

**Evaluation of research and professional activity
of research-oriented institutes of the Czech Academy of
Sciences for the period 2015–2019**

Final Report

Name of the Institute: Economics Institute of the CAS, v. v. i.

Evaluated team and its leader:

1. Economics Institute (Sergey Slobodyan)

Part A: Evaluation of the institute

The Economics Institute presents itself as a single team. This is appropriate because of the coherence of the discipline and the strong common culture and values of the members. They are proud of who they are and what they have achieved so can be evaluated as one.

Strengths:

Outstanding research output, exceptionally strong momentum in development, vibrant research culture, energetic team, flagship world-class institution with high international standing and reputation, marvel, “golden goose”.

This group is notable for its relative youth, high energy, shared culture and pride in their accomplishments and standards. They genuinely adhere to a global standard of excellence and the success of their publications in top journals bears this out.

Their graduate training is also to be recognized. They include their students on their own research agendas and prepare them well. Many of the students themselves have first tier publications. Successful placements of PhD graduates at competitive international universities including in North America are a great achievement.

Weaknesses:

The main weakness is their small size and the small size of the sphere of influence. Some subfields of economics are not covered. The small size also makes them vulnerable to losses of key faculty or to the competition for talented graduate students. Stipends for PhD students have grown significantly in recent years in competing institutions and this makes it difficult to compete for new students

Opportunities:

The Economics Institute has several distinct opportunities. Because of the strength of their core group, they can attract colleagues who are willing to locate in the Czech Republic. Although it is small, it is cohesive and is already achieving a high impact.

Because of their size and adaptability, they have the ability to pivot and focus research on pressing economic issues. They have responded to the pandemic health crisis by producing cogent research that helps to better understand how Covid-191 has impacted the economy. They are also able to directly engage with the government in the shaping of policy responses to crises.

Threats:

Ability to continue to attract high quality graduate students from the pool that they target. This problem has increased in recent years as the opportunities available to the pool of graduate students who might be interested in studying in Prague have increased, both in academia and in the private sector. They have responded by creating targeted high-quality M.A. programs that can attract good interim students and hopefully develop them best into PhD candidates.

Generally, it is hard to attract top talent given limited resources and the many alternatives available to economics and finance researchers worldwide. They have miraculously succeeded in attracting and retaining world-class researchers and need all the resourcing support they can get to continue on this path.

Main criterion: 1. Quality of results (H1.1-H1.5)

H1.1	Quality of selected outputs of Phase I
<p>The Phase I report of the Economics Institute was superb. It carefully documented the quality of the research and the impact the Institute has had on the profession. They documented well that they have achieved international standing in the research areas that they have focused on. These areas include Behavioral Economics, Experimental Economics, Theoretical Macroeconomics and Applied Microeconomics.</p>	
H1.2	Contribution of workers on the outputs reached
<p>The Economics Institute is a small research group. The scholars have a tight, collegiate and supportive culture and they all contribute to research and provide collaborative feedback in the process.</p>	
H1.3	Quality of all outputs and results
<p>The exceptional quality of the outputs is obvious. EI researchers publish in the American Economics Review, Econometrica, Quarterly Journal of Economics, American Economic Journal series, Review of Economic Dynamics, Review of Economic Studies, Review of Economics and Statistics, Journal of Economic Theory, all top-quality journals. This clear and indisputable leadership in the output quality differentiates the institutes from almost all other CAS institutes in this commission where the outlets often includes a large proportion of lower tier journals, a self-managed journals, or unranked journals.</p>	
H1.4	The most valuable discoveries and findings in the fields, their importance for the field
<p>It would take a great deal of space to articulate all of the important findings in the field but I will mention a couple. One area is the research on rational inattention. This studies the problem of behaviour or decision making when the information about alternatives is costly to acquire. In these circumstances decisions are made without full information. This research has broad applicability to important problems. Their research documents how it can affect labor market outcomes if, for example, employers make decisions about job applicants that key off certain attributes, like ethnicity.</p> <p>A complement to the research on rational inattention is the research on experimental economics. As they document they have studied problems as diverse as social contagion specifically when that contagion is focused on Ethnicity and possible hostility to certain ethnic groups.</p> <p>The EI group has been particularly strong in the area of Economic Theory, advancing our understanding in several areas. Prospect Theory, Auction Theory and Information Theory have all been particular focuses.</p> <p>Research in Macroeconomic Theory has focused on related issues like Optimal Taxation and the interaction with human capital formation. They have also done research on labor market search behaviour and the implications of the pandemic for search outcomes.</p> <p>All of the research described above is best characterised as having strong theoretical underpinning and it is all connected. The EI group is very impressive for the strength and rigor and discipline of its research.</p>	
H1.5	Contribution of the participation of the authors in large collaborations
<p>There is notable participation of EI researchers in European research projects and consortiums aimed at improving EU policy.</p>	

Main criterion: 2. Societal relevance (H2.1-H2.5)

H2.1	Societal relevance of outputs and results pursuant to CAS and institute mission
The EI research output and results are of very high relevance to society in general and strongly promote the CAS and institute mission, specifically, by conducting research in economics, both highly specialized and interdisciplinary, and advancing scientific knowledge at the international level, taking into account the specifics of the Czech economy and society.	
H2.2	System functionality for knowledge transfer into practise, its usefulness for society. The impact of the institute's activity on proper practice in society in the area of social sciences and humanities
This is an important consideration in assessing the social relevance of groups like the EI. In the past year it has been put to test by the global pandemic. EI researchers have jumped in and produced important research aimed at getting a better understanding of how the pandemic will affect labor market characteristics and decision making in the throes of the crisis. They have also been deeply involved in advising the government about the intersection of economic policy and public health strategy.	
H2.3	Relation to practice
EI's work has impact on practice via their extensive advisory and consultative engagements, including but not limited to various national and EU boards, councils, committees and consortia. This policy work is no less impressive than the publications of the group.	
H2.4	Participation in AV21 strategy
EI's policy oriented think tank -- IDEA -- participates in Strategy AV21 and is very successful.	
H2.5	Cooperation with regions of the Czech Republic
No issues identified.	

Further criterion: 1. Position in international and national context (D1.1-D1.3)

D1.1	Comparison of the teams and the institute with similar international and national institutes
This group of economic researchers is remarkable for the consistency of its standards and the quality of the research produced. They are small but well focused and they would measure up to any similar group anywhere. It is very impressive. There are very few research groups of this stature in the world, none nationally, and comparison with similar international institutes speaks in favor of EI.	
D1.2	Scope and quality of international and national cooperation and the role of the institute in such cooperation; engagement in broad international cooperation
The EI researchers are well integrated into the international community of scholars. They participate in international research conferences, research collaborations, have an active speakers' series that brings the best scholars to Prague. In addition, they have an advisory	

<p>committee composed of top international scholars to help assure their own standards and focus.</p> <p>They have rigorous cooperation with researchers in the country and abroad and they are the first Czech organisation to secure an ERC grant with the main investigator in the field of economics.</p>	
D1.3	Participation of the workers in scientific community activities (organizing of conferences and workshops, invited lectures, awards)
<p>As declared above - they are deeply engaged in the global scientific community. They have an external advisory board of unquestioned quality and stature and are active participants in research collaborations.</p> <p>I was a major participant in the European ADEMU project and they were one of the key research groups participating. They made the best use of the collaboration and funding of any of the participating institutions.</p>	

Further criterion: 2. Vitality, sustainability and strategy (D2.1-D2.9)

D2.1	Direction in line with the perspective of the planned research directions
<p>The Economics Institute has strengthened its expertise in international macroeconomics, and applied microeconomics. Their goals for the future are to further strengthen their expertise in empirical macroeconomics, an area that is rapidly evolving and focuses on big data sets and data analytic tools.</p>	
D2.2	Assessment of the previous research objectives and their achievement
<p>No issues identified.</p>	
D2.3	Assessment of implementation of recommendations from past evaluation
<p>The recommendations from the past evaluation have been successfully implemented.</p>	
D2.4	Success in receiving grants
<p>The EI team includes a number of researchers who are funded by mostly local external grants. This allows them to complement and compensate for the relatively small size of the tenure track research group. Importantly, it also allows them to produce locally relevant applied research that has social impact for the Republic.</p> <p>The EI has also been very successful in getting grants from Czech, European and U.S. institutions. They have had two European Research Council Grants. As noted elsewhere they were participants in EU wide grants like the ADEMU project.</p>	
D2.5	Adequacy of instrumental equipment
<p>No issues identified.</p>	
D2.6	Effectiveness of management
<p>The EI has effective leadership and are guided by ambitious goals and strong oversight from the external advisory board.</p> <p>A large bureaucratic overhead related to running a research institute within CAS is to be recognized and where possible alleviated.</p>	

D2.7	Assessment of professional structure, development strategy and the strategy of keeping best scientists, age structure, career and qualification growth
<p>It will always be a struggle keeping such productive and successful scholars together. Most are easily employable at other top institutions. The social and scholarly cohesion of the group helps. They are young and have many opportunities but they also take pride in what they accomplish as a group.</p> <p>There is a well-thought-through strategy for promotion and retainment focusing on merit.</p>	
D2.8	Creating work-life balance conditions, assessment of approach towards possible gender issues
<p>Gender issues are almost impossible to address in the field of economics because it has long been a very male centric field. They are aware of the challenges and will confront them as more and more females enter the field. It will take time.</p> <p>No issues regarding work-life balance conditions are identified.</p>	
D2.9	Relation of the institute with regard to the integration, development and sustainability of the research centre funded by the National Programme of Sustainability II.
<p>No issues identified.</p>	

Further criterion: 3. Cooperation with universities and participation in education (D3.1-D3.6)

D3.1	Scope of cooperation with universities on national and international level
<p>The successful collaboration with CERGE and other institutes has been noted. The EI has also been very active in pan-European research programs - like ADEMU - and other research collaborations.</p>	
D3.2	Effectiveness of joint research centres
<p>No issues identified.</p>	
D3.3	Success rate in supervision of PhD students
<p>The EI has been very successful at attracting, supervising and placing PhD students. They report having 104 doctoral students in the program in 2019. In the last evaluation period 38 doctoral dissertations were defended at CERGE-EI. Most of the students are international and many come from Central and Eastern Europe. The doctoral program is a collaboration with CERGE, a part of Charles University. The supervision of PhD students is an important part of the mission of EI researchers.</p>	
D3.4	Participation of PhD students in the outputs
<p>The best evidence of the participation of PhD students in research is the fact that so many of them have published in important journals by the time they complete their studies or shortly after. CERGE-EI encourages all of their students to spend part of their dissertation time abroad at renowned universities to make sure they have broader exposure to the field.</p>	
D3.5	Participation of the institute in master or bachelor studies

EI launched a new MA program in 2019 and runs the New Economic Talent competition for best BA economic papers. It has numerous other engagements at the undergraduate and Masters level with Charles University.	
D3.6	Assessment of cooperation intensity with universities in the form of teaching
The CERGE-EI collaboration is world famous for its quality and success.	

Further criterion: 4. Outreach activities (D4.1-D4.3)

D4.1	Sufficiency of media strategy and activities in the area of research popularisation
With over 2100 media mentions in the reported period, EI dominates most of the other institute's reported media activities in this commission.	
D4.2	Publishing activities and its quality
There is vivid popularization and publication activities via various engagements with high-school and university students, lectures, datathons, open days, etc. Outreach publications primarily take place in high quality mass media outlets.	
D4.3	Participation in professional organisations in the area of research and development
EI researchers are visible and active internationally. They participate in many advisory and consultative bodies. It is important to continue to fund participation globally in conferences and meetings and EI scholars are well known throughout the profession.	

Other comments of the commission:

Part B: Evaluation of teams

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1. Economics Institute

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See Institutional report

Weaknesses:

See Institutional report

Opportunities:

See Institutional report

Threats:

See Institutional report

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Other comments of the commission:

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