

Report on Bachelor

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

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| Student: | Marie Ptáčnicková |
| Advisor: | Barbara Pertold-Gebicka, PhD |
| Title of the thesis: | Occupational regulation and its influence on the labor market: evidence from reforms in the Czech Republic |

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

Please provide your assessment of each of the following four categories. The minimum length of the report is 300 words.

The bachelor thesis by Marie Ptáčnicková investigates the effects of occupational regulation on employment and remuneration in relevant jobs. As the working example the student has chosen a reform increasing educational requirements for nurses in the Czech Republic.

Contribution

The major value added of this thesis is providing an empirical evidence documenting the effect of occupational regulation in the Czech Republic (CR). While CR is among the European countries with the highest degree of occupational regulation, there are no studies up to date analyzing the causal impact of such regulations on the labor market. Investigating the case of nurses is especially relevant these days as the requirement of at least higher vocational education for all nurses has been recently softened with the argument that strict educational requirements were (partially) responsible for low supply of nurses. Marie in her bachelor thesis shows that increasing educational requirements had little effect on individual choices to pursue a nurse profession.

Methods

Empirical investigation of the effects of occupational requirements is difficult due to presence of many confounding factors. This is probably the reason why there were no studies of this type in the CR up to date. Marie managed to identify one reform that could serve as a natural experiment changing occupational requirements and she relied on this as her identification strategy. As her main empirical method she thus chose difference-in-differences approach by comparing before and after the reform outcomes of nurses with before and after the reform outcomes of other health professionals, namely doctors. This is the closest employment group that could be identified given data limitations. Marie is aware that such comparison group might not be perfect and thus she discusses diff-in-diff assumptions in detail and provides several checks for the comparison group relevance. She interprets the results with proper caution and identifies both short and medium term effects of the reform using a flexible diff-in-diff setting.

To analyze the effect of the reform on individual occupational choices (i.e. on the probability to pursue a nurse profession) Marie conducts an event study analysis. This is a proper methodology in this case given that at the individual level one can not identify a relevant comparison group for a diff-in-diff analysis.

Literature

The literature review is rather short, but it identifies all the relevant studies and compares the methods they use and results they report to the ones in the thesis. The student refers to this literature not only in the literature review chapter but also when commenting on her results.

Manuscript form

The manuscript has a usual form, it is written in proper English, individual chapters are well connected and the whole thesis is logically structured.

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

| CATEGORY | POINTS |
|---|---------------|
| <i>Contribution</i> (max. 30 points) | 30 |
| <i>Methods</i> (max. 30 points) | 30 |
| <i>Literature</i> (max. 20 points) | 16 |
| <i>Manuscript Form</i> (max. 20 points) | 18 |
| TOTAL POINTS (max. 100 points) | 94 |
| GRADE (1 – 2 – 3 – 4) | 1 |

NAME OF THE REFEREE: *Barbara Pertold-Gebicka*

DATE OF EVALUATION:

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 |