

The IR Seminar in Empirical Economics

We would like to invite you all for the **23rd** IER seminar series in empirical economics that will be held at the library of the Institute of Economics at Šancová 56, Bratislava on **February 24th, 2016 at 2.00 p.m.** The speakers will be **Milan Čupić** (Faculty of Economics, University in Kragujevac, Serbia), **Mária Širaňová** (Faculty of National Economy, University of Economics in Bratislava; Slovak Academy of Sciences, Institute of Economic Research)

on: **Is There Debt Overhang in the European Union? An Empirical Exploration from a Panel Data**

Abstract:

The purpose of this paper is to examine the influence of the accession of Slovakia to the European Union and the euro zone on the efficiency of Slovak banks. We use data envelopment analysis to estimate bank efficiency measures, and ordinary least squares and tobit regression to estimate influence of possible bank efficiency determinants. Our analysis shows that the bank efficiency increases both after the accession of Slovakia to the European Union and euro adoption. We find that euro adoption generally has positive impact on bank efficiency in the longer run, although it can have negative impact in the first years after the adoption. Our results suggest that efficiency of Slovak banks was not affected by macroeconomic conditions and banking reforms, which is in line with the argument that Slovak banking sector is in the advanced stage of development when influence of these factors is of less importance. We also find that large banks are more efficient than small banks, and foreign banks are more efficient than domestic banks. However, it turns out that smaller banks in Slovakia were able to better cope with the financial crisis and benefit more from euro adoption.