Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Dmitrii Ivantsev
Advisor:	PhDr. Radek Janhuba, M.A., Ph.D.
Title of the thesis:	Wage Discrimination in US Sports: Comparative Analysis

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

The thesis submitted by Dmitrii Ivantsev studies a controversial topic of wage discrimination in three major American leagues, which are according to his words: „considered some of the most attractive competitions in the world industry of professional sports." It provides a comparative analysis of wages in National Basketball Asociation, Major League Baseball and National Football League. This discrimination, discussed in the past in the racial context, was examined by several studies which reported only mixed results. Dmitrii, therefore, sets the main goal of his thesis to analyse existing wage gap in all three scrutinized leagues and in comparison of premiums paid to the players of those leagues depending on their race.

Dmitrii Ivantsev first shortly introduces theories of discrimination in his thesis, covering both taste-based and statistical discrimination. Next, he reviews the empirical literature that is concerned with wage discrimination in all three major leagues. There are important facts as well as the history of every league briefly summarized in next chapter called Theoretical Background. Moreover, Dmitrii discusses two important features of examined American sports: Free Agency and Salary Cap. The former being historically the result of collective bargainnings of player's labor unions giving the players the right to negotiate terms and conditions of their future contract, while the latter is supposed to balance the contract spending of all teams preventing wealthier teams from overpaying the ones with lower financial resources and thus mitigating the impact of wealth to the game results. Next chapters review data characteristics and specification, introduces modelling methodology a provide the reader with results of Dmitrii's estimations.

Dmitrii collects data samples of the player's statistics through four different seasons. And analyzes the data with OLS estimations. In each of the three leagues the variables are used according to statistics of its corresponding game positions, all three national Leagues resulting therefore in a slightly different kind of model. The results of the thesis suggest that there are not sufficient evidence for racial discrimination in the examined American leagues in the latest seasons.

Contribution
There is a lot of attention given to, not only American, sports in the literature. Even thoug very difficult from my position to evaluate, Dmitrii seems to bring contribution to the field by the data he analyses. In contrast to previous studies who worked only with a single year salaries with respect to current athlete's performance, Dmitrii analyses performance statistics of three seasons preceeding to the first year of a current contract. This simple approach enables him to evaluate direcly players performance on the value of his contract. This approach seems quite natural and I would be surprised that no prior reaserch would taken such information into account. My knowledge of literature related to professional sports is, however, not deep. I consider such contribution sufficient for a bachelor thesis.

Methods
Dmitrii Ivantsev analyse data by simple, yet appropriate methods. He clearly introduces models he uses, discuss the nature of the data and applies standard analytical methods. The cornerstone of his thesis lies in the data collection and slightly different model composition for each of the three proffessional sports. Othervise, he uses a simple OLS technique similarly as other related literature.

Despite being satisfied with a bachelor-level methodology, I point out a little shortcoming. Dmitrii himself proposes additional methods of analysis (e.g. quantile regression or interaction variables) that could be used to improve results but he do not explain why he did not used it in his thesis. I suppose that simple interaction variables are in the scope of a bachelor level econmtrics and thereofre should have been

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used in the analysis. Despite this shortcomming I consider methodology as appropriate for a bachelor thesis.

Literature
The literature of the topic is well reviewed and described. Occasionally, I missed a reference throughout the text that would anchor certain statement to particular piece of literature. The whole text, neverthless, meets academic standards well.

Manuscript form
The level of formal correctness of this thesis is sufficient, the flow of the text is simple but coherent.

Summary and suggested questions for the discussion during the defense
I am pleased to summarize here that Dmitrii Ivantsev managed all aspects of a bachelor thesis at the satisfactory level. The thesis shows author's knowledge of both the presented topic as well as analytical methods. I recommend the thesis to defense at the IES FSV UK. Based on the quality of the thesis and my best knowledge I suggest the grade "C."

Suggested question for the defense:
- Describe your contribution in data analysis part – specifically type of the statistics you analyse.
- Why didn't you applied interaction variables of any robustness checks in your analysis even thoug you describe suc possibility by yourselves?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Contribution (max. 30 points)	23
Methods (max. 30 points)	20
Literature (max. 20 points)	18
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	79
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE: **Jindřich Matoušek**

DATE OF EVALUATION: **28.5.2019**

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	*Average*	*Weak*
30	*15*	*0*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	*Average*	*Weak*
30	*15*	*0*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	*Average*	*Weak*
20	*10*	*0*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	*Average*	*Weak*
20	*10*	*0*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F