

Report on Bachelor / Master Thesis

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

Student:	Bc. Ľubica Lasloková
Advisor:	PhDr. Zuzana Havránková, Ph.D.
Title of the thesis:	The Elasticity of Substitution between Skilled and Unskilled Labor: A Meta-Analysis

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

The topic of this master's thesis is very interesting, not only from the academic point of view, but also from the practical one. The issue of the role of skilled and unskilled labour was, is and will be a very relevant topic to all types of economy. This topic has many dimensions and levels for study. The author is oriented to the elasticity of substitution between skilled and unskilled labour by means of a meta-analysis.

The thesis is divided into six parts. After a well written introduction the author concentrates on the theoretical framework, which includes both definition of elasticity of substitution (between skilled and unskilled labour) and description of production functions. The next section moves to the empirical part of the thesis. The author here estimates the elasticity of substitution, but also discusses a very crucial thing, i.e. the "Definition of skill". The following section includes data collection and general discussion about the main findings. The penultimate sections address the issue of publication selection bias and drivers of heterogeneity, including very interesting results from Bayesian Model Averaging (BMA). The final section concludes.

Its main contribution is that it is (as author and referee both acknowledge) the first study to apply meta-analysis to the topic of the elasticity of substitution between skilled and unskilled labour. It is an innovative and interesting piece of work.

Methods

The referee find the applied methods appropriate to the aim of the master thesis.

Literature

The literature review is strong, i.e. well balanced includes both original and tried and tested sources of literature.

Manuscript form

The manuscript form is strong and very well constructed.

Summary and suggested questions for the discussion during the defense

This master thesis is well-balanced; it consists of both theoretical and empirical parts, with interesting results, an interesting literature survey, and appropriate techniques for empirical analysis.

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Questions for the author:

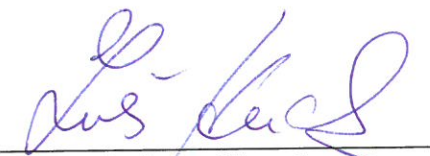
1. Through this analysis it is possible to argue about or explain wage inequality within one economy or between similar economies. But what is the opinion of the author about the levels of skills and wages worldwide (comparing for example African economies and developed ones).
2. How does the author differentiate between the many categories of skilled people in reality? Nowadays, we have a very high degree of specialization, i.e. the level of substitution between skilled people is (in many special professions) lower (PC programming and neuroscientist)
3. From the referee's point of view the empirical results from not all studies are valid in general (even though they may fulfil econometric test), but only valid conditionally, i.e. for selected samples, variables, econometric methods, etc. What is the main research advantage of meta-analysis from the author's point of view? Is it possible for example to place more emphasis on those with more current results and less on those which are older fashioned?
4. Is it true that past unskilled work is in some cases becoming more specialized and relatively skilled (eg. plumbers who these days can command high prices for the services which are more hi-tech and we can say "productive")?

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

CATEGORY	POINTS
Contribution (max. 30 points)	30
Methods (max. 30 points)	30
Literature (max. 20 points)	20
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	100
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: Prof. Luboš Komárek

DATE OF EVALUATION: 24.1.2018


Referee Signature