

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Radek Halamka</b>
<b>Advisor:</b>	<b>Matěj Bajgar</b>
<b>Title of the thesis:</b>	<b>Determinants of Subjective Well-Being: Comparison of Developed and Developing Countries</b>

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

The thesis asks if different factors determine human life-satisfaction in countries at different levels of economic development, and finds some interesting results:

- life-satisfaction increases with household's income percentile within a country substantially more in low-income countries
- life-satisfaction increases with national income per capita also more in low income countries
- life satisfaction substantially decreases for the in middle and high-income countries, but not in low income countries, where the concept of unemployment is rather meaningless
- life-satisfaction increases with democracy only in high-income countries
- life satisfaction is substantially lower in countries with communist past

The thesis offers a comprehensive overview of literature on the determinants of subjective well-being, discussing most or all main contributions in the field. The literature overview is well structured and discusses the past research in terms of the data it used, its methodology, the definition of subjective well-being employed and the variables considered. The author demonstrates a strong understanding of the ongoing debates in the field and of the underlying methodological issues. One thing I would not easily agree with, is the author's claim that the reliability of the measures of well-being is now rarely contested.

It effectively motivates the need to distinguish between the determinants of happiness in high and low income countries. It carefully describes the choice of data and methodology, and advantages and disadvantages of alternative options in both cases. It also devotes large space to discussing different variables, how they are measured, what the past results with them have been and which theory lies behind them.

The results are presented in reasonably clear way, although the discussion would be improved if the author spent more time explaining how big effects given changes in explanatory variables will have on life-satisfaction. Ordered probit has different marginal effects for each value of the dependent variable, which makes interpretation of results tables difficult. When combined with the fact that the thesis compares results in different groups of countries, the interpretation of the tables becomes a challenging task. More discussion on economic size of the effects of different variables would help a lot.

Another potential drawback of the thesis is that it throws many different variables into one pot without much theory on how they interact with each other. The number of the variables included exacerbates the interpretation problems mentioned above. It is also extremely difficult to make any claims about causality based on these results. But all these criticism equally apply to much other research on happiness economics.

The thesis is well structured and quite well written, although at times the writing is not as smooth as it could be. The graphs in the text are useful, a wider use of graphical tools would be welcome.

All in all, the author demonstrates detailed knowledge of the field and identifies a way in which he can contribute to it in a substantive way. He presents an interesting and important hypothesis and finds convincing supportive evidence for his hypothesis in the data. The thesis meets even very high standards in terms of its contribution, method and presentation.

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

CATEGORY	POINTS
Literature (max. 20 points)	19
Methods (max. 30 points)	26
Contribution (max. 30 points)	28
Manuscript Form (max. 20 points)	17
<b>TOTAL POINTS</b> (max. 100 points)	90
<b>GRADE</b> (1 – 2 – 3 – 4)	1

**NAME OF THE REFEREE:** Matěj Bajgar

**DATE OF EVALUATION:** 3th June 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	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě