

Report on Bachelor / Master Thesis

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

Student:	Lyudmila Stakhovych
Advisor:	PhDr. Lucie Bryndova
Title of the thesis:	Economic Efficiency of Saving Human Lives for Developing Economies: Comparison of Ukraine and Russia

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

The thesis is focused on the interesting but quite complex and controversial topic with little straightforward evidence of a relationship between economic development and health status of the population. This is supposed to be applied to the situation of 2 transiting countries Russia and Ukraine. The work is well structured and research questions are clearly defined at its beginning. However, the content of the work do not corresponded to the title and the work itself does not provide satisfactory answers to the research questions raised at the beginning: How crucial bad health of the population for the economy of the country? If morbidity and mortality of economically active population would decline, what economic benefits can it bring? What actions are to be taken by a government to achieve desirable results, such as decreasing premature death rates?

The work covers approximately 60 pages, structured into 4 chapters. However, from the point of view of research question, too much attention is focused to the descriptive chapters 2 and 3 that account for more than 60% of the study. These chapters are also sometimes irrelevant to the period of years for which data are analyzed. Descriptions focus on years before or after the analyzed years 2000-2008.

The introductory chapter covers well the economic growth theories. Although the research questions are legitimate and interesting, there are several concerns related to the methods and variables used and conclusions drawn:

1. The descriptive statistics for better understanding and knowledge of selected variables is missing. One can only guess what is the dependent variable analyzed.
2. The selection of explanatory variables is very, very questionable. For example, life expectancy, which is chosen as a proxy for health status of the population is usually by long-term factors, in this case it is most probably explained by the quality of health system before transition period. It does not captures the quality of life of the working force which is primarily responsible for the productivity and economic output. The number of other publicly available indicators would probably provide better results.
3. Another concern is regarding the utilization of amount of investment in % of GDP as an independent variable. Again, the effect of investment probably is probably postponed to later years.
4. The student should commit more effort to the choice of explanatory variables after finding out that „the results (of OLS) are of no help for our analysis (page 45)“.
5. The calculation of the economic costs of changing demographic structure of the population is oversimplified. It does not take into account the fact that increasing number of the population in the economic years could only increase the unemployment rate and does not have to transform into increase of production (it was mentioned on several parts of the study, that the economic growth of Russia was result of changes in oil prices). The calculation omits the data about number of people emigrated from the country in the studied age group. This is also part of the workforce that could contribute to the economic development of the country.

Suggested question for defense:

1. Based on the literature of economic growth and relationship between health and wealth that you have studied, would it be better for transitory countries to invested limited resources into improvement of physical capital or human capital. In which of these would you invest first?

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	13
<i>Methods</i> (max. 30 points)	10
<i>Contribution</i> (max. 30 points)	10
<i>Manuscript Form</i> (max. 20 points)	13
TOTAL POINTS (max. 100 points)	46
GRADE (1 – 2 – 3 – 4)	3

NAME OF THE REFEREE: *Mgr. Henrieta Madarova, M.S.*

DATE OF EVALUATION: *Sep 1st, 2010*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

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

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

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 POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě