

# Report on Bachelor Thesis

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

<b>Student:</b>	<b>Natália Dusková</b>
<b>Advisor:</b>	<b>Barbara Pertold-Gebicka</b>
<b>Title of the thesis:</b>	<b>Do less developed regions vote populist parties? The case of Slovakia.</b>

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

*Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.*

### **Short summary**

The bachelor thesis by Natália Dusková is devoted to the analysis of voting behavior in Slovakia. Natália zoomed on the two most recent elections and asked which counties' characteristics can explain the share of votes given to selected populist parties. The thesis has a clear structure with motivation and background information presented at the beginning, methodology and data description following, and presentation of results culminating the work. While working on the thesis, Natália showed deep interest in the analyzed topic, she devoted a lot of time and attention to correct formulation of the empirical model and made sure that she interpreted the results correctly. She shows that it is mainly the demographic structure of local population that explains the share of votes given to populist parties.

### **Contribution**

Although this is not the first IES thesis analyzing voting for populist parties in Slovakia, it has a clear value added. First, Natália analyzes the most recent elections. Second – and most importantly – she compares the two consecutive elections to show several things: (i) that counties' characteristics correlating with vote share given to populists did not change over time, (ii) that changes in demographic characteristics of counties are responsible for changes in voting behavior, and (iii) that many, especially economic, characteristics appear to be related to unobserved time-constant local characteristics that make some regions more prone to populism. What is not discussed in the thesis is which factors could this be.

### **Methods**

Natália analyzes the relationship between counties' characteristics and county-level support for populist parties first using the methods well-suited for the research question and the used data: simple OLS and first-differencing of two-period panel data. However, there are some parts in the methodology section that show mild misunderstanding of regression analysis. For example, there is a sentence claiming that „by maximising the number of independent variables, we eliminate the correlation between the error term and independent variables“. This is not the first thesis where I see this formulation, which is in general not true. When one explanatory variable is suspected of endogeneity, then adding additional control variables that are correlated (but not perfectly correlated) with the suspected variable naturally reduces the correlation between the suspected variable and the error term. But simply adding as many control variables as possible may result, for example, in introducing additional endogenous variables. There should always be a discussion about potential endogeneity issues (i.e. potential correlation between explanatory variables and the error term) and solution to this issue, be it incorporation of additional control variables, should be justified by at least an intuitive argumentation. Actually, Natália writes later that there might be some factors in the error term (btw., I can see some confusion between the error term and residuals) that are correlated with explanatory variables and this is the reason why she turns to first-differencing. What is missing, is some example of such factors, some intuitive reasoning what and why might cause endogeneity. This would support the use of first-differencing as a solution, if the identified problematic factors are time-constant.

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Anyway, the methods used in the bachelor thesis are applied correctly and, what is important, Natália correctly interprets the estimated coefficients. It has to be highlighted that different specifications and different econometric approaches mean different interpretation of the estimated coefficients. Natália was very careful with this. Also, note that in the results section there some discussion of endogeneity and potential factors causing it – when comparing simple and extended models Natália notes the differences in coefficient estimates and correctly attributes them to possible omitted variable bias.

## Literature

The literature review, which is presented not only in the literature review section, but also when discussing the issue of populism and when presenting the situation in Slovakia, is complete and well-organized. It reflects the authors interest in the topic.

## Manuscript form

The manuscript is well-organized and it is easy to follow the logic of the thesis. There are many helpful, illustrative figures and regression results are presented in clear, well-organized tables. The text is written in decent English, although there are some typos, for example: „*We carefully interpret models in the models with variables that have a correlation over  $>0.5$  and  $<-0.5$ .*“ or „*The null hypothesis of joint significance of the variables can be rejected*“, while the author wanted to write „the null hypothesis of no joint significance“.

## Overall evaluation and suggested questions for the discussion during the defense

The presented bachelor thesis is a complete analysis of local determinants of support for populist parties in Slovakia. When working on the thesis Natália showed deep interest in the topic and I have a picture of her as a hard-working person. Even though some econometric issues were not clear to her from the beginning, Natália made a huge progress during the whole academic year and I am confident that now she is able to run and independent data analysis. We have regularly discussed the results and the econometric approach and each time there was a significant improvement. While there still are some smaller mistakes and there could be more intuitive and interpretative discussion, the thesis generally makes a very good impression. It fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University. I recommend it for the defense and suggest a grade B.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

During the defence I suggest discussion of the following:

1. What is the main message the first-differencing analysis?
2. Which time-constant counties' characteristics might make some of them more prone to populism. If you had access to the relevant data (which data would this be?) how would you verify your hypothesis?
3. How can you interpret the coefficient for Share of Roma Catholic when there is also a variable Share of Religious People in the regression?

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

CATEGORY	POINTS
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<i>Contribution</i>	<i>(max. 30 points)</i>	28
<i>Methods</i>	<i>(max. 30 points)</i>	26
<i>Literature</i>	<i>(max. 20 points)</i>	18
<i>Manuscript Form</i>	<i>(max. 20 points)</i>	17
<b>TOTAL POINTS</b>	<i>(max. 100 points)</i>	<b>89</b>
<b>GRADE</b>	<b>(A – B – C – D – E – F)</b>	<b>B</b>

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

**DATE OF EVALUATION:** **30.5.2021**

*Digitálně podepsáno (30.5.2021)*  
*Barbara Pertold-Gebicka*

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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.*

**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.*

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

**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.*

**Overall grading:**

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