

Report on Bachelor / Master Thesis

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

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| Student: | Artur Harutyunyan |
| Advisor: | prof. Ing. Karel Janda M.A., Dr., Ph.D. |
| Title of the thesis: | How large food manufacturers affect the country and its population |

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

Short summary

The thesis aims to see i) whether the presence of large food manufactures effects the health conditions of people and ii) whether there can be net benefits of their presence in a country. The first half of the thesis provides overview of the topic of multinational corporations and their effects on the economies, the global food and fast food markets and the obesity. The second half is an empirical analysis of the relationships between the share of people with high BMI index and a number of explanatory variables (incl. for example density of McDonald's restaurants) and covariates (e.g. the GINI index) for a set of countries. The relationships are estimated using OLS and instrumental variable analysis. The thesis concludes that the effect of the large food producers on the BMI index is not significant and therefore the net benefits cannot be identified clearly.

Contribution

The author provides the research questions in the introduction and answers them in the conclusion. I understand that there are a few studies which analyze the topic but do so for different set of countries and using different variables. The choice of variables made by the author of the thesis is very interesting and combines several data sources. I appreciate that the author provides some reflections at the end of the work, admitting the limitations of the dataset and suggesting the use of microdata in further works on this topic. On the other hand, the author might be more elaborate on the country coverage of the dataset.

Methods

I have no remarks to the technical conduct of the empirical analysis. On several occasions, however, I would appreciate more explicit reasoning and assessment throughout the empirical analysis. In particular, the author uses very interesting independent variables and covariates and provides sufficient information on them. On the other hand, while the reader can deduct why these variables are included as explanatory, the author might be more helpful in explaining how they relate to the variable which is being explained. This would also leverage the interpretation of the estimation results, despite the fact that I already consider the regression analysis very interesting. Part of this reasoning is provided in the conclusion.

Literature

Using number of references, the author provides an efficient introduction to the topic at the beginning of the thesis. The only thing I am possibly missing is the discussion of the economic costs resulting from the health issues which are described in the thesis in relation to obesity. Very unusually, overview of the existing works related the empirical part of the thesis is provided at the very end. I must say that I find this strategy quite convenient, as it does not break the flow of the text and allows for a better comparison between the approach adopted in the thesis and in the existing works.

Manuscript form

The literature is cited properly. The language is free of typos and mistakes and the formatting is applied consistently throughout the thesis. One remark applies to the "sources" below the tables with summary statistics (e.g. Table 1, 3 and 5). Specifically, I believe that "own processing" should be complemented with the reference to the original data sources (which are already mentioned in the text).

Overall evaluation and suggested questions for the discussion during the defense

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The thesis is very interesting from the point of view that it combines elements of microeconomic analysis of market structure and the health economics. The author demonstrates his ability to think in wider circumstances – this is when he for example mentions the geopolitical impacts that the multinational corporations may have. The thesis is written in a concise way, using very good language. Overall, the wide perspective and the efficient style are attributes that I especially appreciate in case of a bachelor thesis. My previous remarks are reflected in the questions below.

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade B.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

I propose the following questions for the defense:

- What are the economic costs of the health issues related to obesity described in the thesis? What kind of policies can be adopted to prevent/decrease these health issues/costs?
- The thesis describes how the fast food market can be impacted by the recent trends towards healthy life style and environmental protection. In a similar vein, there are trends that favor for example local family-based production. How can that affect the business model of the multinational corporations?
- Please discuss whether and how the country coverage may be affecting the results of the empirical analysis.
- Please provide more explicit reasoning for how some of the explanatory variables relate to the variable which is being explained. Please summarize whether the estimates are in line with the theoretical assumptions.

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

| CATEGORY | POINTS |
|---|---------------|
| <i>Contribution</i> (max. 30 points) | 26 |
| <i>Methods</i> (max. 30 points) | 26 |
| <i>Literature</i> (max. 20 points) | 18 |
| <i>Manuscript Form</i> (max. 20 points) | 18 |
| TOTAL POINTS (max. 100 points) | 88 |
| GRADE (A – B – C – D – E – F) | B |

NAME OF THE REFEREE:

DATE OF EVALUATION:

Digitálně podepsáno (27.5.2021)
Hana Hejlová

Referee Signature

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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.*

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.*

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

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.*

Overall grading:

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