

Report on Bachelor / Master Thesis

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

Student:	Lucie Kamenická
Advisor:	Doc. Zuzana Havránková
Title of the thesis:	Income Inequality and Happiness: A Meta-Analysis

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

Short summary

The thesis presents a nice contribution to the literature examining the effect of income inequality on happiness and concludes that people are not bothered much by income disparities. Lucie consulted her progress with me regularly; therefore, I have few objections to the final outcome, which in my opinion is very good.

Contribution

Lucie Kamenická presents an innovative meta-analysis of the effect of income inequality on happiness. She collects 868 estimates from 53 studies along with 62 variables that reflect the context in which the estimates were obtained. I want to put forward the extraordinary amount of work and time that went into this thesis, which is (at least from my past experience) often completely overlooked in the evaluations. Although the final dataset Lucie uses is much smaller, she had to read through hundreds of papers and code, recheck, and rewrite tens of thousands of datapoints to get to her final dataset just to begin with the actual analytical part of her thesis. She tests for publication bias and finds little evidence of it (although she finds that if one does not control for the size of primary studies, a few large studies drive the effect to the extent that publication bias occurs). Moreover, she estimates how different data and estimation choices affect the estimated effect systematically. The analysis is technically correct and presents the first rigorous meta-analysis on this topic (since the previous meta-analysis of Ngamaba, 2017, is short of what I consider a rigorous meta-analysis). As such, and given the interesting results, I believe a paper based on the thesis would be publishable in a good journal.

Methods

Lucie Kamenická uses up-to-date techniques (the most recent one comes from paper published in 2021), most of which are not thought at the IES: the selection model of Andrews and Kasy, the weighted average of adequately powered technique by Ioannidis et al, the stem-based technique by Furukawa, p-uniform*, Bayesian model averaging using dilution prior that accounts for multicollinearity (which is a smart choice given how many study-level explanatory variables are included in her model), and frequentist model averaging. She clusters standard errors at the study level and uses the number of observations as an instrument for the standard error. While R-codes for these techniques exist, it is not easy to apply them correctly. Lucie Kamenická manages to do so, and her thesis presents a consistent and rigorously backed flow of argument.

Literature

This is a meta-analysis, which means that topic of the thesis is a careful coverage of the literature on the topic. Here it is executed well.

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Manuscript form

The thesis is competently typeset in LaTeX and well formatted. Lucie effectively refers to all the figures and tables and did her best to make the complex figures in her thesis as readable as possible. Although the thesis is written in solid English, I think the text could have been clearer in some portions of the thesis (using more efficient argumentation and less non-native language) and that is also my major reproach. There are 16 pages of flawlessly formatted bibliography references and the most important parts of the thesis are in fact written quite well---so I am aware this it is not for the lack of ability or attention to detail but possibly, for the lack of time to proofread. This work was intensely time-demanding and it shows. Nevertheless, I strongly believe it is well-worth awarding an A.

Overall evaluation and suggested questions for the discussion during the defense

In my view, the thesis fulfills the requirements for a master's thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A. The results of the Urkund analysis do not indicate significant text similarity with other available sources.

A question for thesis defense: the funnel plot shows several outliers (values outside the main funnel). Could the author link these outliers to the factors that she finds are associated with heterogeneity in the literature?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	29
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	16
TOTAL POINTS (max. 100 points)	94
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: *Doc. PhDr. Zuzana Havránková, Ph.D.*

DATE OF EVALUATION: *May 14, 2021*

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