

# Opponent's Report on Dissertation Thesis

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Author:	<b>Martina Mysíková</b>
Advisor:	doc. Ing. Vladislav Flek, CSc.
Title of the Thesis:	Three Comparative Essays on Gender Earnings Inequality in the Czech Republic
Type of Defense:	<b>DEFENSE</b>
Date of Pre-Defense	May 23, 2012
Opponent:	<b>Ing. Jiří Podpiera, Ph.D</b>

Address the following questions in your report, please:

- a) Can you recognize an original contribution of the author?
- b) Is the thesis based on relevant references?
- c) Is the thesis defensible at your home institution?
- d) Do the results of the thesis allow their publication in a respected economic journal?
- e) Are there any additional major comments on what should be improved?
- f) Were your comments raised at the pre-defense, addressed in the dissertation submitted to the regular defense? (The pre-defense report is enclosed below)
- g) What is your overall assessment of the thesis? (a) I recommend the thesis to be defended without major changes; (b) The thesis is not defensible.

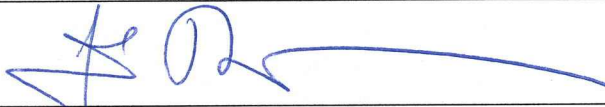
(Note: The report should be at least 2 pages long.)

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**I am pleased with the final version of the Thesis and would recommend it for defense, option (a).** I appreciated that Martina addressed my concerns with the analysis, especially adding caution to the results of the wage gap with respect to additional potential explanatory variables. As discussed in the text now, a single additional factor, such as the difference in risk aversion between men and women, could close the wage gap by about 13 percentage points. I would have the following question for the Defense:

**Perhaps Martina could speculate or guess on the Defense how much she believes the gap really could be, after adjusting for all possible factors specific to men and women that she is aware of but are hardly quantifiable?**

The discussion of the additional relevant literature also helped to set the analysis in a broader context. Finally, the new robustness analysis in Appendix 2 is also welcome. I believe that the Thesis is now sufficiently balanced and original to be defensible and to warrant a journal publication. I do not have further comments.

Date:	October 19, 2012
Opponent's Signature:	
Opponent's Affiliation:	Ing. Jiří Podpiera, Ph.D IMF

**Enclosure: Pre-Defense Report:**

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Type of Defense:	<b>PRE-DEFENSE</b>
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Address the following questions in your report, please:

- h) Can you recognize an original contribution of the author?
- i) Is the thesis based on relevant references?
- j) Is the thesis defensible at your home institution or another respected institution where you gave lectures?
- k) Do the results of the thesis allow their publication in a respected economic journal?
- l) Are there any additional major comments on what should be improved?
- m) What is your overall assessment of the thesis? (a) I recommend the thesis for defense without substantial changes, (b) the thesis can be defended after revision indicated in my comments, (c) not-defensible in this form.

*(Note: The report should be at least 2 pages long.)*

### **Content of the Report:**

**I think that Martina has done a great job in researching the topic and writing-up the Thesis; some suggestions on improving editing and originality follow.** I congratulate Martina on a well-written Thesis on a topical issue. Reading the Thesis only disturbs errors in punctuation and rarely also improper word choice. At the same time, although cited references are generally sound, some important literature has not been included. And even though the second essay was published in Prague Economics Papers, in my view, some twists could substantially increase the value of the paper. Suggestions on both follow.

- a) **All three essays contain signs of originality, although in my view, at least in one, the contribution could have been more innovative.** The first is merely a descriptive essay and that is fine. It nicely introduces the subject of wage inequality including gender wage inequality. It also makes use of appropriate methods for that purpose. The questions posted in the second essay could be, however, explored more and perhaps could be more ambitious (§b). In particular, the choice of variables in the participation equation chiefly determines the selection effect and the outcome of the second step in Heckit (§c) and thus should be motivated and tested for robustness. In addition, several innovative factors could be tested as well, since the gender discrimination is the unexplained part. One factor that comes to mind is the difference in risk aversion between men and women (§b). And finally, the last essay seems to be a mere introduction to the within-couple inequalities and it seems to be well researched and reported. Clearly, there is more work needed in terms of data cleaning and methodology to derive more sound results, which, I guess, goes beyond the scope of this Thesis.

- b) **The explanation of the gender wage gap and the size of the gender effect get only as good as the model that is used to study gender wage inequality – more variables would improve the conclusions.** If a model would explain the wage difference between men and women perfectly, there would be no wage discrimination across gender. However, common factors that are easily quantifiable do not fit the gender wage gap well. The ambition should be to account for less commonly used variables such as differences in risk aversion. Risk aversion could be a prime factor for women earning less than men since women are more risk averse, their business strategies are less risky, hence less profitable. For a reference, please see for instance [www.cepr.org/meets/wkcn/3/3520/papers/kunze.pdf](http://www.cepr.org/meets/wkcn/3/3520/papers/kunze.pdf). It would be helpful if Martina could think of factors that are not included yet in her equation and test their significance. I believe this would significantly increase the value added of the essay.
- c) **The decomposition of the gender wage gap depends on the specification of the participation equation and thus it should be explored more.** In particular, the motivation how the choice of variables in the selection equation was motivated should be discussed, since the specification impacts the selection effect. In addition, the difference across countries could be driven by some specifics of the selection process and perhaps an attempt should be made to account for all specifics across countries. The specification of the selection equation obviously impacts the results in the second step of the Heckit and thus further affects the endowment and remuneration effects.
- d) **Although the drafting is very neat, the following examples might improve the text further.** Examples of missing punctuation include: P7 “In international comparison, [comma was missing] data on...”; P18 “In order to do that , [comma was missing]

different...”, etc. Examples of improper word choice: P19 “...distribution at its both ends...” replace “ends” by “tails”. P18 “...has already drawn level...” this expression is too informal, consider rephrasing. P53 “...the age limit16-55 has been employed...” the word employed is wrongly used, I suggest to replace it with “imposed”. P60 “Firstly, the assumption...” this is not an assumption but a hypothesis, please replace.

**I recommend the Thesis for defense without substantial changes**, as I believe that it is defensible, although an attempt should be made to address the described issues with the participation equation and the innovativeness in the second essay. Publication of the first and third essay in a respected journal might require additional work towards increasing innovativeness/contribution.

Date:	May 1, 2012
Opponent's Signature:	
Opponent's Affiliation:	Ing. Jiří Podpiera, Ph.D IMF