Report on Bachelor / Master Thesis

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

Student:	Bc. Vijayshekhar Nerva
Advisor:	Doc. PhDr. Tomáš Havránek, Ph.D.
Title of the thesis:	Impact of Public Health-Care Expenditure on Economic Growth

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

Let me first provide context on some of the less usual circumstances accompanying my supervision of Vijay's thesis. As one of the teachers responsible for the master's thesis seminar, I have known Vijay for a long time; prior to asking me to supervise his thesis he had already worked with at least two supervisors on two different topics. I started to supervise Vijay's thesis a bit more than a half a year ago, during the time when he again changed his topic. I must say that my expectations regarding the outcome were not exactly exuberant at that time. But after reading the final thesis that Vijay submitted, I can attest that he has really worked hard and improved a lot over the last six months. Vijay was very careful to consult with me on a regular basis (we have exchanged about 100 emails and met in person many times). Vijay's idea at the beginning was to run a panel regression to see whether health care expenditure influences growth. I am glad that in the end he was able to adopt a more advanced technique closer to the state of the art in the field and present a thesis that, I believe, is defensible.

Methods

Vijay follows the modern literature on growth determinants and uses Bayesian model averaging. He is also aware of the fact the it is very difficult to establish causality in this case. While it is nearly impossible to find good instruments, Vijay at least uses lagged values of health care. Priors for BMA that are used in the thesis could have been explained more clearly. Also, I think that it is not necessary to show country dummies in graphs of model inclusion (such as Figure 6). I appreciate that Vijay uses a robustness check with clustered standard errors.

Literature

Relatively well covered; perhaps additional recent contributions to growth regressions could have been included.

Manuscript form

When reading the thesis I understand what the author is doing. The form of the thesis, though, could be improved along multiple lines (e.g. paragraph justification, typos, consistent use of capital letters, etc). Using LaTeX for typesetting would help.

Summary and suggested questions for the discussion during the defense

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I recommend the thesis for defense. I recommend C but my assessment is consistent with any grade between B and E depending on the other referee report and Vijay's performance. The results of the Urkund analysis do not indicate significant text similarity with other available sources. At the defense Vijay should explain the priors he is using for BMA and mention what the alternatives are.

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	20
Methods	*(max. 30 points)*	21
Literature	*(max. 20 points)*	15
Manuscript Form	*(max. 20 points)*	15
TOTAL POINTS	*(max. 100 points)*	**71**
GRADE	**(A – B – C – D – E – F)**	**C**

NAME OF THE REFEREE: Doc. PhDr. Tomáš Havránek, Ph.D.

Digitally signed (14.8.2020)
Tomas Havranek

DATE OF EVALUATION: 14.8.2020

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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.*

Strong	*Average*	*Weak*
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.*

Strong	*Average*	*Weak*
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.*

Strong	*Average*	*Weak*
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.*

Strong	*Average*	*Weak*
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