

MASTER'S THESIS REPORT

International Economic and Political Studies (IEPS)

Faculty of Social Sciences, Charles University

Thesis title:	Role of Central Bank Digital Currencies in Bridging the Formal-Informal Economy Divide in Developing Countries
Student's name:	Pyae Soan Khaing
Reviewer's name:	PhDr. Jiří Kukačka, Ph.D.

Criteria	Maximum	Points
Contribution and argument (originality, justifiable research question and hypotheses, argumentation)	25	20
Theoretical framework (situating research into the existing knowledge)	25	22
Methodology (methods and data relevant to the research question and appropriately used)	20	20
Referencing to sources	15	15
Formal aspects (structure, logical coherence, layout, tables, figures)	10	10
Presentation (language, style, cohesion)	5	5
Total	100	92

Plagiarism-check (URKUND) match score (if the plagiarism-check (URKUND) match score is above 15%, the reviewer has to include his/her assessment of the originality of the reviewed thesis in his/her review):

The results of the Turnitin analysis suggest a 32% overall similarity, but a closer assessment of these results does not indicate any significant text similarity with any of the available sources (all individual similarities are below 1%). The main reason for the similarity is the extensive literature base of the thesis and the utilized research methods (content analysis, document analysis).

Reviewer's commentary according to the above criteria (min. 1,800 characters including spaces when recommending a passing grade, min. 2,500 characters including spaces when recommending a failing grade):

Contribution and argument:

The thesis presents a unique contribution by exploring the role of Central Bank Digital Currencies (CBDCs) in formalizing the informal economy through financial inclusion, focusing on case studies from the Bahamas, Nigeria, and China. The general research question is completely relevant, addressing how CBDCs can aid the financial exclusion of unbanked individuals, reduce transaction fees, and mitigate the geographical, income, and education barriers. However, the specific hypotheses, though logical, would have benefited from clearer definitions of the criteria of their evaluation and a more detailed explanation of the assessment of these criteria. The argumentation is solid, supported by a thorough literature review and content analysis of multiple relevant international documents. However, a more structured examination of the advantages and limitations of CBDCs and a more structured evaluation of the research questions/hypotheses would have strengthened the main argumentation of the thesis. For example, there are two "sub-research questions" defined in 2.1, and even after reading the whole work in detail, I am unsure if and how these were elaborated/answered. Also, the wording of the main research hypothesis is vague, its "testing" lacks scientific rigor, and its final evaluation in 7.1 sounds a bit artificial.

Theoretical framework:

The thesis situates its research within existing knowledge by integrating key concepts from central and commercial banking, the informal economy, financial inclusion, and CBDCs. It takes advantage of established theories from monetary economics and notable institutions such as the Bank for International Settlements (BIS) and the International Monetary Fund (IMF).

Methodology:

The thesis employs a qualitative research methodology, primarily using content and document analysis. It reviews guidelines from key institutions like the BIS and IMF and evaluates practical implications through case studies of CBDC initiatives in the Bahamas, Nigeria, and China. While the chosen methods are relevant and appropriately used to address the research questions, the reliance on document analysis without supplementary quantitative data analysis or user experience surveys might limit the depth of insights. The author is, however, fully aware of these limitations, discusses them openly in the methodology and concluding sections, and provides excellently relevant points in this respect.

Referencing to sources:

The literature base of this thesis is extremely rich and excellently elaborated. It contains 123 bibliographic items covering academic articles and recent working papers, official documents of renowned international institutions, and internet sources. Formally, citations are adequately done using a standard style for economic papers.

Formal aspects:

The bibliography section is complete and well-formatted. Referencing tables and figures is done correctly in the text, the tables are very well designed, and both figures and tables are self-contained. Nice, mostly monochromatic graphics, share a unified author's style, and are easy to look through and understand.

Presentation:

The thesis is written in sound English and is standardly structured. The writing style is clear, and the whole work reads well. As a researcher (also) in the field of cryptocurrencies, I learned a lot! However, some passages are long and repetitive, and the reader might get lost easily (e.g., Chapter 4, which should have been structured into several topical sections).

Proposed grade: A**Suggested questions for the defence:**

1. Why in Tab. 3.2 are some cells in dark blue? What is the meaning of another color?
2. In Fig. 5.1, one can observe a significant drop in launched CBDS projects between June 2023 and March 2024. What happened in this period? Can you describe some of these projects and summarize the main reasons for their termination? Is this knowledge relevant to your analysis?
3. Based on your analysis, can you recommend crucial aspects and criteria that should be fulfilled and, on the other hand, that should be avoided for the potential implementation of a CBDC in the Czech Republic (or in your home country)? Discuss based on country specifics.

I recommend the thesis for the final defence.

Signature

Overall grading scheme at the Faculty of Social Sciences, Charles University:

Total Points	Grade	Quality standard
91–100	A	= outstanding (high honour)
81–90	B	= superior (honour)
71–80	C	= good
61–70	D	= satisfactory
51–60	E	= low pass at a margin of failure
0–50	F	= failing, the thesis is not recommended for defence