

Report on Bachelor / Master Thesis

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

Student:	Nikola Bošković
Advisor:	Matěj Bajgar, D.Phil.
Title of the thesis:	Impact of government subsidies on the quantity and quality of movie production

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

Short summary

This thesis estimates the impact of subsidies on the quantity and quality of movie production in Czechia. It uses data from the Czech Film Fund to compare movies that ended up below and above the threshold for subsidies, providing a nice opportunity for causal identification using regression discontinuity design. The author finds that the subsidies increase the likelihood of movies being made. Interestingly, the thesis does not find a significant impact of subsidies on the quality of the supported movies.

Contribution

This thesis is a nice example of a useful empirical exercise in a setting that has not yet been explored thoroughly, but warrants investigation. In this light, I find the contribution of the thesis well above the average of Bachelor theses at our Institute. I appreciate the author's work with the data obtained from a non-public source and used in a sensible way to answer an interesting research question. Well done!

Methods

I find the methods used in this thesis to be appropriate to the question at hand, and they are used correctly. Utilizing data that is not publicly available, the thesis is able to convincingly use a regression discontinuity design to estimate the causal impact of subsidies on the likelihood that a movie will be made. The author reports that existing literature has relied largely on correlations rather than attempting to establish causality, so in this sense the thesis provides a clear methodological improvement over existing work.

Literature

The apparently scarce existing literature seems to be reviewed well, although I am not an expert in this area. I like that the author focused closely also on the literature related to the used methods (i.e. mainly the regression discontinuity design).

Manuscript form

The thesis could benefit from further proofreading. Typos and grammatical errors are relatively common. Some wording is not very scientific (e.g., in Section 2.7: „... I am almost sure they will not cease to exist...” or in Section 3.2: „This result seems reasonable to me...“). Labels in figures are written in very small font. Tables are not designed in a standardized way and could benefit from further work.

Overall evaluation and suggested questions for the discussion during the defense

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 B.

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

I suggest the following questions for the discussion during the defense:

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1. Can you further explore your policy recommendations?
 - a. Specifically, how should the fund balance between supporting high-quality films and those with better commercial potential?
 - b. Perhaps beyond the economic perspective, how do you think government subsidies have influenced the cultural landscape of Czech cinema?
 - c. Based on your reading of the data, has there been a noticeable shift in the types of films produced as a result of these subsidies?
 - d. If government subsidies were to be reduced or eliminated, what do you predict would happen to the Czech film industry? How would this change likely affect both the quantity and quality of films produced?
2. You write in Section 2.5: „the projects scoring just above the threshold tend to only get a part of the requested subsidy.“ Is this a problem for your empirical design? Could this have impacted some of your results? Why and how?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	28
<i>Methods</i> (max. 30 points)	28
<i>Literature</i> (max. 20 points)	19
<i>Manuscript Form</i> (max. 20 points)	14
TOTAL POINTS (max. 100 points)	89
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Mgr. Tereza Palanská, M.A.

DATE OF EVALUATION: August 26, 2024

**Digitally signed (August 26, 2024):
Tereza Palanská**

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