Opponent's Report on Dissertation Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague
Opletalova 26, 110 00 Praha 1, Czech Republic
Phone: +420 222 112 330, Fax: +420 222 112 304

Author:	**PhDr. Goran Serdarević M.A.**
Advisor:	prof. Ing. Michal Mejstřík CSc.
Title of the Thesis:	The Efficiency of Economic Regulation in the European Union
Type of Defense:	**DEFENSE**
Date of Pre-Defense:	May 25, 2016
Opponent	**Doc. Krešimir Žigić, Ph.D.**

Address the following questions in your report, please:

a) Can you recognize an original contribution of the author?
b) Is the thesis based on relevant references?
c) Do the results of the thesis allow their publication in a respected economic journal?
d) Are there any additional major comments on what should be improved?
e) Were the comments raised at the pre-defense, addressed in the dissertation submitted to the regular defense?
f) What is your overall assessment of the thesis? (a) I recommend the thesis to be defended without major changes; (b) The thesis is not defendable.

(Note: The report should be at least 2 pages long.)

Content of the Report:

I am very much impressed with both the selection of the important and policy relevant research questions and with its elaboration. The author first made an original contribution on the merger efficiency evaluation and its methodology. The same holds for his other two topics (papers) in which the author presented a neat empirical analysis i) on market entry and competition in the markets for fixed telecommunications services, and ii) on network-based competition where multiple operators compete relying on their own network infrastructure. The common theme of all three essays is economic regulation and all of them respect the high standards in the profession.

The author has carefully considered reviewers' comments and suggestions in relation to the earlier draft of the thesis. In relation my specific comments, these have been fully addressed in the revised draft, in particular:

- The introduction chapter now includes a clear and more comprehensive description of the 2004 merger regulation reform;
- The conclusion of the first chapter (essay) now includes a high level discussion on the potential implications of key empirical findings;

- In the second chapter, the author now explicitly discusses the potential limitations of their empirical approach and indicates further work that can be undertaken with additional data; and
- In the third chapter, the literature review has been significantly expanded to include both theoretical and empirical studies looking at the relationship between network competition and coverage (take up) in telecommunications industries.

As for the major findings, in the first chapter (essay) the author shows that the change in regulation in 2004 improved the efficiency of EU merger control leading to regulation that is more in line with the market evaluations. The incidence of unnecessary remedies inflicted on pro-competitive mergers, however, has not declined as the result of the new merger control. The key findings of the second chapter go as follows: the 'Ladder of Investment' (LoI) regime is not an efficient form of regulation in the markets under considerations (CEE), given that the entering firms mostly chose to circumvent LoI via direct investment in own networks. Thus the regulators should not view the LoI approach as universal since its applicability seems to depend on country specific factors. Finally, the major finding in the last chapter is that competition in mobile network yields better outcomes than single network competition in as far as higher coverage, and innovation intensity is concerned.

The references in all three papers are relevant and exhaustive to best of my knowledge. Such thesis will be without any problem defendable at CERGE-EI since the standards at CERGE-EI to earn the PhD degree are three essays that would be publishable in the very respectable international journals and this is, no doubt, the case with all three essays of Mr Serdarevic. In fact, all these essays are already published in very decent journals, and without any pretension to downplay the selected journals in which the thesis was published, I am convinced that the quality of the thesis is such that even the higher tier of journal could have been targeted (especially in the case of the first essay).

All the above findings are based on the rigorous application of the up-to-date econometric techniques that the author mastered very well.

To conclude, this is a very nicely written thesis focused on empirical testing of the relevant and policy important hypotheses that are based on sound economic theory. I have no further comments on what should be improved and I can recommend the thesis for defense in the current state.

Date:	15.3.2017
Opponent's Signature:	
Opponent's Affiliation:	