



Annex No. 11 to the MU Directive on Habilitation Procedures and Professor Appointment Procedures

## HABILITATION THESIS REVIEWER'S REPORT

**Masaryk University**

**Faculty**

**Procedure field**

**Applicant**

**Applicant's home unit,  
institution**

**Habilitation thesis**

**Reviewer**

**Reviewer's home unit,  
institution**

Faculty of Economics and Administration  
Economics

Ing. Rostislav Staněk, Ph.D.

Department of Economics, Faculty of Economics and  
Administration, Masaryk University

Tax and Regulatory Compliance: Three Experimental  
Studies

doc. PhDr. Mgr. Silvester van Koten, Ph.D.

Department of Economics, Faculty of Economics,  
University of Economics, Prague

I read the habilitation of Dr. Rostislav Stanek, entitled "Tax and Regulatory Compliance: Three Experimental Studies". The habilitation is interesting and well-written and presents new and interesting scientific results.

The theme of the habilitation is regulation, especially enforcement and compliance for different tax and sanction regimes. I focus on the core of the manuscript, the three original scientific studies. Dr. Stanek presents in the habilitation three research pieces that shows how tax audit regimes (enforcement and sanction regimes) affect choices of compliance. The topics are especially relevant, as efficient and compliant taxation is a key issue for any state or nation.

The research addresses a number of issues within the main theme. In the first study, an endogenous (competitive) tax audit regime is compared to a random one. An important feature of this study is that, ex ante, the expected number of checks is equal for all treatments. This is in my opinion a very important condition, and Dr. Stanek corrects what I regard as a glaring oversight in the earlier literature. A main result is that the endogenous tax regime increases compliance.. This is an important, policy-relevant result

The second study further studies the effects of endogenous and random tax audit regimes on conceal activities. A main result is that an endogenous (competitive) tax audit regime increases compliance and lowers is concealment activities. This is also an important, policy-relevant result

The third study further studies the effects of rules and discretion in a regulatory environment. Either the decisions of a welfare-maximizing officer or a rule will be used to give a sort of insurance to a group of subjects. The officer has discretion, and may be liable to time-inconsistency. The rule is not liable to time-inconsistency, but is not welfare maximizing, as giving insurance increases welfare by 33.3%. The effect of the regimes is tested and the one with discretion is shown to be more efficient – to attain a higher level of welfare. Paradoxically, but in line with earlier theory, subjects mostly preferred the rule, even though this results in a lower welfare.

All three studies develop a theoretical model, rigorously analyze the model, and derive predictions. The experimental studies seem to have been designed and executed skillfully.

I believe the research findings are important from the viewpoint of theory, but also for the more applied field of development economics and policy.

**Concluding, I believe the habilitation fulfills the criteria for the award of the docent title.**

I recommend the author to polish the studies – some language polishing and a better organization is needed (perhaps a table with all the previous studies that are discussed and then by whom, on what field (taxation or environment) and main results regarding endogenous/random tax audit policies) – and to submit them as article(s) to decent or good international journals.

**Reviewer's questions for the habilitation thesis defence** (number of questions up to the reviewer)

1. please explain why you employ experimental methods to address your research questions.
2. Explain why neutral framing was used.
3. No power estimates were made for any of the experiments. I would like to know if the experimental test were sufficiently powered. Specifically, I would like to know how List et al. (2011) could be used to add these missing power estimates.  
List, J. A., Sadoff, S., & Wagner, M. (2011). So you want to run an experiment, now what? Some simple rules of thumb for optimal experimental design. *Experimental Economics*, 14(4), 439.

### **Conclusion**

The habilitation thesis entitled "Tax and Regulatory Compliance: Three Experimental Studies" by Rostislav Staněk **fulfills** requirements expected of a habilitation thesis in the field of Economics.

Date: **Bangkok, 26.08.2019**

Signature:

