Advisor'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. Ing. Jiří Skuhrovec**
Advisor:	Prof. Ing. Karel Janda MA, Dr., Ph.D.
Title of the Thesis:	Three essays on public procurement
Type of Defense:	**DEFENSE**
Date of Pre-Defense:	November 2, 2016

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:

a) Can you recognize an original contribution of the author? YES
b) Is the thesis based on relevant references? YES
c) Do the results of the thesis allow their publication in a respected economic journal? YES. Actually first essay (out of 3) was already published in Czech Journal Politicka ekonomie, second essay was published in IES WP series, which is peer-reviewed preprint publication outlet, third essay was accepted by European Planning Studies, which is covered by WoS.
d) Are there any additional major comments on what should be improved? NO
e) Were the comments raised at the pre-defense, addressed in the dissertation submitted to the regular defense? YES
f) What is your overall assessment of the thesis? My recommendation is (a) I recommend the thesis to be defended without major changes;

The presented thesis constitutes important original contribution to the economic investigation of public procurement. It is especially valuable in the context of the Czech public procurement practice. It is providing good, clearly theoretically underpinned analysis of the Czech public procurement and it contributed to public debate and to better understanding of this topic in the Czech Republic.

Nice feature of this work of Jiri Skuhrovec is his ability to gather a team of collaborators, where on each of his essays presented in this paper he participates with an essay-specific teams of co-authors.

The results of his work are presented here in the form of three essays. The fist essay examines the relationship between transparency of ownership structure and (i) profits of firms winning public procurement contracts and (ii) competition for the contracts and savings of the public authority. It identifies a significant advantage of firms with opaque ownership structure in terms of access to public money. It concludes with a possible explanation of conflict of interest and corruption, which might channel such advantages. The second essay proposes and tests a novel methodology for benchmarking of contracting authorities. The proposed rating measures a deviation from best practice recommendations in the areas of openness, competition and transparency. Indirectly it measures efficiency and corruption potential in public procurement. The pilot results of the methodology are provided and extensively discussed for a group of Czech municipalities. Third essay investigates issue of crowding out effect potentially introduced by EU funds provision. It studies direct budgetary impacts of subsidized public procurement and other connected costs. By combining micro budget and EU funding data, the methodology is used to pinpoint specific cases of spending the EU money in unintended fashion, in a broader sense possibly also violating additionality principle.

The common feature of all these dissertation chapters is the work with large data sets utilizing the data collections, organization, extractions skill which Jiri Skuhrovec started to build during his CVUT studies and which he subsequently developed during his PhD research.

While there is essentially no point in revising essays 1 and 3 which were already published or accepted for publication, there is still a meaningful opportunity for improving essay 2 which is so far only in the working paper stage. Based on comments of reviewers Jiri Skuhrovec provided some minor revisions for essay 2 (benchmarking for contracting authorities, zIndex), however I still think that more thorough considerations of the concerns raised by reviewers could improve the quality of this essay and contribute to its publication in a good journal. This is a good paper with a lot of effort invested into it, and it would be pity to leave it only in the working paper stage.

Essay 1: The identification
"Published as:
Chvalkovká, Janský, Skuhrovec (2012): Listinné akcie na majitele a veřejné zakázky, Po, Vol. 60, No. 3"
is not sufficient – missing page numbers or typo in the name of co-author are not such a big deal, but missing title of journal (should be Politicka Ekonomie) is a mistake which should not happen.

Date:	January 3, 2017
Advisor's Signature:	Karel Janda
Advisor's Affiliation:	Prof. Ing. Karel J. Institute of Econo Faculty of Social