

Report on Bachelor / Master Thesis

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

Student:	Pavel Fuchs
Advisor:	Petr Pleticha
Title of the thesis:	Productivity of Czech state administration with focus on IT technology and costs connected with use of modern technology

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

Contribution

The author tackles the very difficult question of state administration efficiency and how it is linked to IT investment. I believe he deserves credit solely for his ambition. Using methods going beyond the bachelor's curriculum, he delivers interesting insights into the relationship between IT activities of municipalities and their productivity. Since it is public sector productivity which is often cited as the main hindrance of the Czech economic development, the contribution of this paper is actual and substantial.

Methods

The methods are chosen adequately for the research question. Data Envelopment Analysis is not a straightforward method and the author deserves credit for using it as a tool for his inquiry. Furthermore, the author explains it in a clear, intuitive, and engaging way. Both constant and variables returns to scale are correctly used as a robustness check.

Literature

The author provides a satisfying overview of related literature. The focus on the productivity paradox might be a little forced since already the third sentence states that the paradox is actually non-existent. However, the author uses this section to mainly provide an overview of pitfalls of the used data which is welcomed and more importantly relevant for his work. The review of the literature on public organization efficiency is clear and, to the extent of a bachelor's thesis, complete.

Manuscript form

The manuscript form is in a satisfying state but an additional round of thorough proofreading would serve it tremendously. It is unfortunately not clear whether the tables with regression results contain all the regressors or just a selection (in which case the model with interaction terms is likely misspecified due to the omission of the dummies).

Summary and suggested questions for the discussion during the defense

In my opinion, the thesis does meet the requirements of the program at IES, Faculty of Social Sciences, Charles University. I do recommend it for the defense and thus suggest a grade A. The results of the Urkund analysis do not indicate significant text similarity with other available sources.

During the defense, I would like the author to describe the process of estimation the efficiency frontier. What packages did he use, what software? Was it difficult to implement?

The main focus of the defense should, however, be the interpretation of the results. Why is it the case that IT investment is related negatively to productivity? The construction of the variable suggest that selection bias is unlikely the culprit. I would like the author to attempt to provide a reasonable narrative for his findings.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	28
<i>Methods</i> (max. 30 points)	27
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	91
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: Petr Pleticha

DATE OF EVALUATION: 5/8/2021

Digitálně podepsáno (5.8.2021)
Petr Pleticha

Referee Signature

