

# Report on Bachelor / Master Thesis

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

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<b>Title of the thesis:</b>	<b>Position of Minorities in the U.S. Labor Market</b>

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

In this work the author studies the racial discrimination in the US labour market. The work is organized in two main parts. First part involves the theoretical treatment of discrimination phenomena in general and then focusing on the racial discrimination. The second part is the empirical finding where the author uses econometrical modeling to identify and measure the discrimination level. The author compares the racial discrimination of two periods, 1980 and 2007, using the data from American Community Survey.

The topic under research is really interesting and considering the level of studies of the author the quality of the work is high. However we have the following remarks:

- In Section 5.1, when data and variables used are introduced the author makes indexing of the 1980 wage variable for the year 2007 using the CPI. The variable used in the regression though is the  $\log(wage)$ , what is the reason for using the  $\log$ ? Given that the variable used in the regression is of the form " $\log(wage_t)$ ", is the indexing really necessary? Why?
- In addition to the previous point, the top coded wages are adjusted (multiplied) by a coefficient 1.4. I see the reference, but would expect some more explanation from the part of the author.
- Again in Section 5.1 regarding the reason of the use of variable " $experience^2$ ". The following question is hypothetic, it does not raise in this work: What would be the problem of using just " $experience$ " in a Fixed Effects estimation and also having the time dummies, for e.g. 3-4 time periods (*hint: ... dummy variable trap*)?
- There are some inconsistencies (in several cases) with respect to notation in matrix form: e.g. Eq. (11)  $\log(wage) = \mathbf{Xb} + u$ , the dependent variable and the error term should also be in bold (according to the notation introduced by the author himself).
- Regarding the citing style it would be more appropriate to use the form e.g. *Landale et.al. (2006)* rather than Landale, Oropesa, Bradatan, 2006.
- Regarding results presentation, Section 5.3: "*... sometimes a picture is worth a thousand words*". It was difficult to follow the results and especially to compare them within groups (races) between 1980 and 2007. In addition to word explanation some graph representation would have made things easier.
- The author does not mention the software used for conducting the research. In case of "*command line*" software the code should have been submitted.
- Finally, the conclusions. This section is really long and is more like a (long) summary of all the work. In addition it includes a table of results (Table 9), which is not acceptable.

In the case of successful defense and correctly answering the above questions, I recommend „**velmi dobře**” (*good 2*).

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Literature</i> (max. 20 points)	16
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	12
<b>TOTAL POINTS</b> (max. 100 points)	<b>78</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>2</b>

**NAME OF THE REFEREE: Mgr. Krenar Avdulaj**  
**DATE OF EVALUATION: 03.06.2012**

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**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	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě