

Report on Master Thesis

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

Student:	Bc. Michal Šoltés
Advisor:	PhDr. Jaromír Baxa, Ph.D.
Title of the thesis:	Endogenous Growth Model, Distance to Frontier, and Labour Market Institutions.

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

The aim of the thesis is to study the impact of the unemployment insurance on the economic growth in the context of different economic environments - developed/developing countries. The attention is focused on the problem whether the extent to which a country is developed matters when deciding about unemployment benefits. To study his research question the author uses an endogenous growth model which is a useful tool for this type of analysis.

In the first section, the author provides an exhaustive review of related literature including an overview of the development of growth models and their usage for similar research questions. I appreciate that the chapter is nicely structured and the motivation for the analysis fits into the literature gap. Often the problem with bachelor and diploma theses lies in the fact that the contribution is not highlighted enough. This is not a problem in this particular case since the contribution to the literature in the field is clearly stated and appropriately justified. It is obvious that the author spent a considerable amount of time both studying relevant articles and writing the thesis itself.

The second chapter presents the model. Here I would suggest using a more complex production function with labor which I think is a standard approach and would be even more beneficial when examining aspects of the labor market. Does the author have any explanation why he chooses to use the production function in the form presented by the equation (3.1)? Moreover, I would prefer the setting with infinitely living households. Why the author opted for a household living for one period? What is the rationale behind this decision?

In the chapter 4 I would appreciate a table summarizing values of all calibrated parameters and their sources for calibration.

I am quite confused by the empirical chapter placement and I think that it should follow the literature review and thus contribute to the motivation for building such a model. Now it is not very clear whether the author seeks to empirically demonstrate the results of the simulation or vice-versa tries to build a theoretical framework for the observed reality. One more question relates to the dataset which contains years 1991-2010. Are more recent data not available?

Overall, I think that the thesis fulfills all formal requirements and I recommend it for the defense suggesting the grade A (výborně, 1).

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	24
Contribution (max. 30 points)	28
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	92
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Vědunka Kopečná

DATE OF EVALUATION: 15.6.2016



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