

Prof. Filip Palda, Ph.D.

Essay 1

Introduction:

This is an original essay which attempts to create a framework for measuring the transmission of cultural norms. We have a tendency to believe that cultural values have degenerated. This is a common theme of all generations throughout history. This essay shows how we can analyse “cultural decay” if such a thing even exists. In this sense it places itself in the tradition of marketing studies that seek to calculate the cumulative effect of advertising. As such this essay is poised between sociology and economics and is a daring research project for a school such as CERGE which has traditionally been focused more on mainstream economic analysis and has avoided straddling different social sciences.

What is quite exciting about this dissertation is the use not only of kitchen-sink socio-economic controls such as age and sex and education but also of psychometric data. This is the trump card of the research and I wish I had thought of this myself. The author builds momentum in her dissertation by using far more refined data than simple country dummies to measure cultural values and then correlate these with various economic outcomes. The real icing on the cake in my view is the dynamic analysis of cultural values which seeks to measure how they shift across generations. This is a particularly apt subject for study in Eastern Europe which is a natural laboratory by virtue of the extreme shift in regimes in 1989 which is fertile ground for studying extreme shifts in culture and social attitudes.

First essay:

I like this essay for its methodology. I find it falls flat however in justifying why anyone should care about whether cognitive or non-cognitive skills influence the application decision to high-school. Sorry to ask this, but, so what? Furthermore the essay begins by using sociological terms that are neither well defined and this is a shame because their formal definition will not be known to economists. What I would like to see is a better “psychology-economics interface” in this this essay.

And like almost all young researchers this one has a promising topic but does not motivate it sufficiently. Why should anyone be interested? Quite frankly the introduction to her essay is boring, which is a shame because what follows is most satisfying to read. Put 90% of the effort into the first two pages of your essay, is a fair rule to follow.

Now for some more specific comments.

I am a bit confused about the causality involved when I compare the following two passages:

- 1) For each district, I construct a measure of excess demand for academic high schools as the difference between the predicted demand for academic high schools (as expected based on district-specific conditions such as educational structure) and their supply. Similarly I define a measure of excess supply of apprenticeships by subtracting the expected demand for apprenticeships from their actual supply. These measures represent the level of risk associated with the admission process. Higher excess demand for academic high schools in the district is associated with higher risk of failing the first round of admission process and consequently of ending up at an undesired school.
- 2) The results show that education of parents and the cognitive skills strongly predict the probabilities of applying to academic high schools and apprenticeships.

Would it not be simpler to draw demand and supply curves to explain the distinction between movements along a supply curve when equilibrium is perturbed (“Higher excess demand for academic high schools in the district is associated with higher risk of failing the first round of admission”) and the parameters of the supply curve (2).

On page 18 she needs to define what “difficulty of access” to school resources means. Does this mean that someone is actively blocking parents or that parents simply don’t have the gumption to get their children into the good schools? In other words, are there artificial or natural barriers to educational entry?

Page 22. Equations should be numbered. Also all variables need to be defined. I don’t care if a reasonable person can figure out what they mean. This is simply an unacceptable way of presenting your subject matter. This is the flagship equation of the paper but it seems a confused mix between a choice criterion and a

regression. Is V operationalized? I think the dependent variable is a binary choice variable no? In any case, the development of this equation is unacceptable, though let me just say that I see what the author is up and I agree with it. She just needs to be more clear about things. Also please use articles so that this paper does not sound like it was written in Czinglish.

Page 23: I don't want to flip to the appendix to read about the Rottenberg scale. Tell me about it now. Its relevance, critiques of it, and why you are using it.

Page 26 sounds pretty close to the Nash-Equilibrium notion of rational expectations equilibrium described very nicely in the 1975 article by Grossman. Maybe some reference to this could be made?

Page 27: Is the author mixing individual level and ecological data in the regression? This should be made clear.

Page 28: The author says that high excess supply is associate with variety in apprenticeship programs without any reference. Something more is needed to justify this comment.

I am going to skip to the tables at the end of the paper rather than commenting the rest except to say that I believe that the remarkable result of this paper is the significance of non-cognitive effects for females but not for males. Does this have something to do with female intuition? I need to see a better link to the literature. I believe the author has something here but must explain to the reader the importance of her result.

End tables:

Table 1.1 what is the range of the PISA index? Same for Table 1.2 and I need to see a source at the foot of the table. Need a date for the year of household income in Table 1.3. What is the scale of the dependent variable? This by the way is an awful table. What is in parentheses below the coefficient? Is that a P value or a SD? Where are the confidence intervals? Same comments for other regressions. You need to specify what is in brackets. Also somehow clean up the presentation of the tables. The look of these is circa 1985. Why are there no interaction effects in

any of the regressions? Figures 1.1 to 1.3 are very good. Figures 1.4 to 1.9 are a bit hard to understand but acceptable. Finally, your model of school choice should be presented in the main text.

Final comment: outstanding and original essay. Only needs to be better motivated and cleaned up a bit.

Essay 2

Overview

This is an essay I think should more properly have been called something like “The measurement of cultural decay.” It deals with a HUGELY important issue which is the extent to which new generations can adapt to new economic developments by abandoning some cultural precepts and perhaps adopting new ones. This is an essay about the flexibility of peoples. Some peoples are notoriously inflexible, and perhaps this is the result of some mysterious calculation or survival principle. Repeated invasions over centuries can render subject peoples remarkably conservative and recalcitrant. They in turn may have enormous difficulty in adapting to new economic realities. So I also see this essay as being one directly applicable to questions of economic development, which is a point the authors fail to capitalize upon.

General comments

First of all I am taken aback by the sophistication of the statistical analysis, and while I can follow the gist, I have really nothing to offer by way of substantial critique of what is going on. I just wish I had learned this stuff when I was doing my Ph.D. So my comments will be restricted to the economic reasoning involved.

The choice of adherence to tradition and desire for freedom seem to me to be variables that are really just flip sides of each other. I would expect to see a very high correlation between these. And in effect Figure 2.1 seems to bear this out. So my question is why do the authors bother with both values? Why not just explain that both are highly correlated and in this sense can serve as proxies for each other, so why not just use one or the other?

Using Table 2.5a can one compute a decay factor for values?

Also, please comment on the religion coefficients. Why are they larger for Catholics than for Muslims? What does this mean?

The discussion of cultural transmission for immigrants is a bit fuzzy but potentially very important. Are immigrant values more flexible and are they rapidly

integrated into society? Also does this rate of integration vary with education and religion?

Could the authors perhaps do some simulation based on their decay coefficients of how cultural values will evolve over the next ten years?

Overall this is a fine essay but it needs just a little bit more motivation. There are so many results here that this essay alone could be the subject of a Ph.D. dissertation.

Essay 3

Overview

This is the final essay in this tour-de-force on the transmission of values and the effect of values on labour market and other economic choices. I am particularly fond of this essay because it uses an outstanding data set and is much more focused than the previous essays (though this is not a critique of those essays). I have talked about this essay at length with Professor Hanousek, especially during my visit to Prague in April 2011 and I am happy he was able to transmit some of my thoughts on this matter to his student. From what I can see all my suggestions were addressed and in this sense I have nothing further to contribute to this essay.