorbonne. 27 February 2007, Paris- 4th Annual Conference of the Czech Economic Society, Prague, 25 November 2006- 7th INFER Workshop on International Economics in Murcia (March 2008)- CNB Research Open Day (May 2008)- 2nd International Scientific and Practical Conference "Efficient Monetary Policy Options in Transition Economy", Minsk (May 2008)
-----------------------	---

Note: All publications are available at <http://www.cnb.cz/en/research>.

Table A3 Publications in academic refereed journals with non-zero impact

WP / RPN	List of academic publication
WP 1/2002	Czech Journal of Economics and Finance, 52(4), pp. 232–254, 2002 (in Czech)
WP 3/2002	Prague Economic Papers, 4, 2003
WP 4/2002	Czech Journal of Economics and Finance, 53(3–4), pp. 130–153, 2003
WP 2/2003	Czech Journal of Economics and Finance, 52(11), pp. 608–610, 2002 Economie Internationale, 102(2), pp. 59–82, 2005
WP 3/2003	Chapter in Book, Palgrave, Macmillan, 2003
WP 5/2003	Czech Journal of Finance and Economics, 55(5–6), pp. 206–231, 2005
WP 6/2003	European Economic Review, 48(4), pp. 747–784, 2004
WP 7/2003	Czech Journal of Economics and Finance, 53(11–12), p. 562–591, 2003 Czech Journal of Economics and Finance, 53(11–12), p. 477–509, 2003
WP 8/2003	Czech Journal of Economics and Finance, 53(7–8), pp. 334–355, 2003
WP 10/2003	Czech Journal of Economics and Finance, 2, 2002
WP 11/2003	Czech Journal of Economics and Finance, 6, 2003
WP 12/2003	Prague Economic Papers, 2, 2004
WP 1/2004	Emerging Markets Finance and Trade 44(1), pp.117–130, 2008
WP 2/2004	Economics of Transition, 13(1), 2005
WP 3/2004	Economics of Transition, 15(2), pp. 393–428, 2007
WP 7/2004	Czech Journal of Journal of Economics and Finance, 55(1–2), 2005
WP 9/2004	Economics of Transition, 13(3), pp. 547–573, 2006
WP 10/2004	Economic Systems, 29(2), pp. 163–186, 2005
WP 2/2005	Czech Journal of Economics and Finance, 57(3–4), pp. 102–125, 2007
WP 5/2005	Transition Studies Review, 14(1), pp. 105–121, 2007 Transition Studies Review, 15(1), pp. 95–110, 2008
WP 6/2005	Economic Change and Restructuring, 41(3), pp. 209–219, 2008
WP 7/2005	Economic Systems, 30(2), pp. 121–140, 2006
WP 8/2005	Applied Economics Letters, 12(15), pp. 919–922, 2005 Applied Economics Letters, 14(14), pp. 1083–1086, 2007
WP 10/2005	Computational Economics, 1–2, pp. 167–187, 2005
WP 1/2006	Czech Economic Review, 2(2), pp. 123–145, 2008
WP 2/2006	Czech Journal of Economics and Finance, 56(7–8), pp. 298–317, 2006
WP 4/2006	Czech Journal of Economics and Finance, 57(9–10), pp. 465–476, 2007 Prague Economic Papers, 16(4), pp. 319–335, 2007 Eastern European Economics, 45(6), pp. 29–45, 2007
WP 8/2006	Economic Systems, 30(4), pp. 385–404, 2006 Journal of Policy Modeling, 30(2), pp. 341–347, 2008
WP 10/2006	Czech Journal of Economics and Finance, 58(1–2), pp. 38–56, 2008
WP 4/2007	Economic Modelling, 26(1), pp. 71–81, 2009
WP 5/2007	Journal of Financial Stability, 4(2), pp. 135–148, 2008
WP 6/2007	Comparative Economic Studies, 50(2), pp. 253–273, 2008
WP 7/2007	Czech Journal of Economics and Finance, 57(7–8), pp. 341–362, 2007
WP 11/2007	Czech Journal of Economics and Finance, 57(12), pp. 577–594, 2007
WP 13/2007	Czech Journal of Economics and Finance, 58(5), pp. 1003–1010, 2008
WP 2/2008	Economic Modelling, 25(5), pp. 1003–1010, 2008 Economics Letters, 100(2), pp. 238–240, 2008
WP 4/2008	Empirica, forthcoming
WP 6/2008	Eastern European Economics, forthcoming
RPN 2/2003	The ICFAI Journal of Monetary Economics, 11(3), pp. 54–95, 2004
RPN 1/2004	Contemporary Economic Policy, 24(4), pp. 475–491, 2006
RPN 2/2004	Czech Journal of Economics and Finance, 53(9–10), pp. 417–440, 2005
RPN 1/2005	Czech Journal of Economics and Finance, 55(7–8), pp. 333–343, 2005
RPN 1/2006	Czech Journal of Economics and Finance, 57(7–8), pp. 304–323, 2007

Table A4: List of the ERFSD prizes awarded for the best CNB research publication

	Winner	Publication	Published in
2008	Anca Pruteanu	The Role of Banks in the Czech Monetary Transmission Mechanism	The Economics of Transition
	Aleš Bulíř Jaromír Hurník	The Maastricht Inflation Criteria: 'Saints' and 'Sinners'	Economic Systems and Journal of Policy Modeling
2007	Roman Horváth	Exchange Rate Variability, Pressures and Optimum Currency Area Criteria: Implications for the Central and Eastern European Countries	Applied Economic Letters
	Kamil Galuščák Daniel Münich	Structural and Cyclical Unemployment: What Can We Derive from the Matching Function?	The Czech Journal of Economics and Finance
2006	Martin Cincibuch Jiří Podpiera	Beyond Balassa–Samuelson: Real Appreciation in Tradables in Transition Countries	The Economics of Transition
	Ian Babetskii	Trade Integration and Synchronization of Shocks: Implications for EU Enlargement	The Economics of Transition
2005	Michal Škořepa Viktor Kotlán	Inflation Projections and Monetary Policy: The Assumption of Constant Interest Rates)	The Czech Journal of Economics and Finance
	Alexis Derviz	Asset Return Dynamics and the FX Risk Premium in a Decentralized Dealer Market	European Economic Review