



Česká společnost ekonomická, z. s.

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**CZECH ECONOMIC SOCIETY
ACTIVITY REPORT
2021**

1. THE SOCIETY AND ITS BODIES IN 2021

The Czech Economic Society (CES) is an association of professionals and enthusiasts in the field of economics. The main mission of the CES is to enhance the development and popularization of economics in the Czech Republic in a manner that fully respects and supports the plurality of opinions and the unique development of individual economic trends. To achieve its aim, the CES organizes lectures, seminars and competitions for young economists and publishes economic content. It organizes a biennial conference and in the intervening years it holds a general assembly. The CES is a member of the Council of Scientific Societies of the Czech Republic and of the International Economic Association.

The managing board of the CES worked in 2021 was, based on the elections held at the General Assembly on 2 November 2020, composed as follows (the members of the managing board are listed in alphabetical order, noting the agenda(s) they were responsible for in 2021).

Josef Bič	Relations with members
Jiří Dušek	CES web administrator
Ivana Faltová Leitmanová	
Jakub Fischer	CES Treasurer, chair of the organizing committee for the 11 th biennial conference of the CES
Kamil Galuščák	CES President in 2018-2020, member of the judging panel for the Young Economist of the Year competition, member of the programme committee for the 11 th biennial conference of the CES
Jan Hanousek	Vicepresident, coordinator of the Kateřina Šmídková prize, member of the programme committee for the 11 th biennial conference of the CES
Roman Horváth	Member of the programme committee for the 11 th biennial conference of the CES, member of the judging panel for the Young Economist of the Year competition
Petr Jakubík	Coordinator for the Experts in School project
Karel Janda	Member of the programme committee for the 11 th biennial conference of the CES
Petr Janský	Member of the judging panel for the Young Economist of the Year competition
Milan Jílek	Chair of the České Budějovice branch
Svatopluk Kapounek	CES President, coordinator of the Young Economist of the Year competition
Viktor Kotlán	

Zuzana Kučerová	
Martin Macháček	
Aleš Melecký	Chair of the Ostrava branch, member of the judging panel for the Young Economist of the Year competition
Daniel Münich	Coordinator of the Prize for long-term contribution to the development of Czech economic learning, member of the judging panel for the Young Economist of the Year competition
Daniel Němec	Chair of the Brno branch
Barbara Pertold - Gebická	Member of the judging panel for the Young Economist of the Year competition, member of the programme committee for the 11 th biennial conference of the CES
Mariola Pytliková	
Jakub Seidler	
Michal Skořepa	

In 2021 the managing board met online on 10 February and 14 September. The revision committee was composed of Filip Petrách, Barbora Slintáková and Jan Vlachý. The coordinator of the Experts in School project in 2021 was Jaroslav Ambrož.

2. THE BIENNIAL CONFERENCE OF THE CES

The 11th Biennial Conference of the Czech Economic Society took place from Monday 17 May 2021 to Tuesday 18 May, primarily in online form. Economists from home and abroad met online and listened to several interesting and stimulating contributions.

At the beginning, the participants were greeted by the President of the CES, Svatopluk Kapounek, and the Dean of the Faculty of Informatics and Statistics of the University of Economics, Jakub Fischer. The President of the CES then presented the CES awards: the 27th edition of the Young Economist of the Year competition and the Kateřina Šmídková Award. The winner of the 2021 Kateřina Šmídková Award was Marie Hoerová, Ph.D., who works as an academic research advisor at the European Central Bank and at CEPR. Further information about all the prizewinners is provided below. During the plenary session, the CES also presented its Prize for long-term contribution to the development of Czech economics education to Professor Lubomír Mlčoch, Professor Emeritus of Economics at the Institute of Economic Studies, Faculty of Social Sciences, Charles University. Professor Lubomír Mlčoch is one of the most outstanding Czech economists in recent generations.

His research has contributed to a better understanding of the (non-)functioning of the socialist economy from the microeconomics and institutional economics perspectives.

The keynote speakers at the conference were Jiří Rusnok, Governor of the Czech National Bank, who spoke on the long-term evolution of central bank independence in advanced economies, and Prof. Philippe Aghion from the Collège de France and the London School of Economics, who discussed the importance of innovation as a source of wealth and job creation.

The rest of the conference programme was divided into 12 technical sessions, one of which was designed for secondary school economics teachers.

Based on the large number of participants and the positive feedback received, the conference—which was supported by the Council of Scientific Societies of the Czech Republic—can be considered a success. The awards were reported by the *Bankovníctví* magazine and the Roklen24 portal.



Prizewinning economists with the CES President. From left to right: Svatopluk Kapounek (CES President, guarantor of the Young Economist of the Year competition), Josef Bajzík, Dominika Ehrenbergerová, Marek Šedivý, Jan Hanousek and Lubomír Mlčoch (who was awarded the CES Prize for long-term contribution to the development of Czech economics education).

3. CES SEMINARS

In 2021, the CES organized a total of 2 seminars. The ongoing coronavirus pandemic prevented the organization of a larger number of seminars.

Topic	Leader	Date	Location
Development of the domestic economy during the pandemic	Jakub Seidler	20.05.2021	Havířov
Cognitive biases – the gremlins in our decision-making	František Zapletal	28.04.2021	Ostrava

In 2021, the CES also organized a panel discussion in cooperation with the Faculty of Operational Economics of Mendel University on "The sustainability of public finances", which took place on 13 April 2021. The entire panel discussion was held online due to pandemic-related measures.



UDRŽITELNOST VEŘEJNÝCH FINANČÍ

Panelová diskuze, organizovaná Českou společností ekonomickou ve spolupráci s Provozně ekonomickou fakultou Mendelovy univerzity v Brně






prof. Ing. Lubor Lacina, Ph.D. prof. Ing. Danuše Nerudová, Ph.D. Ing. Aleš Michl, Ph.D. Mgr. Ing. Martin Mašát, CFA, FRM.

Milí studenti, záleží nám na propojení praxe s teorií.

The General Assembly also included a panel discussion on the topic of "The **Green Deal**" featuring **Lubomír Lízal** (CTU CIIRC and FEL, AAU and Expobank CZ), **Petr Procházka** (Czech Banking Association) and **Milan Ščasný** (Charles University, Centre for Environmental Issues and Institute of Economic Studies, Faculty of Social Sciences).

4. THE GENERAL ASSEMBLY OF THE CZECH ECONOMIC SOCIETY

Two meetings of the CES managing board were held in 2021, on 10 January and 14 September. At the first managing board, the CES 2020 Report, budget and membership were discussed, CES

activities for 2021 were planned, and committees and other bodies appointed. The plans for 2021 included activities within the "Experts in School" project, the Biennial CES Conference and the CES Awards. A proposal to amend the CES Statutes was also presented during the meeting.

At the September CES General Assembly, discussion focused on the "Experts in School" project, the Biennial CES conference, the CES budget and CES membership. The CES General Assembly agreed to maintain the original (historically established) biennial conference frequency, i.e. the next CES conference will be held in October/November 2022.

5. THE YOUNG ECONOMIST OF THE YEAR COMPETITION AND THE KAREL ENGLIŠ PRIZE

The Czech Economic Society awards the Young Economist prize to economists under 30 years of age who enter the competition by submitting their original professional work. The CES also awards the Karel Engliš Prize for the best work on Czech economic policy. Honorable mention may also be given to a work submitted by an author under the age of 25 who has not previously received any CES award.

The winner of the 2021 Young Economist of the Year competition was Ketevani Kapanadze. She won the award for her work "Lose with Borders, Win with Centers? The Case of European Integration". Ketevani Kapanadze is a student at CERGE, Charles University in Prague and a research assistant at CERGE-EI, a joint department of CERGE and the Economics Institute of the CAS. In her paper, Ketevani Kapanadze studies Central and Eastern European countries' inequality and possible convergence after EU accession. Her results show that EU accession resulted in regional divergence and increased economic inequality in the Central European region. It proposes additional support should be provided to the EU's border regions in order to reduce interregional inequality.

The second place in the Young Economist of the Year competition went to Bohdana Kurylo for her work "The Impact of Same-Race Teachers on Student Non-Test Academic Outcomes". Bohdana Kurylo is a student at CERGE, Charles University in Prague and a research assistant at CERGE-EI, a joint department of CERGE and the Economics Institute of the CAS. Her award-winning work examines the impact of same-race teachers on students' exam performance. Using random assignment of teachers to U.S. public schools as part of the Measures of Effective Teaching (MET) project, she shows that same-race teachers increase the effectiveness of communication with Black students, consistent with the literature on culturally relevant pedagogy. In her study, she finds

empirical support for alternative explanations for the positive effects of same-race teachers on communication: i) black teachers' greater general communication ability and ii) greater teacher attention to same-race students.

The third place in the Young Economist of the Year competition went to joint authors Sergei Mikhailishchev and Mariia Kosar for their work “Inattentive Price Discovery in ETFs”. Both authors are students at CERGE and work at CERGE-EI, a joint department of CERGE and the Economics Institute of the CAS. In their work, they show that ETFs can contribute to determining the market value of underlying stocks. [Note: ETF is the name of an investment product, translated into English as “exchange-traded funds”. ETFs have precisely defined asset weights and are traded in the same way as stocks]. The authors show that their results are consistent with rational inattention theory. Moreover, they show that the market prices of ETFs feed back into the prices of the underlying stocks.

The Karel Engliš Prize for the best study on Czech economic policy was awarded to Jan Žemlička. The author studies at CERGE and works at CERGE-EI, a joint department of CERGE and the Economics Institute of the CAS. His thesis, "Solving Macro-Epidemic Models using Deep Learning", explores the application of algorithmic learning methods to macroeconomic problems, including epidemiological issues.

Jan Žemlička focuses on solving complex macro-epidemiological models using deep neural networks. This method enables the estimation of realistic models involving uncertainty about the epidemic process and rich details of the economic system. In addition, this method facilitates the computation of optimal government policy parameters by allowing the model to be solved simultaneously for many different settings of government policy instruments.

The President of the CES's Honorary Award for authors under 25 years old went to Klára Kantová, a student at the Institute of Economic Studies within the Faculty of Social Sciences of Charles University in Prague, for her thesis entitled "Parental Involvement and Children's Education Outcomes". The paper presents the results of research on the relationship between parents' involvement in their children's education and those children's educational outcomes. It reveals that greater parental involvement has a positive effect on children's educational outcomes. The results are supported by a randomized experiment, which also reveals a significant, although smaller effect.

The awards were presented at the General Assembly of the Czech Economic Society, held on 25 November 2021 at the Institute of Economic Studies, Faculty of Social Sciences, Charles University.

The sponsor of the Young Economist of the Year competition is the Council of Scientific Societies of the Czech Republic. Media partners are the Roklen24 portal and the Bankovníctví magazine.



Award-winning economists with the President of the CES. From left: Svatopluk Kapounek (CES President and guarantor of the Young Economist of the Year competition), Ketevani Kapanadze, Sergei Mikhalishchev, Bohdana Kurylo and Jan Žemlička.

6. THE KATEŘINA ŠMÍDKOVÁ PRIZE

The CES awards the Kateřina Šmídková Prize in memory of Kateřina Šmídková, a prominent Czech economist, who was a Professor of Economics at the Institute of Economic Studies within the Faculty of Social Sciences, Charles University, Director of the CNB's independent Economic Research Department, and a long-time member of the CES General Assembly. The purpose of the prize is to recognize exceptionally high quality publications by Czech economists living in the Czech Republic or abroad and foreign economists who have been working in the Czech Republic for a long time and to support those economists' further professional development. The Award is financed by the Kateřina Šmídková Trust Fund.

The third winner of the Kateřina Šmídková prize is Dr Marie Hoerová, who is a research advisor at the European Central Bank, where since 2006 she has also held the positions of Economist, Senior

Economist, and Principal Economist. She is also a research fellow at the CEPR (Centre for Economic Policy Research, London), a member of the editorial board for the ECB Working Papers and an associate editor of the Journal of Financial Intermediation. Her awards include Visiting Scholar, Federal Reserve Bank of St. Louis (2013), Fulbright Fellowship to Study in the U.S. (2001-2006), and Outstanding Teaching Award, Louis Walinsky Fund in Economics (2003). She received her B.A. in Economics from Charles University and her Ph.D. from Cornell University. Her main areas of interest are financial economics and monetary economics.

Marie Hoerová is one of the 400 highest ranked economists in the world (according to the international database IDEAS/RePEc). She has around 2200 citations in Google Scholar as of 2015. Some of her publications have had very significant impact; for example, a 2013 paper in the Journal of Monetary Economics has already been cited over 800 times. Besides the JME, Marie Hoerová has also published in the Review of Economic Studies, Journal of Finance, Journal of Financial Economics, Journal of Econometrics and IMF Economic Review.

The award was presented during the 11th Biennial Conference of the CES, held on 17-18 May 2021 at the University of Economics in Prague. The prize was ceremonially presented by Ing. Milena Horčicová, CSc., a member of the Kateřina Šmídková award committee. Accepting the award, Dr Hoerová remarked: “I knew Katka. We always had lunch together when she was in Frankfurt on business. She also invited me to the CNB several times. She was a great person and an excellent economist... It is a great honour to receive the award that bears Katka's name”

7. THE EXPERTS IN SCHOOL PROJECT

In 2021, the CES continued to run its Experts in School project, which supports economics teaching at secondary schools and introduces secondary school students in the Czech Republic to current economic affairs from the perspective of respected Czech economists, both university lecturers and financial experts. The aim is to continue to introduce secondary school students to economics in practice and to motivate them to study at universities with an economics focus.

This year the project is once again financially supported by the Council of Scientific Societies of the Czech Republic and the CERGE-EI Foundation. The CNB is a project partner and the CES also cooperates with the Institute of Economic Education to promote the project. The feedback from secondary schools has been very positive overall and several schools have expressed their desire to participate in the project in 2022. Despite the Covid-19 pandemic, 33 lectures were delivered and 5

more are planned. This year's topics include: Bitcoin and other cryptocurrencies; the Monetary Policy of the CNB; the Relationship between Islam and Christianity; and the European Union. Lectures have been or will be held in 25 schools in 17 districts, including Prague, Brno, Ostrava, Jihlava, Most, Havířov and Prostějov.

8. INTERNATIONAL RELATIONS

Following a decision taken by the managing boards, the CES has been a member of the International Economic Association since 2017.

The Czech Economic Society is currently co-organizing an international conference to be held in Budapest in 2023, together with the Hungarian Economic Association (HEA), the Slovak Economic Society and the Polish Economic Society.

9. MEMBERS AND FINANCES IN 2021

Any individual aged 18 years and above may apply for individual membership of the CES by completing an application form and submitting it to the managing board, who decide on their acceptance. Individual membership then commences upon payment of the first membership fee. In 2019 the standard annual membership fee was 500 CZK, with reduced rates of 250 CZK for students and 100 CZK for pensioners. 173 individual CES members had duly paid their membership fees at the end of 2021; this is 8 more than in 2020.

In addition to its individual members, the CES's collective members also contribute substantially to the society's activities. Any legal entity may become a collective member if it financially, materially or otherwise supports the CES, agrees with its aims, requests collective membership in writing to the managing board of the CES and names an individual who will represent it at the General Meeting of the CES and in other CES bodies, with an advisory vote. Based on the value of the financial contribution or other forms of support, collective members are categorized into three groups: general partners, gold members and basic members. In 2021 the following collective members supported the CES's activities:

General partners

- Czech National Bank
- Prague University of Economics and Business

Gold members

- CERGE-EI
- Faculty of Economics, Technical University of Ostrava
- Faculty of Economics and Administration, Masaryk University
- Faculty of Economics and Administration, Mendel University in Brno
- University of Finance and Administration
- Institute of Economic Studies, Faculty of Social Sciences, Charles University
- PRIGO University

Members

- AMBIS College
- Faculty of Economics, Technical University of Liberec
- Moravian Business College Olomouc
- School of Business Administration in Karvina, Silesian University in Opava
- Škoda Auto University
- University of Economics and Management
- University of Economics in Prague
- Faculty of Economics, University of South Bohemia in České Budějovice

The Council of Scientific Societies of the Czech Republic has also provided significant support for the CES's activities for a long time.

The CES's media partners are the Roklen24 portal and the Bankovníctví magazine.

As of 23 November 2021, the expected revenues for 2021 total 354,000 CZK and consist mainly of contributions from individual and collective members and a subsidy from the Council of Scientific Societies of the Czech Republic to support the Young Economist of the Year competition and the Experts in School project.

The society's expected expenditures amount to 256,000 CZK. The most significant costs are for the Experts in School project, the Young Economist of the Year competition and the biennial conference.

The difference between the expected income and expected expenditures amounts to 98,000 CZK. The society's current account balance on 23 November 2021 totals 530,000 CZK. Towards the end of the year, some subsidies will be settled and refunded, but the society also expects to receive further contributions from collective members. In addition, liabilities to employees, the tax office and customers will be paid during December this year.

10. ACTIVITY REPORTS OF INDIVIDUAL BRANCHES

- **Ostrava regional branch activity report for 2021**

The regional branch of the Czech Economic Society in Ostrava focuses on introducing the local professional and general public to economic theory and practical experience and knowledge from the domestic and foreign economy. For this purpose it organizes free seminars, held on the university campus courtesy of the university management. In 2021, the committee of the regional branch was composed of:

Aleš Melecký, (chair) Faculty of Economics, Technical University of Ostrava (EkF VŠB-TUO)

Martin Hodula, EkF VŠB-TUO

Eva Kolcunová, EkF VŠB-TUO

Martin Macháček, EkF VŠB-TUO

Milan Šimek, EkF VŠB-TUO

Monika Šulganová, EkF VŠB-TUO

Since several of branch's committee members have requested to stand down (Eva Kolcunová - retirement, Milan Šimek and Martin Hodula - to focus on other priorities), the composition of the Committee will be adjusted at the turn of 2021/2022. In 2021, due to the problematic epidemiological situation, only one seminar on "Cognitive biases - the gremlins in our decision-making?" was held in Ostrava, led by František Zapletal (see Section 11). According to the data from the central register of CES members, as of 21 November 2021 there were 22 active members of the CES registered at the Ostrava branch.

- **České Budějovice regional branch activity report for 2021**

In 2021, the CES branch in České Budějovice operated at the Faculty of Economics of the University of South Bohemia (a collective member of the CES). The committee of the regional branch in 2021 consisted of:

Milan Jílek, EF JU České Budějovice (chair)

Pavčina Hejduková, FEK ZČU Plzeň

Vladimír Jandík, EF JU České Budějovice

Dagmar Škodová Parmová, EF JU České Budějovice

In the past, the activities of the České Budějovice CES branch consisted in organizing seminars and lectures, an important benefit of which is the opportunity to meet and discuss with guests in person. In 2021, the branch did not organize any seminars and its only activity was its members' participation in the Experts in School project. A branch membership meeting will be held in the spring of 2022 to address future seminars, the decline in branch membership and the election of a new branch committee.

- **Havířov regional branch activity report for 2021**

The committee of the regional branch in 2021 was composed as follows:

Ing. Emil Adámek, Ph.D. (VŠP) - předseda (from 01.11.2021 to 31.10.2021 - member)

prof. Ing. Lenka Fojtíková, Ph.D. (VŠP) (member since 01.11.2021)

Ing. Boris Navrátil, CSc. (VŠP) (chair until 31.10.2021)

Ing. Veronika Nálepová, Ph.D. (VŠP)

The CES regional branch in Havířov held one seminar in 2021 on the development of the domestic economy during the pandemic, led by Jakub Seidler (see Section 11).

- **Brno regional branch activity report for 2020 and 2021**

The activities of the CES regional branch in Brno in 2020 and 2021 were strongly influenced by the ongoing pandemic situation, in particular the associated closure of universities and the impossibility of organizing in-person lectures, which was always the branch's preferred format, since it enabled follow-up meetings and discussions with speakers (especially those from abroad). The branch did, however, host one very stimulating, valuable and topical lecture by CNB Deputy Governor Marek Mora on the topic of "Green Finance and Central Banks", which took place on 3 March 2020 at the Faculty of Economics and Administration of Masaryk University. The branch intends to return to its traditional lecture series in 2022 and to combine one of the lectures with a meeting and elections to

the branch's Executive Committee. In terms of the membership base, there has been a slight increase from 29 members in 2020 to 33 members in 2021. The membership base is mainly recruited from among teaching staff and PhD students at the Brno universities. The branch's main activities are concentrated at the Faculty of Economics and Administration, Masaryk University, and the Faculty of Operations and Economics, Mendel University.

11. MINUTES FROM SEMINARS

František Zapletal: Cognitive biases – the gremlins in our decision-making?

On 28 April 2021, an online seminar was held at the Faculty of Economics, VŠB TU Ostrava entitled "Cognitive biases - the gremlins in our decision-making?". The speaker was doc. František Zapletal (Faculty of Economics, VŠB TU Ostrava). There were 20 participants, mostly students and teaching staff at the Faculty of Economics. The seminar was also recorded and the recording was made available for others to watch for several months.

The topic of behavioural biases/preconceptions in relation to decision-making is topical, especially given the popularity of behavioural economics in recent years. Doc. Zapletal explained the nature of behavioral biases and their impact on decision making. His talk focused on a group of biases that he found particularly interesting, including the curse of knowledge, overconfidence, the framing effect, the hindsight effect, and the anchoring effect. In addition to introducing each of these concepts, he provided a number of interesting examples and several short tests for participants to try out. An interesting example of overconfidence he presented was that of participants in media-hyped competitions like Superstar, in which even very bad singers believe they performed well and deserved to win. The biases presented can also have significant effects e.g. in politics (elections): for instance, once we start to like a particular candidate we begin noticing more positive news about that candidate (confirming our initial choice) and ignoring or downplaying negative news related to that candidate.

Jakub Seidler: Development of the domestic economy during the pandemic

This seminar under the auspices of the Czech Economic Society on the topic of the development of the domestic economy during the pandemic was held online on 20 May 2021 using MS Teams. The seminar was organised by the newly established CES branch at PRIGO University in Havířov and was attended by more than 60 participants from the academic community as well as representatives of the CNB and other state institutions. The moderator was Ing. Emil Adámek, Ph.D., from the Department of Economics and Economic Policy at PRIGO University.

The main speaker was Dr Jakub Seidler, who was Chief Economist at ING Bank in the Czech Republic from 2014 to mid-2021. He is currently Chief Economist of the Czech Banking Association. In his presentation, Dr Seidler outlined the major trends in the development of the Czech economy caused by the pandemic. His presentation contributed in particular to explaining why demand for mortgages is increasing. He also spoke about possible future inflation developments and the CNB's future monetary restriction.

The discussion included, among other things, questions about inflation in the Czech Republic compared with eurozone countries, about the Czech Republic's potential entry into the ERM 2 exchange rate mechanism and about the feasibility of adopting the euro given the Czech economy's current state of convergence.

Ing. Jiří Gregor, Ph.D., from the CNB, focused on changes in household investment behaviour in the context of financial assets.

Ing. Vlastimil Beran, Ph.D., representing the Research Institute of Labour and Social Affairs, pointed out the role of multiple mortgages and the use of real estate as an investment opportunity.

Ing. Martin Murín, Ph.D. ,Director of the Research Institute at the Prague University of Economics and Business asked about how commercial banks view cryptocurrencies.

Ing. Emil Adánek, Ph.D. summarized the conclusions of the discussion, thanked the speaker and the discussants, and closed the meeting by inviting the participants to attend the International Scientific Conference on Economic and Social Policy, which PRIGO University of Applied Sciences organized on 7-9 September 2021 (<https://www.narodacek.cz/o-konferenci/>).