

Report on Bachelor / Master Thesis

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

Student:	Pavel Prokop
Advisor:	doc. PhDr. Tomáš Havránek, Ph.D.
Title of the thesis:	Mgr. Michal Paulus

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

The author presents a study attempting to identify weaknesses of the cost-benefit evaluation (CBE) methodology of the new highways in the Czech Republic which is used by ŘSD. The topic itself is interesting and quite innovative. I have not seen a similar focus so far.

However, the crucial weakness of the analysis is that it misses a proper methodology which would be used to analyze the CBE used by ŘSD. My perception is that the analysis is based on author's subjective choices of the problematic aspects of the CBE and misses a proper scientific approach. I expect the author to explain his methodological steps during the defense to clarify his analytical steps.

Methods

As previously mentioned, I miss a general methodological framework which would be based on existing academic literature. Except of that general comment I present few other critical remarks:

- The author presents in the methodology chapter various estimates of unit costs and other costs variables. However, the underlying statistical model used by ŘSD is not presented. I would like to ask the author why was it not possible to explain the underlying HDM-4 model in more details (e.g. using equations)?
- I have strong doubts about the chapter 4 presenting results of the author's analysis because I miss some reliable methodology which would back the claims of the author (see my general comment at the beginning of this subchapter). Some suggestions seem to me quite ad hoc (e.g. the first one concerning the traffic intensity measuring on page 27: Why did the author select that problem? Is the author's conclusion based on some specific research or acknowledged methodology?) and some miss relevant methodological background (e.g. second suggestion referring to traffic growth coefficients, also on page 27 – the comparison of ŘSD figures with few numbers from ČSÚ is quite a weak argument).
- The analysis in chapter 4 could have been significantly improved if the HDM-4 model had been re-estimated using the proposals of the author. Then the possible better efficiency of those suggestions could have been properly examined.
- The author presents very vague hypothesis in the introduction which is however not properly examined further in the text. Therefore, I would like to ask the author if he can be more specific concerning his hypothesis (e.g. which unit values were supposedly underestimated?) and how the hypothesis was examined?

Literature

The author presents quite large number of sources. However, I miss a subchapter covering academic papers which would examine similar research question as the author investigated. I can understand that there can be no such study for the Czech Republic, but I would expect at least a discussion of papers focusing on evaluation methodology of new highways abroad. And if there is no such paper, then that shall be explicitly explained.

Except of this general comment I have some other remarks:

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- I would recommend citing directly the original source and not referring to authors who are citing to those original authors. One example is the work of Nadiri and Mamuneas cited by Shatz et al. (2011) on page 6. Using that approach the author can create an impression that he read just few papers and simply used the references of those scholars without careful examination of the primary sources.
- Sometimes it shall be better explained how the topics covered in the literature review are related to the author's research. E.g. on page 9 there is a paragraph about occupancy rates when figures for some modes of transportation in the Czech Republic (CZ) and few other European states are presented. However, I miss the sense of that whole paragraph. What does the author want to say by those figures? E.g. is car occupancy in CZ too low? How can I find an answer if car occupancy is presented just for CZ while the figures for other EU states represent bus occupancy?
- Sometimes the references do not include the year of publication. One example is the study by Viskočilová et al. mentioned on page 10.

Manuscript form

I would strongly recommend numbering of the subchapters. The author uses at least 3-level headings and a reader can be easily lost what is level 2 heading and what level 3 heading. Otherwise I have no critical remark on the manuscript form.

Summary and suggested questions for the discussion during the defense

- What is the general methodological framework used in your analysis? Is it related to relevant academic literature? Please focus especially on methodological framework of the chapter 4.
- Why was it not possible to explain the underlying HDM-4 model in more details (e.g. using equations)?
- Did you consider to re-estimate the HDM-4 model? Would that step improve your analysis in your opinion?
- Can you be more specific concerning your hypothesis presented in the introduction (e.g. which unit values were supposedly underestimated?) and how the hypothesis was examined?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	25
<i>Methods</i> (max. 30 points)	18
<i>Literature</i> (max. 20 points)	15
<i>Manuscript Form</i> (max. 20 points)	17
TOTAL POINTS (max. 100 points)	75
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE: *Mgr. Michal Paulus*

DATE OF EVALUATION: 3. 9. 2019



Referee Signature

