

# Report on Bachelor Thesis

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

<b>Student:</b>	Veronika Martínková
<b>Advisor:</b>	Barbara Pertold-Gebicka
<b>Title of the thesis:</b>	Assessment of a Potential Reform of Parental Allowance System in the Czech Republic

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

*Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.*

### **Contribution**

This thesis takes a form of an ex-ante policy evaluation with its main goal to financially analyze a hypothetical reform of the Czech parental allowance system. Currently the Czech republic offers parental allowance even up till the relevant child's 4th birthday. This has been criticized by some researchers, politicians, and international organizations for promoting long employment breaks for mothers. In its 2014 economic Survey the OECD has recommended shortening the period of paid parental leave (in practice meaning shortening the period over which parental allowans is paid, not necessairly the period of parental leave itself) in the Czech Republic. Veronika Martínková analyzes potential direct costs and benefits of such a reform from the point of view of the state budged. As such this thesis is of high policy relevance. Its contribution is significant, because in the thesis the author decomposes the costs of the potential new system of parental benefits into several categories and compares them to the costs of the current system. The author also discusses potential threats to implementation of such a reform and in response to these proposes an alternative, milder reform which is also analyzed.

While the thesis whould definitely benefit from a clearer presentation, its value added is well-defined and I believe that after some editing it would consistute a ver useful material for policy analysis.

### **Methods**

The approach taken by the author is well chosen given the goal of the thesis. Veronika conducts a so called ex-ante analysis where she uses currently avilable statistical data and experiences from another country to analyze potential effects of a hypothetical reform to be introduced in the Czech Republic. The specific analysital approach is in some parth of the thesis not well explained, though. This should be clarified during the defense.

### **Literature**

The litterature review covers important studies on the topic and presents the most impotent findings from of the reviewed studies. It is, however, incomplete. Some studies relating parental leave to mothers' labor market outcome are missing from the literature review and the review does not present any study related to father's involvement in parental leave. Nevertheless most of these missing studies are referred to later in the text.

### **Manuscript form**

Language is sometimes a bit colloqial, some sentences are overcomplicated, others miss the subject, there are numerous typos, and some thought exersives are left to the reader. This makes parts of the thesis difficult to read.

In the empirical part it is sometimes difficult to follow the methodology. Although the author tries to explain each step of her calculations, the presenation is still not clear. For example, when discussing the labor market effects the author does not write which revenues does she take into account – are

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these tax revenues or also social security contributions? What rates are taken into account given the system of tax deductions and exemptions. Defence presentation should clarify this. The overall structure of the thesis is, however, good, graphics and tables are clear and help understand the text, chapters and paragraphs logically follow each other.

## Summary and suggested questions for the discussion during the defense

Question 1: Could you compare the newly proposed system of parental allowance to the current system from the point of view of a parent? How would the monthly allowance for a typical parent change? How will the total amount paid during parental leave change?

Question 2: Imagine that you speak in front of politicians. What would be your recommendations based on the thesis?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	24
<i>Methods</i> (max. 30 points)	19
<i>Literature</i> (max. 20 points)	14
<i>Manuscript Form</i> (max. 20 points)	14
<b>TOTAL POINTS</b> (max. 100 points)	<b>71</b>
<b>GRADE</b> (A – B – C – D – E – F)	<b>C</b>

**NAME OF THE REFEREE:** Barbara Pertold-Gebicka

**DATE OF EVALUATION:** 27.8.2019



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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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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