

Report on Master Thesis

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

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| Student: | Jan Hanzal |
| Advisor: | Doc. Zuzana Havránková, Ph.D. |
| Title of the thesis: | Socioeconomic predictors of alcohol consumption in the Czech adult population |

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

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

The thesis aims to find out socioeconomic predictors of alcohol consumption in the Czech Republic. It employs a cross-sectional and panel data analyses, each on a different data set. A number of robustness checks are included. Results of the cross-sectional model is divided into three analyses, where (1) only non-zero drinkers are considered, tested through OLS, (2) also zero drinkers are considered and (3) binge drinking is analyzed.

The results show that alcohol is income inelastic revealing characteristics of normal goods. Marriage showed to be protective against heavy alcoholism and more educated people drink less. The participation model assessing odds of drinking/abstaining brings interesting results too, though not very significant and inference can hardly be made. Also for binge drinkers, education plays a protective role and unemployment increases the probability of being more frequent binge drinkers. In the risk-drinking model, the author confirms the hypothesis that income has a non-linear effect, whereas unemployment always increases the risk of risky drinking.

Not surprisingly, it has been found that standard and pathological drinkers reveal very different patterns. The panel data analysis generally confirms the results of the cross-sectional sample.

In addition, differences for males and females were found in both cross-sectional and panel data analysis, though not very statistically significant.

Contribution

In the literature the effect of socioeconomic status on drinking behavior is country-specific. In the literature, in Czech studies, lower education was associated with higher levels of drinking, whereas in Finland and China, mostly more educated women were involved in drinking as opposed to men 25-44 where lower education attainment played a role.

The thesis thus nicely adds to the stream of literature providing a very comprehensive picture on sociodemographic characteristics of drinking in Czechia.

The results of the thesis could also be used by policy-makers when alcohol consumption needs to be targeted.

Methods

To deal with a large number of zeros, the author uses a two-part model in the participation model. To model binge drinking, non-proportional odds model is used. To capture the fact that alcohol is an addictive good, a panel data analysis is carried out.

Together with additional models and robustness checks, the results of the thesis are robust. Model restrictions and assumptions are sufficiently tested.

In overall methodology is well used, described and is appropriate.

Literature

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Literature review sets the thesis into a context. The sources are well cited. Literature nicely backs up the results of the thesis and supports authors ideas.

Manuscript form

The thesis reads well. The author uses academic English. It is easy to follow ideas of the author. I have only minor issues with manuscript:

- Model in the literature review section is not appropriate.
- sometimes fillers are used, e.g. p. 7 „slightly older paper“.
- There is not clear division between methodology (3.1) and data section (3.2). Data is already described in Methodology on p. 13, but would be more appropriate in the data section (3.2.)
- Typo p.11 type: „estiimating“
- In the literature section, I would suggest explaining only the models that the author actually uses, thus description of ordered logit model can be avoided.

Overall evaluation and suggested questions for the discussion during the defense

This thesis is a well written academic piece of work that exceeds the standars of a master thesis at the IES, Faculty of Social Sciences, Charles University. There is hard work behind. I definitely recommend the author to publish a paper from the results of the thesis.

I particularly liked the discussion of the results. The author nicely compared the results of both of the analyses as well as as well as compared his results to those obtained in the academic literature.

I recommend the thesis for defense and suggest a grade A.

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

Questions for the defense:

- Could the health variable in the model entail endogeneity and thus bias the results? Specifically, I would assume that pepole with poorer health would drink more alcohol as you found out in the panel data anylisis. But the effect could be reversed as well – those who drink are of poorer health. Discuss.

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

| CATEGORY | POINTS |
|---|---------------|
| <i>Contribution</i> (max. 30 points) | 30 |
| <i>Methods</i> (max. 30 points) | 30 |
| <i>Literature</i> (max. 20 points) | 20 |
| <i>Manuscript Form</i> (max. 20 points) | 27 |
| TOTAL POINTS (max. 100 points) | 97 |
| GRADE (A – B – C – D – E – F) | A |

NAME OF THE REFEREE: *PhDr. Jana Votápková, Ph.D.*

DATE OF EVALUATION: **September 5, 2022**

Digitally signed (5.9.2022)
Jana Votápková
Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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.*

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.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

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.*

Overall grading:

| TOTAL | GRADE |
|----------|-------|
| 91 – 100 | A |
| 81 - 90 | B |
| 71 - 80 | C |
| 61 – 70 | D |
| 51 – 60 | E |
| 0 – 50 | F |