

Report on Bachelor / Master Thesis

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

Student:	Marta Batíková
Advisor:	Doc. Petr Janský, Ph.D.
Title of the thesis:	Country-by-country Reporting Data of Firms in Extractive Industries

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

Contribution

Marta Batíková wrote a very good empirical thesis on country-by-country reporting data of firms in extractive industries, which provide public information on tax and other payments of multinational enterprise in the sector of previously unheard-of quality. She provides new analytical insights to an important research topic at the intersection of international and public economics. She motivates her thesis with the importance of profit shifting and other tax avoidance of multinational enterprises, including those in the mining and other extractive industries. This is a timely topic of policy relevance to governments and international organisations, including the OECD, which are introducing country-by-country reporting data requirements to other industries. Indeed, country-by-country reporting data have been heralded as one potential partial solution to these challenges of globalisation and Marta contributes to the much needed task of testing whether this is or even can be, the case. In other words, do we learn anything new or useful from the data, that is the general important question to which Marta contributes.

Marta explores the recently released country-by-country reporting (CBCR) data by companies in the extractive sector. These CBCR data are the most detailed publicly available information of its kind, but, as she experienced, they are still of low detail and not sufficient for some questions of interest to be answered with rigor. She thus turned to questions that could be answered in a satisfactorily way. One good example of this is the estimation by Marta of the concentration Herfindahl-Hirschman Indices, which have not been done so far in this context. Her main empirical contribution lies likely in her estimates of the effect of tax rate on payments paid by companies from extractive industries and sum of payments collected by the government from the extractive sector. Her results suggest that the corporate income tax has a negative effect on the collected taxes from the extractive industries. Marta's study is one of the first ones to use this data for econometric analysis, which implies also that there are not many studies to directly compare her results with. Overall, the contribution is adequate for an undergraduate thesis.

Methods

The data and methodology are adequate for the questions at hand and Marta uses them well.

Given the data limitations, it is natural that Marta could use only relatively less advanced, but appropriate methods. One of the other challenges Marta faces was that some data sets that would be useful to combine with the main country-by-country reporting data set could not be accessed by her (such as detailed company balance sheet data), but she found ways of carrying out useful analysis with the available data and at the country level.

Literature

Marta demonstrates that she has read the most influential papers in the field and uses them well to complement her analysis.

Manuscript form

The manuscript form is clear and well outlined and accessible for the reader. The use of English could be better, but the text is easily readable and understandable.

The background section 3 seems appropriate for a thesis using such a novel data set and could even provide more information.

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The tables in the text should be formatted in a nicer way (they seem to be copied from a different format), similarly with the graphs and their titles.

Suggested questions for the committee

How would you change the country-by-country reporting publishing requirements so that the resulting data would be of better use for answering important research questions?

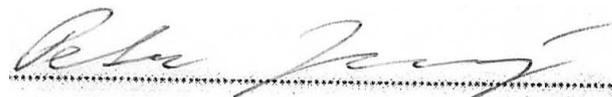
In short, Marta did a good job of writing a thesis and I recommend a grade of C.

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

CATEGORY	POINTS
Contribution (max. 30 points)	20
Methods (max. 30 points)	20
Literature (max. 20 points)	18
Manuscript Form (max. 20 points)	16
TOTAL POINTS (max. 100 points)	74
GRADE (A – B – C – D – E – F)	C

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

DATE OF EVALUATION: 23 August 2019



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