

Report on Bachelor / Master Thesis

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

Student:	Bc. Martin Kopeček
Advisor:	Mgr. Miroslav Polanský
Title of the thesis:	EU and State Grants Distribution in the Czech Republic: The effect of Political Connections

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 author of the thesis provides interesting information about policy of distribution of grants in the Czech Republic.

Methods

The main methodology is statistical analysis in order to confirm or reject hypothesis.

Literature

The author quotes 6 titles in core bibliography and 26 titles in general bibliography of relevant references.

Manuscript form

The text of the thesis has 65 pages, the presentation is well designed and structured into two chapters:

Chapter 1: Grant in the Czech Republic,
Chapter 2: The Effect of Political Connections

Summary and suggested questions for the discussion during the defense

The central goal of the thesis is a search for evidence of relation of political links of companies and success rate of grant's application for EU grants and Czech government grants applications. Three hypotheses are investigated:

- a) There is a significant difference in grants accessibility for political linked firms,
- b) It is harder for politically linked firms to get EU grants than Czech government grants,
- c) the ex-post audits of EU grants are more likely to find problems for politically linked firms.

Suggested questions:

Better specification of sources of suggested data (data are presented without information where they can be found).

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

CATEGORY	POINTS
Contribution (max. 30 points)	30
Methods (max. 30 points)	20
Literature (max. 20 points)	20
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	90
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE:

Prof RNDr. Ing. František Tůma, Csc.

DATE OF EVALUATION: 16. 6. 2019



Referee Signature

Review on Master thesis „EU and State Grants Distribution in the Czech Republic: The Effect of Political Connections“

Author: Bc. Martin Kopeček

Supervisor: Mgr. Miroslav Palanský

Reviewer: Prof. RNDr. Ing. František Turnovec, CSc.

The central goal of the thesis is a search for evidence of relation of political links of companies and success rate of grant's applications for EU grants and Czech government grants applications. Three hypotheses are investigated:

- a) There is a significant difference in grants accessibility for politically linked firms,
- b) It is harder for politically linked firms to get EU grants than Czech government grants,
- c) The ex-post audits of EU grants are more likely to find problems for politically linked firms.

The main step is statistical analysis in order to confirm or reject listed hypotheses (to identify correlation between success rates of companies, grants amounts and their political background). For the second hypotheses the data of the Czech and EU grants are split and their specifics compared by standard statistic framework. This provides opportunity to study various influences of grants applications. The expected contribution is to uncover these influences and some of the mechanisms of grants allocation.

The theses are divided into two parts. The first part analyses data on state grants in the Czech Republic between 1999 and 2019. In the second part this data are linked to information on political connections established through donation to parties and examine whether political connected firms are more successful in competing for state grants. The results of analysis indicates that donating companies have a 40 % higher success rate in receiving state grants compared to non-donating firms. The author finds that effect is higher for grants from the state budget than for grants from EU funds what indicates that EU funded grants are being subject to stricter regulations.

The text of the thesis has 65 pages and author quotes 6 titles in core bibliography and 26 titles in general bibliography of relevant references. The presentation is well designed and structured into 2 chapters: Grants in the Czech Republic (Chapter 1), and The effect of Political Connections (Chapter 2). What I am missing is better specification of sources of used data: Figure 3.1 (page 8), Figure 3.2 (page 9), Figure 3.3 (page 11), Figure 3.3 (page 11), Figure 3.4 (page 13), Figure 4.1 (page 13), Figure 4.2 (page 14), Figure 4.3 (page 15), Figure 4.4 (page 17), Figure 4.5 (page 19), Figure 4.6 (page 22), Figure 4.7 (page 23), Figure 4.8 (page 23), Figure 4.9 (page 24), Figure 4.10 (page 24), Figure 5.1 (page 25), Table 3.1 (page 8), Table 3.2 (page 10), Table 3.3 (page 11), Table 4.1 (page 16), Table 4.2 (page 16), Table 4.4 (page 20), Table 4.5 (page 21), Table 4.6 (pages 21-22), Table 5.1 (page 26), Table 6.1

(page 27), Table 3.1 (pages 35-36), Table 3.2 (page 37), Table 3.3 (page 39), Figure 3.1 (page 37), Figure 3.2 (page 38), Figure 4.9 (page 24), Figure 4.10 (page 24), Figure 5.1 (page 25), Table 5.1 (page 26), Table 6.1 (page 27).

The author of the thesis provides interesting information about policy of distribution of grants in the Czech Republic. The thesis are competently written and demonstrate author's creativity. Therefore I proposed evaluation of the dissertation by grade A (excellent).

June 16. 2019

A handwritten signature in blue ink, appearing to read 'F. Turnovec', with a long horizontal flourish extending to the right.

Prof. RNDr. Ing. František Turnovec, CSc.