

HABILITATION THESIS REVIEWER'S REPORT

Masaryk University

Applicant

Ing. Mgr. Lucie Coufalová, Ph.D. et Ph.D.

Habilitation thesis

Lost in Transition and Ballot Papers: Four Papers on Economic Policy

Reviewer

Prof. Dr. Zohal Hessami

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The habilitation thesis submitted by Lucie Coufalová consists of an introductory chapter plus four stand-alone research articles, which all have been published already. Two of the papers deal with the communist legacy of the Czech Republic and the challenging transition to a market economy, while the other two papers are local political economy papers that study voting behaviour in a modern democratic setting. One paper is single-authored, while the other three papers are co-authored with one or two colleagues. There is a statement enclosed in the thesis, which clearly indicates that Lucie Coufalová's contributions to all four papers are substantial.

Let me first say that it was a pleasure to read the habilitation thesis as Lucie Coufalová has an excellent writing style and in all papers it is very clear what the goals and results are. Given the polished nature of the papers, it is no surprise to me that they all have been published in suitable and highly-esteemed international peer-reviewed journals. This is a laudable achievement at this stage of her career and will allow her to become a well-cited and established scholar. It is also a good strategy to essentially use one dataset for at least two papers – which is what she did – to achieve the level of productivity necessary to become known in the field.

In all four papers, Lucie Coufalová clearly states the relevance, the exact question of interest, the setting and limitations, the data used, the methodology applied, the results uncovered, and the conclusions drawn. The first two papers rely on in-person interviews with more than 100 respondents to understand what exactly happened in the transition from a centrally-planned to a market economy. The exploratory nature of her qualitative approach fits well with as we indeed know little about this subject. The first paper uncovers specific problems faced in the transition. The details of the insights gained through her analysis are unique, while at the same time not too surprising. The second paper addresses access to bank loans during the period of transition. The key insight is probably that loans were in large parts allocated inefficiently, i.e. based on government pressure, firm size, etc. rather than actual profitability and potential. This can be considered as an important obstacle to jump-starting a market economy and was likely underestimated by policymakers at the time. To sum it up, the first two papers provide unique insights that can be instrumental in formulating detailed recommendations for future transitions of other countries to a market-based economy.

The second set of papers uses data on preferential voting for Czech national parliament elections. In the first paper, Lucie Coufalová and her coauthors use the data to study homophily in voting. Especially, congruence in education, age and residential location appear to matter for voting decisions. Interestingly, congruence of in the local population gender

shares with candidate gender is the only variable that is significant for the full sample but not for small municipalities. An impressive set of robustness tests confirm the baseline results. The last paper studies whether being listed on the second page of a ballot comes with an electoral disadvantage for candidates, which the results indeed confirm. Balance tests comparing characteristics of candidates at the bottom of the first and the top of the second page confirm that the effect is not likely to be driven by parties' strategic placement of candidates. This is further reinforced by the fact that none of these candidates ever get elected to parliament. The paper links up with a very insightful and growing strand of literature on ballot design. Again, a number of robustness tests confirm the key finding.

To conclude, Lucie Coufalová has (co-)authored four excellent papers that make significant contributions to existing literature in comparative economics / economic history and political economy. She showcases her deep understanding of various strands of existing literature as well as her competence in applying a broad set of methods. All four papers are characterized by deep reflection and a solid understanding of what the contributions (but also what the limitations) of the papers are.

Reviewer's questions for the habilitation thesis defence:

- 1) Based on the first two papers: what would be concrete practical recommendations that you can formulate for other countries that may experience a transition to a market-based economy (based on your findings)?
- 2) Were most of the findings of the first two papers unsurprising to you? If any, what was the most surprising finding to you?
- 3) Regarding the third paper on homophily: I was intrigued by the fact that the gender effect is not confirmed in the small municipality sample. How would you explain this?
- 4) Is it really possible to empirically discriminate between homophily (I guess this is some pure sympathy for persons similar to oneself?) and expected congruence in policy preference? You are able to filter out the party-level policy differences, but voters may also expect singular candidates to stand for different policies.
- 5) The local resident homophily effect in particular could simply reflect a rational (i.e. a direct benefit) rather than an emotional (i.e. sympathy) decision. In federal systems, having an MP from my hometown in parliament could mean that more resources are directed to my hometown. Is this a likely explanation in the Czech setting?
- 6) While interesting from a scholar's point of view, what is the practical relevance of the findings in the fourth paper? The candidates (before/after the page break) appear not to matter at all for the allocation of parliamentary seats. Would it be a worthwhile endeavor to analyze how this "penalty" affects/delays political careers?

Conclusion

The habilitation thesis entitled *Lost in Transition and Ballot Papers: Four Papers on Economic Policy* by Ing. Mgr. Lucie Coufalová, Ph.D. et Ph.D. **fulfils** requirements expected of a habilitation thesis in the field of Economic Policy.

Date: August 17th, 2024

Signature: 