

Report on Bachelor / Master Thesis

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

Student:	Jakub Blaha
Advisor:	Petr Pleticha
Title of the thesis:	The Stagnation of Productivity in the Czech Republic: Does the Country Suffer from Baumol's Cost Disease?

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

Contribution

This thesis investigates the concept of Baumol's disease in the Czech Republic. Although the concept as such is hardly new, the stagnating productivity of developed countries offers an opportunity for its rediscovery. Moreover, the proposition of the cost disease has never been tested on Czech or (to my knowledge) post-communist countries. Jakub's effort can thus significantly contribute to the literature, both by confirming some of the previous results using new data and by highlighting the empirical differences between Czech Republic and the traditionally market economies.

Methods

The chosen methods fit the problem at hand. The panel data regression estimation does not suggest any causal links, but the author presents no such claims. He also makes an extra effort to make the results more robust by using bootstrapping. This elevates his work and also provides additional piece of evidence in support of his results.

Literature

The thesis provides an extensive literature review which is connected to the topic. It would be advisable, however, to guide the reader through the literature in span of the whole manuscript. If the reader is presented with the most recent studies even in the results, methods and other sections, the overall message is much more convincing.

Manuscript form

The manuscript meets all the criteria of a Master's thesis. It is easy to read – even the occasional wordy parts. The author sometimes explains certain concepts twice, which is unnecessary but would be surely improved upon publication in a scientific journal

Summary and suggested questions for the discussion during the defense

In my opinion, the thesis meets the requirements of the program. It is relevant, the analytical work is sound, the manuscript is well-written, and also importantly, the cooperation with Jakub was very smooth and productive.

During the defense, I would like Jakub to talk about the differences between the countries and how can they be affected by Baumol's cost disease. What are the potential reasons for such heterogeneity? Can we learn from other countries when we would like to foresee the future trajectory of the Czech Republic? And does it give us any guidance to policy? Since Jakub merely touched upon policy implications in the thesis, it could be a great discussion to have during the defense.

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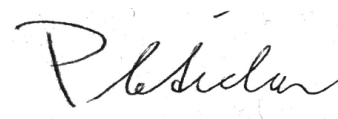
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SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	29
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	17
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	94
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: Petr Pleticha

DATE OF EVALUATION: 14/1/2020



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F