

Report on Bachelor / Master Thesis

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

Student:	Bc. Ekaterina Tolstoguzova
Advisor:	Doc. Petr Janský, Ph.D.
Title of the thesis:	Public investment and municipalities: who receives EU and government subsidies and why?

OVERALL ASSESSMENT

Contribution

Ekaterina Tolstoguzova wrote a very good thesis on EU funds received by municipalities in Czechia.

The thesis is a carefully prepared piece of empirical analysis, presented mostly in a clear and competent way.

In her thesis Ekaterina addresses research questions that are not so often studied and her contribution – especially if she was interested in streamlining her findings in a research article – potentially goes beyond studying the interesting case study of Czechia.

Methods

Ekaterina has applied suitable methods to interesting research questions. She first adequately discusses the data characteristics, including descriptive statistics in the appendix. She then explains the choice of her preferred methodological approach and competently applies it.

Her results and interpretation is generally sound and I do welcome how Ekaterina's interpretation of the empirical results interacts with economics and the hypotheses. There is much to welcome in the discussion of the empirical results, but of course one can also find parts to disagree with in some of the interpretations. While Ekaterina writes that her empirical findings support the hypothesis that politicians may allocate more funds to more developed municipalities to achieve greater efficiency, my interpretation would be more cautious. Indeed, her findings seem to be consistent with that hypothesis, but are also plausibly consistent with several other competing hypotheses (e.g., those municipalities having sufficient administrative capacity to apply for the EU funds). Not surprisingly, as always, there are competing hypotheses, but the methods employed – e.g., GMM – do not provide that strong support for the one hypothesis. But Ekaterina herself presents these results at a high-level as being mixed and that is appropriate in my view as more analysis and perhaps better methodology or data are needed for definitive answers to these questions.

Generally more convincing – and no less interesting – is Ekaterina's finding that the size of transfers significantly increases in the election years, which she suggests might be because politicians are channelling more financial support to municipalities ahead of elections in an effort to increase voter support.

Literature

Ekaterina has done a good job of understanding the literature and relating her research to most of the most closely related papers.

In a dedicated section 2, Ekaterina discusses the related literature, and equally helpful, if perhaps a bit lengthy at times, is her discussion of institutional background for the readers not familiar with the Czech political system or the EU funds in sections 3 or 4.

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

Manuscript form

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The thesis is written in good English. The formatting is adequate and sufficiently nice for a thesis.

There are some details that could be smoothed out. For example, there is a title for the Appendix B Additional estimation results, but no content as far as I can see. Also, the decimal places of the variables in Table A.1: Descriptive statistic of socioeconomic data could be changed so that the tax revenue variable makes as much sense as the unemployment (and for each of these, it should be labelled in what units it is measured, unemployment rate rather than unemployment only etc).

Suggested questions for the committee

Is the data sufficiently good for the research questions at hand or what specific other data you needed to be able to provide even more convincing analysis? (Relatedly and for example, you write on page 44 about "lack of data", but I was not sure what specific data you had in mind.)

In the light of your interesting empirical results, do you have any suggestions for what might change in the set up of the EU funds for the future programming periods?

Summary

In short, the thesis fulfils the requirements for a master thesis at IES, Faculty of Social Sciences, Charles University, and, in my view, Ekaterina Tolstoguzova did a good enough job of writing a thesis and I recommend **a grade of B**.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	25
<i>Methods</i> (max. 30 points)	25
<i>Literature</i> (max. 20 points)	19
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	88
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE:

DATE OF EVALUATION:

Digitally signed (13. 1. 2023)
Petr Janský

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