

Report on Bachelor / Master Thesis

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

Student:	Bc. Adriana Pinlová
Advisor:	Mgr. Roman Kalabiška
Title of the thesis:	The Political Budget Cycle of Municipalities in the Czech Republic

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

Short summary

This thesis investigates political budget cycles in Czech municipalities, focusing on whether politicians manipulate budgets in election and pre-election years in order to increase their chances of re-election. The thesis uses extensive data on all 6,254 municipalities from 2010 to 2022. It uses recent data to validate and compare earlier findings and uniquely analyzes smaller municipalities' behavior, which has not been studied in this scope before. Additionally, the thesis offers a comparative analysis of various types of municipalities.

Overall, I think Adriana has an extraordinary job on her thesis, which I very much enjoyed reading. It is well-written and structured and I learned a lot. I only have a few minor comments and questions below.

Contribution

I think this thesis advances our understanding of how municipalities spend their budgets around elections. It goes to quite some detail, making the analysis quite comprehensive and useful. I also applaud the author for the extensive data collection involved (mainly related to who was mayor in each municipality) which can be viewed as another significant contribution of the thesis.

Methods

Overall, I find the used methods appropriate for the research question at hand and well implemented, although I am not entirely convinced by some of the interpretations of the results. For example, in Table 6.4, I am a bit worried that the standard errors might not be calculated properly for the summed coefficients of the interaction terms (i.e. in line starting with "trad_party | pre_ele_year" – it currently seems to me like the coefficient for "trad_party", which is statistically insignificant at the 10% level, is simply added to the interaction term's coefficient).

One minor comment: one thing I would have welcomed more of is to put the numbers a bit more in context. When we see results expressed in terms of increases of expenditures in CZK per capita, does this mean a lot as a percentage of current expenditures? For how many municipalities does this represent a significant amount of money?

I also think more could have been done in Section 6.2 on the different categories of expenditures – mainly because I quite like this direction of research and was looking forward to reading even more about it. For example, is there some theoretical argument to expect some categories of expenditures to be more sensitive to the political budget cycle? Do the results confirm or refute such hypotheses? But I am only suggesting this as a potential further direction (for example in case the author wanted to send the manuscript to an academic journal, which I would strongly recommend!) rather than criticism of this thesis, which already goes to a decent scope of what I would expect from a great Master's thesis at our Institute.

Literature

Although this is not my direct field of expertise, so I do not know the literature so well, it seems that Adriana was able to identify well the most important literature, and ties her thesis well to these papers. The literature review is well structured and guides the reader well through the various areas of work that had been done.

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Manuscript form

The thesis is very well-written and I very much enjoyed reading it. It is clear that the author has taken the time to carefully read and edit the text and to think about the presentation of her results. Typos are close to non-existent. Great job overall.

Overall evaluation and suggested questions for the discussion during the defense

One suggested question for the defense: On pp. 37-38, you write: "It can be posited that independent candidates have relatively lower personal political aspirations and are more oriented towards maximising social welfare." What exactly do you have in mind as a mechanism for this claim? That they do not wish as much to be re-elected? This is a relatively easy thing to check empirically (by looking into whether independent candidates tend to be candidates fewer times than those from established parties) – perhaps some work has done this already and could support this hypothesis? (As a side note, I think this should indeed be a hypothesis, perhaps supported (or not) by some empirical evidence, but definitely not something that "can be posited".)

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 A.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	29
<i>Methods</i> (max. 30 points)	28
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	97
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: PhDr. Miroslav Palanský, M.A., Ph.D.

DATE OF EVALUATION: 23.1.2024

Referee Signature