

Report on Bachelor / Master Thesis

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

Student:	Bc. Matěj Ehrlich
Advisor:	Petr Janský, Ph.D.
Title of the thesis:	Foreign direct investment spillovers and tax havens

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

Contribution

Matěj Ehrlich wrote a very good, policy-relevant empirical thesis on the role of tax havens for spillovers from foreign direct investment (FDI). With tax havens and related tax avoidance high on the media and policy agenda in the European Union and elsewhere, Matěj addresses a research question on a very topical issue – and there is thus also a relatively good chance of policy makers and others being interested in the results of his work.

Matěj clearly explores a well-defined gap in the existing research – the difference between tax havens and other countries when it comes to otherwise very well-developed literature on FDI spillovers. Matěj claims to have found evidence that investments from tax havens are associated with fewer productivity spillovers to the supplier sectors. Matěj's thesis is one of the first contributions in this largely unexplored area and I believe other researchers should follow in his footsteps.

In terms of Matěj's contribution, I should clarify that I have come up with the topic for his thesis. Matěj took an exceptionally long time working on his master thesis and, to my surprise, he submitted now after a short spell of intensive work that he has carried out mostly on his own. It is a pity that he was not able to incorporate a number of the suggestions that we discussed at the beginning of his work on the thesis, including the more detailed breakdown of tax havens (having a spectrum of them rather than focusing on an offshore and onshore distinction) or the desirable extension of the meta-analysis data that I discussed earlier with Tomáš Havránek. Even in its current state, the thesis is a good piece of work as a graduate thesis, but it had the potential to be of higher relevance to researchers working on this topic and to be a more important contribution to the existing literature overall. Given the innovative research question, Matěj should consider reworking the thesis into an academic paper publishable in a respectable journal.

Methods

Matěj applies empirical methods appropriate for the research question at hand and his application of the methods seems competent.

I would expect him to discuss the limitations of his approach and data in more detail – the dedicated three-paragraph section 6.4 is a good start, but I would expect more thorough discussion - and perhaps also as a part of the relatively short conclusion (perhaps in suggestions for further research, which are – with the exception of a half of a sentence - not included).

Chapters 2-4 are excessively long and at times not directly relevant for the core of the thesis. For example, I wish Matěj would discuss the relevance of his results for existing literature or the economic theories consistent with his observed results in more detail at the cost of the many general observations in the earlier chapters.

Literature

Matěj clearly defines the research gap in literature that he aims to bridge. He demonstrates good command of the relevant academic literature to which he contributes. In his thesis he discusses the most relevant papers from both academic and policy points of view.

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Manuscript form

The manuscript form of Matěj's thesis is of expected quality, the layout is clear. Matěj has put some thought into how to communicate his results well and, although some of the details are not perfectly done, the form corresponds with the standards of theses.

Suggested questions for the committee

What advantages would you expect from updating the meta-analysis data that you use in your thesis? Had you extended the existing data set, would you expect your results to change and why?

What is your preferred explanation for your main result (the evidence that investments from tax havens are associated with fewer productivity spillovers to the supplier sectors) – what is going on?

In short, Matěj did a good job of filling in a well-defined research gap by exploiting an existing dataset and, depending on the defence and related discussion, I recommend a grade of B (or C).

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	20
<i>Methods</i> (max. 30 points)	20
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	80
GRADE (A – B – C – D – E – F)	B(-C)

NAME OF THE REFEREE: Petr Janský, Ph.D.

DATE OF EVALUATION: 10th September, 2018



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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

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

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

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