

HABILITATION THESIS REVIEWER'S REPORT

Masaryk University

Applicant

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Habilitation thesis

Three Essays in Macroeconomics: A Comprehensive Framework in Macroeconomic Policy Evaluation

Reviewer

Professor Johann Scharler, Ph.D.

Reviewer's home unit, institution

Department of Economics, University of Innsbruck

The habilitation of Ing. Jan Čapek, Ph.D. is a collection of three separate articles published in academic journals. It also contains an introduction that provides a general summary and positions the material. Furthermore it contains a literature review (Chapter 2) and a discussion of the methodological approaches used in the papers (Chapter 3). The main part of the habilitation are the three papers that are discussed in Chapter 4 and included in the supplementary material. Chapter 4 also includes detailed information about the specific contributions of the author to the three papers. Section 5 discusses some of the limitations and provides some information about future research. One of the proposed projects for future research has been granted funding. Overall, the information provided signals a productive future as a research economist.

The first paper titled "Historical Analysis of Monetary Policy Reaction Functions: Do Real-Time Data Matter?" was published in the *Czech Journal of Economics and Finance* and is single-authored. The paper estimates monetary policy reaction functions for the Czech Republic, Hungary, and Poland. The main purpose of the paper is to analyze the implications of real-time data, or, more specifically, the extent to which the use of real-time data influences the results.

The choice of countries is motivated by the focus of the journal (page 459) and to some degree perhaps by the fact that the statistical offices in these countries are rather young and therefore such an analysis is a worthwhile exercise. Overall, the results are mixed. While a number of significant differences are detected, only a few turn out to be robust.

The second paper is titled "We just estimated twenty million fiscal multipliers". This paper is co-authored by Jesus Crespo Cuaresma and was published in the *Oxford Bulletin of Economics and Statistics*. As the title suggests, this paper is an empirical investigation of the fiscal multiplier. In particular, it investigates to what extent modelling choices influence the results. Given the long tradition of fiscal multiplier in macroeconomics, a huge number of papers has estimated different multipliers using a multitude of approaches. The purpose of this paper is to provide a summary of how the results may depend on the specific characteristics of these approaches. This is clearly an interesting exercise and certainly relevant from a policy perspective.

The third and final paper, which is co-authored by Jesus Crespo Cuaresma, Johannes Holler, and Philip Schuster, is titled "Fiscal multipliers in a small open economy: the case of Austria" and was published in the *Oxford Economic Papers*. This paper is closely related to the second paper and emphasizes the distinction between differences in estimates due to modelling choices versus model uncertainty. And the paper focuses on Austria as an example of a developed small open economy. Similar to the second paper, the third paper concludes that results depend on the specification.

Reviewer's questions for the habilitation thesis defence (number of questions up to the reviewer)

The first paper concludes that it is primarily the preference for output growth that is affected by the use of real-time data. How relevant are these differences from an economic or policy point of view?

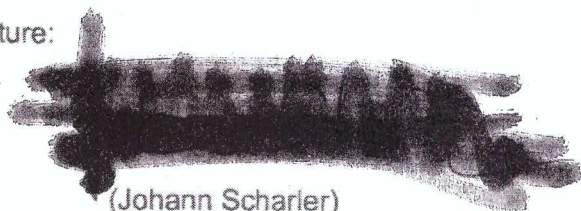
The second and third paper show that results depend on many things. Is it possible to go a bit beyond this finding and speculate why we do observe these differences? While the main contribution of these two papers is more about how the multipliers are estimated, what can we learn about the actual effects of fiscal policy?

Conclusion

The habilitation thesis entitled *Three Essays in Macroeconomics: A Comprehensive Framework in Macroeconomic Policy Evaluation* by Jan Čapek fulfils the requirements expected of a habilitation thesis in the field of *Economics*.

Date: 14. 03. 2022

Signature:

A dark, ink-like handwritten signature that is mostly illegible due to blurring and heavy ink.

(Johann Scharler)