

Report on Bachelor / Master Thesis

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

Student:	Bc. Peter Kravec
Advisor:	Prof. Tomáš Havránek
Title of the thesis:	The Effect of Financial Incentives on Vaccination Rates: Quasi-Experimental Evidence from Slovakia

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

Short summary

Petr Kravec's is the best thesis I have supervised during the last two years at least. It is extremely strong on all fronts: an eminently interesting research question, modern identification strategy, excellent execution, great English and writing style. I also stress that the research topic was Petr's idea, not mine: I originally wanted him to do a meta-analysis. His results are technically correct, useful, and very plausible. I have no doubt a paper based on the thesis will be publishable in a solid international journal. This is exactly the sort of modern research that we should encourage students to do. I urge the committee to consider awarding Petr a distinction for an extraordinarily good MA thesis. In addition, the committee should try to persuade Petr to pursue a PhD degree, a persuasion in which I haven't been successful.

Contribution

The thesis has strong scientific and practical contribution: financial incentives make people more likely to get vaccinated. Petr also computes the number of lives saved (211-461) and concludes that, based on plausible assumptions in a cost-benefit analysis, the incentive scheme in Slovakia did not pay off. I am not aware of any comparable research on this topic, at least at this level of rigor. I believe the importance of the study goes far beyond the Covid experience and can be eminently useful, for example, in motivating people (or not?) to get their annual flu shots.

Methods

The author uses a modern quasi-experimental method, regression discontinuity design. This is possible because the incentive scheme was only offered to old people. So, by comparing people just below and just above the eligibility threshold, we can identify the causal effect. Note how superior the approach is to blind applications of panel regressions, sadly so common in other theses.

Literature

The relevant literature is discussed well.

Manuscript form

The thesis is written in good English and typeset competently in LaTeX. Here I subtract 2 points, because a bit more care could have been devoted to the formatting of some tables and figures. But that's a very minor issue.

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Overall evaluation and suggested questions for the discussion during the defense

In my view, the thesis fulfills (indeed, greatly exceeds!) the requirements for master's thesis at the IES, Faculty of Social Sciences, Charles University, I recommend it for defense and suggest a grade A with a distinction. The results of the Urkund analysis do not indicate significant text similarity with other available sources.

Petr should also apply to various competitions for the best thesis + the Czech Economic Society's Young economist award. His chances are high.

Question for defense: please discuss the importance of the value of statistical life for the results of your cost-benefit analysis. Also, how much do you take into account the fact that part of the financial transfer goes back to the government in taxes? Plus, strictly speaking, it's not entirely a cost, it's a redistribution of money from the government to (some) citizens – so, effectively, from some citizens to other citizens. Could considerations along these lines change your result?

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

CATEGORY	POINTS
Contribution (max. 30 points)	30
Methods (max. 30 points)	30
Literature (max. 20 points)	20
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	98
GRADE (A – B – C – D – E – F)	A*: distinction

NAME OF THE REFEREE: Prof. PhDr. Tomáš Havránek, Ph.D.

DATE OF EVALUATION: 11.1.2023

Digitally signed, Tomas Havranek

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