INSTITUTE OF ECONOMIC STUDIES
FACULTY OF SOCIAL SCIENCES
CHARLES UNIVERSITY IN PRAGUE
Welcome

We are proud to introduce the Institute of Economic Studies (IES) at Faculty of Social Sciences, Charles University Prague. The IES is a leading economics and finance department in the Czech Republic with an active alumni network while maintaining a strong research record. At the IES we focus on economics, finance and economic policy.

Charles University ranks as the number one university in Eastern Europe (Webometrics Ranking of World Universities). Based on the U.S. News and World Report methodology, the prestigious Czech business daily Hospodarske noviny (associated with the Wall Street Journal and Handelsblatt) ranks the IES as the top economics and business school in the Czech Republic. The IES also ranks number two consistently in local research productivity rankings.
Teaching

The Bachelor’s Degree program at the IES is regarded as the best economics and finance program in the Czech Republic, and excellent also in European terms. In addition to degrees offered in the Czech language, we also offer complete Bachelor’s and Master’s programs in Economics and Finance in English, as well as a PhD program in Economics taught fully in English.

Our faculty members are prominent scholars as well as professional economists, including central bankers, leading public officials and analysts. Among them are four members of the National Economic Government Council, as well as a former Minister of Finance and a former Minister of Industry and Trade.

The atmosphere at the IES is genuinely international: we have Erasmus exchange agreements with more than three dozen universities, and about 50 percent of our Master’s students come from abroad. At the same time, we strive to maintain a family atmosphere with 100 Bachelor’s, 70 Master’s, and 5 PhD graduates a year.

During their studies, the IES students are successful both in thesis competitions (Global Development Network Award, Irving Fischer Committee Award, Financial Risk Management Award) and team competitions (Global Management Challenge, Global Investment Risk Challenge).
Graduates

IES graduates are employed in top financial and consulting companies in Central Europe and worldwide (McKinsey, Boston Consulting Group, Erste Bank), and in international institutions (International Monetary Fund, European Central Bank); many graduates proceed to advanced studies at prestigious universities (LSE, Oxford, Cambridge, Chicago, Yale, Cornell and Johns Hopkins).

Our graduates continue to interact during their professional career. An active Alumni Association organizes regular events, keeps track of its members’ career paths and raises donations for the IES. A survey among our graduates showed that the median income of IES Master’s graduates reaches double the median income of an average university graduate in the Czech Republic.
Events

We organise public lectures from distinguished policy makers such as Mr. Angel Gurria, the OECD Secretary General. The British Ms. Stephany Griffith-Jones (Financial Markets Director, Initiative for Policy Dialogue, Columbia University) recently presented her book, co-written with J. Ocampo and J. E. Stiglitz, at the IES.

We also regularly organise international academic events. In 2010, we hosted a “Voting, Power and Manipulation” workshop, co-organised with the Public Choice Research Center at the University of Hamburg and Turku University.

The IES is also moving eastward. As the only Central and Eastern European University, we took part in the 2006-2007 EU-China European Studies Centres Programme (ESCP) sponsored by the European Commission. In cooperation with Fudan University, we organised an “EU and China in a Turbulent Time” workshop at the Czech EXPO 2010 Pavilion in Shanghai.
IES students assist the National Economic Council

The National Economic Council is an advisory and consultative body to the Czech government that was established at the beginning of 2009 in reaction to the potential risks and threats of the world financial crisis for the Czech Republic.

Four members of the council are IES faculty members and they have at hand a number of IES students as assistants. For the students, cooperation on the analyses performed by the Council is a unique and exciting opportunity to touch upon the real life economic problems they learn about in class.

The students worked on topics such as the impact of the car scrappage incentive scheme in Germany on the Czech economy or estimating the number of jobs created due to the green investment scheme. In 2011, a dozen IES students contributed greatly to a 300-page analysis of innovation and competitiveness policies in the Czech economy.
From Alumni letters

“The IES offers good training in analytical thinking and provides an excellent introduction to the formal treatment of economic theory… The IES succeeds in attracting the most talented students, and thus studying at the IES is also a great experience.”

Jakub Kastl
Assistant Professor in Economics,
Stanford University

“The IES was full of very interesting people, in both the professors and fellow students. I felt stimulated by being in such a distinctive group of people.”

Vladimír Kreidl
Associate Partner McKinsey & Company,
Prague
“I have learned how to solve problems both on my own and in teams, which proved crucial in my career…I still cooperate with many of my classmates who hold important positions at various companies and universities around the world.”

Jan Valenta
Deloitte
Vancouver, Canada

“I think the Institute provides its students with a useful and comprehensive curriculum. It has an appropriate emphasis on modern economics and quantitative techniques, which I found essential in my subsequent career.”

Martin Čihák
International Monetary Fund,
Washington, D.C.
Research

Faculty members contribute to international journals such as the American Economic Review, Journal of Economic Dynamics and Control, International Finance, Chaos, Solitons & Fractals, Economic Development and Cultural Change, International Tax and Public Finance, Economic Modelling as well as to respected book publishers like Kluwer, Routledge, and Macmillan. Moreover, the IES itself runs two peer-reviewed journals, available both online and in print.

The Czech Journal of Economics and Finance (CJEF) is an outlet with a 60-year tradition that is tracked in the SSCI (Web of Knowledge). The CJEF covers macroeconomics, monetary economics, public finance, labour economics, and other related topics. Open access can be found at: journal.fsv.cuni.cz
The Czech Economic Review (CER) is a journal founded in 2007, focusing on research with microeconomics foundations. The CER covers game theory, economic theory, mathematical economics, public economics, and political economy. On the editorial board you will find 23 members from 12 different countries. The journal is covered, among others, in Scopus and EBSCO. Open access is available at: auco.cuni.cz

The IES Working Papers series is the most downloaded and viewed working papers series in the Czech Republic (LogEc, 2011). Altogether, more than 300 papers have been published since 2001, covering virtually all fields of economics. All working papers are double-blind peer-reviewed, and available in RePEc.

A number of our faculty members have been awarded prestigious research awards such as the Olga Radzyner Award by Oesterreichische Nationalbank, the Financial Stability Institute Award by the Bank for International Settlement, the EACES Award by the European Association for Comparative Economic Studies, as well as other awards by the Czech Economic Association.

Researchers are regularly awarded with grants from the Czech National Science Foundation, the Global Development Network, the Charles University Grant Agency, and other sources. Our researchers closely collaborate with researchers at leading universities (New York University, Paris School of Economics, London School of Economics, University of Cambridge), international institutions (International Monetary Fund, World Bank), and central banks (European Central Bank, Czech National Bank).
Recent top research results

New theories in behavioural economics propose the idea that people think differently about choices that matter today compared to choices that will bear out in the future (have time inconsistent preferences), making them prone to under-save relative to their plans and demand a commitment to achieve their goals. In order to understand how time inconsistent preferences are related to the success of microcredit, a financial tool that has provided access to loans for millions of poor people worldwide, Michal Bauer, Julie Chytilová and Jonathan Morduch (New York University) studied financial decision-making and time discounting of more than 500 villagers in India.

They found that women with self-control difficulties are more likely to borrow and to do so especially via microcredit. The results suggest that a large portion of these women demand a commitment in order to accumulate usefully large sums of money. Specific features of microcredit contracts help them to achieve their goals and these features resemble informal disciplined ways to save used by the poor: regular and frequent payments in small amounts during group meetings.

"Behavioral Foundations of Microcredit: Experimental and Survey Evidence from Rural India". Forthcoming in *American Economic Review*.
Thus, some of the clients may demand microcredit because they want to save but do not have a suitable savings product at hand. The findings suggest that creating more convenient and reliable savings mechanisms could help people who value microcredit as a commitment device to better manage their money.

Jozef Baruník and Miloslav Vošvrda apply the theory to sudden stock market changes that are known as crashes. Their research is the first attempt to fit a stochastic cusp catastrophe model to real stock market data. They show that the cusp catastrophe model explains the crash of stock exchanges much better than other models.

Latest publications

Collaboration

The IES is open to further cooperation with scholars from all over the world, particularly in terms of joint research projects, short-term visits, referee work, and joint curricula improvements. We offer the following fields of interest:

- Macroeconomics
- Quantitative finance
- Banking
- Corporate finance
- Public finance
- Game theory
- Applied microeconomics
- Development economics

Contact Roman Horváth for research and Pavel Vacek for international cooperation.

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