

Opponent's Report on Dissertation Thesis

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Title of the Thesis:	Economic Efficiency, Competition and Equilibrium in Heterogeneous Production
Type of Defense:	DEFENSE
Date of Pre-Defense:	December 5, 2012
Reviewer:	prof. Peter G. Klein

Address the following questions in your review, please:

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

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

Content of the Review:

I am pleased with the revisions to Mr. Prusa's Ph.D. dissertation. In my previous report, I raised a number of issues related to positioning, interpretation, and extensions; in that sense, my comments presumably required less attention than those from some of the other reviewers. I am not an expert in efficiency analysis but have read enough in the productivity literature to recognize good work, and am particularly concerned with how productivity analysis is used in economics and management more generally. Mr. Prusa has thought carefully about not only the technical aspects of his work, but the broader lessons for economists and management scholars interested in the performance of small and medium-sized enterprises.

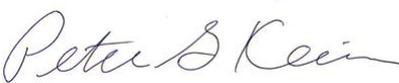
The thesis is well-researched, well-organized, and reasonably well-written. It raises a number of important and original points about production and organization within small and medium-sized enterprises, building not only on standard, neoclassical production theory but

also insights from the Cambridge Capital Controversies, Austrian capital theory, and other relevant literatures. The results are potentially valuable not only for economists interested in production theory, but also specialists in innovation and entrepreneurship. While it is possible to go deeper into the entrepreneurship and management literatures, the thesis is generally well positioned relative to prior work and makes good use of the extant literature. It compares favorably to Ph.D. dissertations presented, and accepted, at the University of Missouri, the Norwegian School of Economics, and other universities where I have taught and advised Ph.D. students. I definitely advise proceeding with the defense.

The thesis consists of three independent empirical exercises, along with an introduction and a theoretical chapter that applies to all the empirical chapters. My sense is that the empirical chapters are all potentially publishable in good journals in industrial organization (Rand Journal of Economics, Journal of Industrial Economics, Managerial and Decision Economics) and some management journals such as Management Science. I would like to see some of the work targeted towards entrepreneurship scholars and journals such as Organization Science, the Journal of Business Venturing, or the Strategic Entrepreneurship Journal, and I think this is possible as well, though some additional rewriting will be necessary to submit to the latter set of journals. More generally, applying the standard that a Ph.D. dissertation should reflect theoretical or empirical work consistent with scholarly standards in the top journals in the candidate's field, Mr. Prusa's work is entirely satisfactory.

I think the thesis is ready for defense without any major revisions. There are many things I would have done differently, but this is Mr. Prusa's work, not mine, and it more than meets the standards needed to justify submission for the Ph.D. degree. As noted above, Mr. Prusa has done a satisfactory job responding to comments, questions, and suggestions I raised in the previous round (and he appears to have been equally responsive to the concerns of the other reviewers).

In short, this is a high-quality thesis that demonstrates mastery of the relevant technical subjects, a good sense of what problems are important to economists and management scholars, and satisfactory research and writing skills. Based on the thesis I have every expectation of a successful defense and anticipate that Mr. Prusa will have a successful academic career. I recommend that the thesis be defended without major changes.

Date:	20 November 2013
Reviewer's Signature:	

Reviewer's Affiliation:

prof. Peter G. Klein
University of Missouri