

Opponent's Report on Dissertation Thesis

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Title of the Thesis:	Microeconomic analysis for evidence-based policy
Type of Defense:	DEFENSE
Date of Pre-Defense:	October 2, 2013
Opponent:	PhDr. Kamil Galuščák 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) 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 report should be at least 2 pages long.)

Content of the Report:

The thesis consists of three chapters on the microeconomic analysis of Czech public policy. The first and second chapters focus on consumer demand system estimation and the analysis of reforms to value added tax and excise duties. The third part deals with inflation differentials across households and regions in the Czech Republic. All the chapters arrive at original findings which are also relevant for Czech policymakers.

In the first chapter, the author estimates a consumer demand system (QUAIDS) using household expenditure data from Household Budget Survey and price data, both from the Czech Statistical Office. The author refers to the previous literature on the topic, including his own previous papers, and clearly states the value added of this work. The author uses the estimates to simulate the recent VAT reforms in the Czech Republic and shows implications for consumer spending, quantities demanded, and government tax revenues. The results indicate that it is important to account for behavioral responses to tax reforms.


The author uses his QUAIDS estimates in Chapter 2 to analyze excise duties. He provides stylized facts on how much households pay in excise duties and shows the impact of various scenarios of Czech excise duties on the demand of households. Overall, this is another well

elaborated and original research output on a highly relevant topic. The author puts the work into the context of previous literature and describes the problems he had to deal with in this part.

In the last chapter the author calculates specific price indices to show that the inflation has different impact for specific groups of households, particularly for low-income households, households with pensioners, and households in Prague. In this part the author argues that the CPI does not account for the substitution bias, i.e. households react to higher prices by substituting for cheaper alternatives. In the end, the author spells out policy implications.

Overall, all the chapters represent original contributions in terms of academic quality and are policy relevant. The chapters contain matured research output where the author well demonstrates his research skills. The thesis contains all relevant references, including the author's own previous research, and is defensible in respected academic workplaces. All the three parts have potential to be published in good academic journals.

The author has addressed my (optional) comments raised at the pre-defense. I recommend the thesis for defense.

Date:	December 12, 2013
Opponent's Signature:	
Opponent's Affiliation:	PhDr. Kamil Galuščák Ph.D. ČNB