

Report on Bachelor Thesis

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

Student:	Pavol Polačko
Advisor:	Martin Gregor
Title of the thesis:	Economics and Religiosity

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

Religion practicing and church participation involve, among others, incentives that are subject of interest to economics. In this thesis, the author investigates into a couple of religious phenomena that may be of interest to economists (and social scientists in general) and moreover can be empirically tested: i) labor constitutes part of the payment for religious goods (here, effect of productivity increase on church labor participation is tested), ii) secularization hypothesis is (or is not) valid (here, effect of growth on religious attendance is tested), iii) religious consumption involves a strong human capital component (thus, consumption should grow with age), iv) product bundling exists, and v) monopolies actively exert their market power.

Pavol Polacko draws on an extensive and representative list of sources, referring mainly to Iannaccone, Barro, Inglehart and Stark. This led to a long and ambitious survey which is, in my opinion, too broad in its scope for the purpose of the thesis and should be re-structured to focus more directly into hypotheses examined later in the empirical part.

Section 4 comprising the consumer's optimization is fine, but doesn't involve not much of value added. A more valuable thing would be to construct a full general equilibrium economy with secular, religious, and bundled goods. This would be, however, perhaps too much to ask for from a bachelor thesis.

I appreciate careful work with databases (see Appendix for details), and attempts to gather sound evidence that could be compared with the existing body of economics of religion. There are of course standard inference problems; for instance, in Model 1, to assess the effect of education, we should probably do this within each denomination (e.g. if Protestants are more educated, than effect of Protestant denomination is confounded with effect of education). Evidence against secularization hypothesis (Models 2 and 3) may be subject to qualifications (e.g. effects of education may be relative effects, not absolute effects; we may need individual country studies to control for a host of extra factors, think of attendance development in the US and EU).

Especially with regard to the interesting and well-done empirical part of the thesis, I unambiguously **recommend A**. A question for defence could be: "What are recent empirical methods to test for secularization hypothesis?"

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

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	25
Contribution (max. 30 points)	24
Manuscript Form (max. 20 points)	19
TOTAL POINTS (max. 100 points)	86
GRADE (1 - 2 - 3 - 4)	1

NAME OF THE REFEREE: Martin Gregor

DATE OF EVALUATION: August 31, 2009

Referee Signature