

Report on Bachelor Thesis

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

Student:	Michal Prause
Advisor:	PhDr. Martin Gregor, Ph.D.
Title of the thesis:	Pay-to-Play Lobbying

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

The thesis submitted by Michal Prause is a well structured, high-level work in the field of theoretical microeconomics. The author in his thesis uses a framework of Pay-to-Play lobbying model in which the decision maker grants the lobbying party an access to present information to the decision maker in exchange for a financial contributions. The interest group has therefore an opportunity to affect the decision of a politician according to her own preferences.

According to my knowledge this thesis is an exceptional piece of work. It proves that the author can manage a highly-theoretical research topic, formal correctness of the thesis and even make contribution to the most recent literature published in the field in 2015. I am pleased to summarize at the beginning of this report that the author managed all aspects of the thesis well and I especially appraise the originality and contribution to the field as exceptional (on the bachelor level). Therefore, based on the quality of the entire thesis I can honestly suggest the highest grade ("1". i.e. "excellent").

The thesis first place the Pay-to-Play lobbying models within an existing literature. It describes types of lobbying, interest groups, contributions and information as the instruments of political influence. Furthermore, the thesis continues with the introduction of four consecutive Pay-to-Play models ending up by the most recent literature of Gregor (2015). The literature is clearly stated and well cited making very good impression of authors knowledge of the field.

The cornerstone of the thesis then lies in its fourth chapter in which the author defines the model of Pay-to-Play lobbying game and discusses the effect of four different policy functions on the equilibria of the game. To the author's benefit all components of the model are very clearly defined, the effects of different policy functions discussed in the thorough manner. The thesis follows in the same spirit with the analysis of the „Curse of the ex ante advantage“ and endogeneously given private values of interest groups. The author concludes his research that neither the curse nor the destruction of the lobbying industry through endogeneous valuations are robust for all policy functions discussed in the thesis.

The author is also well aware of the theoretical shortcomings of his work. When there is a speculation for an extension through discussion of additional parameter changes the author gives a brief note that he leaves the topic for examination in future studies.

In the case of a manuscript form I found a minority of deficiencies. I include following short list in the report only to provide the author with a feedback of another „pair of eyes“ which can improve the work. None of the following points are important enough to decrease the value of this thesis.

- Page 18 – footnote 3 – ..used in different a meaning..
- Page 24 – ..her decision to by backed by evidence.
- Page 26 – and and her expected policy utility
- Page 31 – This however hurts the the DM...

Summary:

I am very pleased I can strongly recommend the thesis of Michal Prause to defense at the IES FSV UK. I suggest the grade "1". i.e. "excellent."

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	28
Contribution (max. 30 points)	28
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	96
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Jindřich Matoušek

DATE OF EVALUATION: June 4, 2015


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.*

Strong Average Weak
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.*

Strong Average Weak
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.*

Strong Average Weak
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.*

Strong Average Weak
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

