

IMESS dissertation						
Name:	Ksenia Ashrafullina					
Dissertation title:	Hybrid Model for Regulating Carbon					
Scale: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor						
	5	4	3	2	1	
ARGUMENT:						
Clearly defined research question	x					No clearly defined research question
Answers research question			x			Does not answer research question
Well structured	x					Badly structured
Shows theoretical awareness		x				Shows no theoretical awareness
Conceptual clarity		x				Conceptual confusion
Empirically appropriate & robust			x			Full of empirical errors
Logical and coherent	x					Illogical and incoherent
Analytical			x			Descriptive
Critical		x				Uncritical
Shows independent thought	x					Does not show independent thought
SOURCES & USAGE:						
Evidence of reading/research	x					No evidence of reading/research
Effective use of sources/data	x					Ineffective use of sources/data
WRITING STYLE:						
Clear	x					Obscure
Good punctuation	x					Poor punctuation
Grammatically correct	x					Grammatically incorrect
PRESENTATION:						
Appropriate length	x					Too long/short
Good referencing	x					Poor/inconsistent referencing
Good spelling	x					Poor spelling
Good bibliography		x				Poor bibliography

Comments:

The master thesis provides a comprehensive description of many aspects and topics of regulation of climate change. I shall add that the thesis covers too many aspects and topics without going deeper in anyone, which is a pity. To sum up, in the case of successful defense, I recommend grade B ("very good").

COMMENTS ENCLOSED JUST BELOW WERE ORIGINALLY WRITTEN BEING THOUGHT THAT KSENIA ASHRAFULLINA IS A STUDENT OF STANDARD ECONOMIC PROGRAM AT IES. BEING AFTER BETTER INFORMED, NOW I AM EVALUATING HER THESIS WITH LESS STRICT (THOUGHT JUST PURELY ECONOMIC) CRITERIA AND WOULD LIKE TO ACCENTUATE ESPECIALLY WELL TAKEN AND UNDERSTOOD ECONOMIC THOUGHTS BY THIS STUDENT OF IMESS PROGRAM IN THIS DISSERTATION.

Strong side of this thesis presents wide coverage of many – the key one – issues and tasks which are related to carbon regulation; beginning with problem of climate change, going through potential instruments and ending by its international context. Unfortunately, most of the parts of the thesis are just descriptive without providing stronger argument. When one discusses an interactions and conflicts between price-based and quantity-based MBI, I would expect to read more about Weitzman's (1974) argument (a steepness of MAC and MB curves that affect a deviation from desirable policy objective that is the main focus of Weitzman), which appears here only in one sentence at page 36. Moreover, I would expect that the author will utilize knowledge already collected in other thesis being written in IES (namely e.g. the master thesis by Řízková (2008) who just discussed the interactions between taxes and emission trading schemes; Chvalkovská (2006; 2008) or Brzobohatý (2008) who both discussed the EU ETS as well as examined its effects). Despite of well done and comprehensive literature review, it is just a pity, the author did not read an article by Carraro and Favelli published in CJEF 5/2009 on price volatility and expected future price of carbon.

Specific comments and remarks on particular chapters.

Chapter 1 nicely describes the problem. An exemption presents a double dividend debate (chapter 1.3): first, Porter hypothesis is not directly about double dividend; more important, second, while there is a consensus about a weak form of double-dividend (recycling via distortionary tax cuts outperforms recycling via lump-sum payment), the existence of a strong form of double dividend (overall increase of efficiency) only holds if certain conditions (and properties of market) hold. In similar vein, the author argues – not fully right – about the „second“ dividend later at page 39 (maybe she meant win-win solutions at firm level rather than double dividend).

Chapter 2 is devoted to evaluation of instruments, esp. MBI's. I was a bit lost whether her evaluation refers to MBI's in general, or to taxes, because some arguments to support price-based MBI i.e. tax also hold for quantity-based MBI, i.e. cap-and-trade (chapter 3.1). It might be said that cap-and-trade is the only one option of quantity-based, or in other words flexible transferable instruments. Same function as c-a-c, also credit system, or averaging do have (chapter 3.2). Indeed, chapter 3.3 is quite poor w.r.t. its length, issue covered and its importance regarding discussed subject.

Chapter 3 and 4 describe briefly international regime of regulation, or EU ETS system respectively, while the later chapter is a bit better, but still only informative.

Chapter 5 introduces author's hybrid model. Her basic argument states that because price volatility (which is not well and in depth discussed) and political unacceptability of introducing Pigou taxes, one should combine the ETS and carbon tax based on Ekins' argument. It would be nice if it is more said about political economy of the instrument-mix and more details provided about combining carbon tax and emission trading.

Chapter 6 stays quite alone and discuss carbon regulation in the perspective of developing world and related carbon leakage. In fact, technological responses (endogenously driven) are key issue in recent debate, however the author only sketches a problem of nuclear power, fully ignoring the effect of endogenous technological progress, learning cost curves, or carbon capture and storage (CCS tech's).

Specific Questions for oral defence:

Could author in more depth discuss pros and cons of price-based and quantity-based market-based instruments (especially Weitzman argument) and from this departure discuss the hybrid model for regulation?

Some sectors or market segment would be too costly regulate by price-based MBI (such as SMEs or mobile transport). Could you discuss appropriate regulation, and the hybrid model use in particular, in the state of heterogeneous market segments and sectors?

Deducted for late submission:	Deducted for faulty referencing:	Mark*: B
Charles marker:	Signed: 	Date: 07/06/2010

*Mark: A = 70+; B = 65-69; C = 60-64; D = 55-59; E = 50-54; F = fail, less than 50, see Scheme of award –please, fill in this way: Charles/IMESS (e.g. Výborně/A)

Scheme of award (assessment criteria):

	Charles University**	IMESS
Excellent	Výborně [1]	A
Very Good	Velmi dobře [2]	B
Good	Velmi dobře [2.5]	C
Satisfactory	Dobře [3]	D
Sufficient	Dobře [3.5]	E
Fail	Neprospěl [4]	F