

Report on Bachelor / Master Thesis

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

Student:	Miro Stacho
Advisor:	PhDr. Pavel Streblov MSc
Title of the thesis:	The Czech Pharmaceutical Industry: Do specific features of the relevant market provide sufficient incentives for an effective informal regulation?

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

Miro Stacho has written a thesis on a topic that has unjustifiably not received much attention in the local academia – the role of informal regulation in the pharmaceutical industry. Miro has presented several interesting theoretical concept and showed their practical application in the case of the Czech pharmaceutical industry. As his supervisor I highly appreciated the author's commitment to the subject as he has spent considerable time and effort collecting the relevant information and has spoken to the key people in the self regulatory organizations in the Czech Republic.

In the first sections of his thesis, the author presents an overview of the relevant literature and provides a basic introduction into pricing of pharmaceuticals. After presenting some theoretical concepts on the role of self regulatory organizations in sections 5-6, the author provides a very good overview of such organizations in the Czech market, their areas of rule enforcement and potential punishment options among members for breach of rules. The most analytical part is section 8 containing a model on effects of bribes on demand, profitability and incentives to create self regulatory organizations.

I believe that the author has succeeded in presenting the specifics of the Czech market and the reasons why self regulatory bodies could have positive effect on the conduct of pharmaceutical companies operating in the market. The thesis provides a fairly good analysis of the advantages of self-regulation and also provides arguments for a more active participation of the government in making the system more efficient. I find particularly interesting author's distinction between individual types of penalties to be imposed by the self-regulatory bodies and their different effects. As a potential area of future research, the author could analyze in more detail the reasons for entering the self regulatory organizations, potential competition among such organizations and costs of staying aside.

Unfortunately, the way the author presents his findings is not optimal. Miro has decided to write his thesis in English. I appreciate his effort in this respect and he has proved his fluency, however a more detailed proof-reading by himself or a native speaker would be mostly welcome. The fact that the thesis was not sufficiently proof-read makes its reading less pleasant and in some instances difficult to understand the author's argumentation on first reading. The other more formal comment would be with respect to the graphs and tables – the way they are presented is not particularly appealing and sometimes even unclear, e.g. the whole page 16, wrong reference to figure 19 on page 42, missing definition of "B" in Figure 24 etc.

I believe the content would otherwise have deserved to be graded as A, however due to the way the findings are formally presented I unhappily recommend grading the thesis as B unless the author shows a very strong performance during the defence of his thesis.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	26
<i>Contribution</i> (max. 30 points)	28
<i>Manuscript Form</i> (max. 20 points)	5
TOTAL POINTS (max. 100 points)	78
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: Pavel Streblov

DATE OF EVALUATION: 10.6.2010



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

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

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

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 POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě