Report on Bachelor / Master Thesis

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

Student:	**Bc. Alice Navrátilová**
Advisor:	**PhDr. Miroslav Palanský M.A., Ph.D.**
Title of the thesis:	**Political Connections and Distortions on Public Procurement Markets: Evidence from the Czech Republic**

OVERALL ASSESSMENT

Contribution

Alice Navrátilová did a good job of trying to answer an interesting research question and writing up a thesis. In her detailed analysis, Alice exploits a novel idea that could help her link political connections with public procurement. Specifically, she hypothesises that changes in municipal mayors affected the rate of new procurement suppliers following the elections. The fact that the observed effects go in different directions in the two elections of 2014 and 2018 lead Alice to investigate further the role of individual parties but, in my reading, no consistent story emerges at the end of the analysis in the thesis. While it can be quite difficult for a student to write up a thesis with such relatively inconclusive results, Alice has managed this challenge quite well.

Methods

With more than 6000 municipal mayors, Czechia provides a good case study for the analysis at hand. Also, the data used are relevant and state-of-the-art for the purpose at hand (and its restrictions and limitations are discussed). Alice applies a variety of empirical models to the data (what she calls event study, pooled and cross-section models)

In contrast to the previous literature that studied direct political links, such as donations from firms to political parties, Alice attempts to study the relationship between politics and procurement in an indirect way. This indirect approach has some advantages as well as disadvantages that Alice discusses mostly well in her thesis. While I agree that a change of mayor caused by the elections might increase the number of new suppliers in a municipality and this might be due to political connections, I can see other alternative explanations that are unrelated to political connections and that I would like to see discussed and analysed more in the thesis (than is currently the case) at least conceptually, if not empirically. Consequently, I am not sure how convincingly is Alice able to answer her main question, i.e. whether political connections are associated with the elections of new mayors reflected in the changes in the structure of suppliers.

Literature

Alice competently reviews the relevant literature on political connections and public procurement, both international and focused on Czechia. While her review is close to comprehensive, I wish she discussed the relationship between the existing literature and her thesis in more detail, in the dedicated literature section as well as elsewhere. For example, even as Alice lists four specific contributions in the final paragraph of the literature section on page 12, she does not explicitly compare her thesis' contributions to specific academic papers or streams in the literature.

Also, neither the results nor conclusions sections include a comparison of this thesis' findings with other existing research papers (while a couple of paragraphs at the end of the results section do cover alternative interpretations of the results using the existing literature; these are mostly limited to Czechia).

Manuscript form

The manuscript form is generally of sufficiently high quality. The writing is mostly understandable and the use of English is good, but surely not perfect.

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Some of the paragraphs, such as the one on page 16, are too long for an academic text in economics written in English.

The empirical part of the thesis seems to be written in the order in which Alice worked on the analysis, which is not necessarily the most suitable order in which to present the analysis to the reader. On a related note, in my opinion, the main body of the thesis includes too many tables and I would prefer more of them to be put into the appendix and, similarly, for the text to be streamlined.

Also, the tables should include labels rather than the names of the variables (e.g. "Mayor_4", "ANO_P") that are sometimes impossible to understand (and this minor issue is only partially compensated by systematically explaining the shortcuts in the notes below some of the tables – but not all of them, such as Table 4.3).

Suggested questions for the committee

What data or methods (perhaps some currently unavailable) would you need to answer your research questions (even) more convincingly or exhaustively than in your current thesis?

In addition to political connections, what alternative mechanisms or a theory could explain (might be consistent with) your empirical observations?

Could you name specific policy recommendations that are supported by your findings, if any, and what public authority or office should implement them?

Summary

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade C.

The results of the Urkund analysis do not indicate significant text similarity with other available sources. (The Urkund analysis suggests that the by far biggest overlap of the thesis is with its earlier version.)

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	20
Methods	*(max. 30 points)*	17
Literature	*(max. 20 points)*	17
Manuscript Form	*(max. 20 points)*	17
TOTAL POINTS	*(max. 100 points)*	**71**
GRADE	**(A – B – C – D – E – F)**	**C**

NAME OF THE REFEREE:

DATE OF EVALUATION:

Digitally signed (17. 8. 2021)
Petr Janský

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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.*

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.*

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

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.*

Overall grading:

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