

Report on Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Bc. Pavel Korba
Advisor:	PhDr. Martin Dózsa
Title of the thesis:	The Environmental Kuznets Curve Framework: Europe 2020 Greenhouse Gases Target in the EU-15 States

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

In his thesis, Pavel Korba focuses on the motivation for and effects of EU15 greenhouse gas reduction policies under Europe 2020 in the framework of Environmental Kuznets Curve. First, he introduces the basic greenhouse effect theory, the role of the EU15 countries and their respective policies. Then he discusses the concept of Environmental Kuznets Curve and the econometric tools used in the past to test its validity. In turn, he applies some of the modern approaches to run the test for EU15 countries. Based on the results the author concludes that for most of the countries in focus the greenhouse gas reduction policies under Europe 2020 are appropriate and for most of the countries their effect on GDP per capita should not be significantly negative.

In general, the thesis provides a good introduction to the topic and shows the ability of the author to conduct an advanced econometric analysis. Although I have some objections to the manuscript form and the results interpretation, there are important things to appreciate. Especially, I would like to highlight the aim of the author to apply all the econometric methods properly, test everything, provide all results even if they are not always conclusive and compare his results with those found in the literature.

Focusing on each evaluation category separately:

Literature : In my opinion the use of literature is at a very good level especially in the part focusing on the methodology. Only in the first sections of the theoretical part the literature could be richer, but given the number of topics the thesis touches, this would be excessively time demanding.

Methods: From my point of view, the topic of the thesis is clear, all methods are described and the analysis of the results is sufficiently detailed. Yet, in some cases, I am not sure about the correctness of the results interpretation.

First, in case of the causality test (p.36), if there is an unidirectional relationship going from GDP to carbon dioxide, I do not think that this tells us that the efforts to reduce emissions won't impair the economic development. E.g. let's assume a policy that limits monthly emissions per factory. In case of factories with excessive emissions, this would limit their production (at least in the short term) and consequently also the emissions. Both the GDP and emissions would be reduced, while the unidirectional relationship mentioned above would hold.

Second, can we really say that in some countries the GDP growth is sufficient to safeguard the environment quality and thus that these countries do not have to apply additional environmental policies?

Next, charts showing the empirical relationship between the GDP per capita and the pollution measure could be useful.

Contribution: In general, I see the main contribution in the advancement of the authors' knowledge, skills and experience, which he might appreciate in the future. Moreover, the analysis provided could be interesting for other authors focusing on the Environmental Kuznets Curve, as the (numerical) results seem to be reliable and well linked to the existing literature.

Manuscript Form: From my point of view, the manuscript form is one of the main weaknesses of the work. Although it has all the important parts such as Introduction, Methodology, etc., the structure at lower levels together with the author's writing style make it quite easy to get lost. I believe that simplification of the structure and text would make the reading of the work more enjoyable, because even the summaries provided at the beginnings of the chapters cannot substitute the clarity of the text itself.

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Suggested questions for the defense:

- Could the author defend his conclusions about the causality between GDP and carbon dioxide and its implications for the emission reduction policies effects on the economic development?
- Can we really say that in some countries the GDP growth is sufficient to safeguard the environment quality and thus that these countries do not have to apply additional environmental policies? Isn't the validity of Environmental Kuznets Curve just a sign of some level of economic development and institutional setup that enables better environmental quality? So isn't it better to motivate the additional policies in a way that in the given country the environmental quality is "insufficient" given the economic development, so the environmental policies should be revised?

In the case of successful defense (especially of the conclusions mentioned above), I recommend the grade "excellent" ("výborně", 1)

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	12
TOTAL POINTS (max. 100 points)	82
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Lucie Kraicová

DATE OF EVALUATION: 05.02.2015

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong Average Weak
20 10 0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong Average Weak
30 15 0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong Average Weak
30 15 0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong Average Weak
20 10 0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě