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. Jiří Schwarz
Advisor: PhDr. Michal Bauer, Ph.D.
Title of the Thesis: Institutions, entrepreneurship, trade, and economic growth
Type of Defense: DEFENSE
Date of Pre-Defense: October 12, 2016
Opponent: Christian Bjørnskov, M.Sc., 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:

Introduction
All of my major concerns have already been outlined in the original report for the pre-defense in October. In the following, I merely respond briefly to the six questions and the degree to which I believe that the revised thesis meets the requirements.

a) Can you recognize an original contribution of the author?
I believe the thesis as a whole meets the requirement. As I wrote in the first assessment, this is particularly true for Chapter 2, which provides a very clever test of the way institutional quality affects international trade. I still think this is a very clearly original and well executed contribution to the literature. Chapter 3 also contributes by taking up the issue of strategic patenting, which – as the defendant notes – has mainly been treated in law and therefore not from an explicitly economic point of view. I also recognize the contribution of Chapter 4, although more as a potentially interesting application of existing theory to a country with a communist past and rapid transformative development.

b) Is the thesis based on relevant references?
The simple answer is yes. I think the defendant has made a real and laudable effort making sure that the references are up to date and that no clearly relevant studies are ignored.

c) Do the results of the thesis allow their publication in a respected economic journal?
This question is easily answered for Chapter 2, which is already published in a very good journal – one that is often considered number two in the crowded field of international economics and trade. I also believe there is potential for Chapter 3 to be published in a respected journal. Although the reply does not state whether the defendant was invited to resubmit the paper, it seems as if Chapter 4 has gone through a revision based on the input from reviewers at Eastern European Economics, which is certainly a decent outlet.

d) Are there any additional major comments on what should be improved?
I have no major comments, but could have added a number of rather minor comments. However, I prefer not to indicate any further need for revision as I believe the thesis is now up to standard and of the quality that is required for a PhD thesis from a renowned university.
e) Were the comments raised at the pre-defense, addressed in the dissertation submitted to the regular defense?
I think most of my comments have been addressed quite satisfactorily. I am in particular very satisfied with the level of detail and careful consideration that has gone into the revision and is reflected in the response to my comments that the defendant has submitted. The introduction was a particular weak point in the original version of the thesis, but after a substantial revision, almost amounting to an entirely new introduction, it now very nicely and intuitively situates the four chapters in a broader discussion. It now works very well as a way to outline how the somewhat disparate themes in the three chapters are actually parts of an overall unified theme. I also believe that Chapter 3 has improved substantially. More specifically, it is now much clearer from the outset what is the question and the contribution of the chapter. I therefore only have some rather minor comments that the defendant may or may not choose to handle before the final defense. First, as we also briefly discussed at the pre-defense and that I believe Niclas Berggren may have noted, I still believe it is worth adding some discussion, perhaps in a footnote, of the inherent problems with the WGI indicators. These indicators are used in Chapter 2, which is already published, but I think it might be worth at least acquainting oneself with the recent discussion in case the defendant has plans of using the indicators in future work. In Chapter 3, I still believe the term ‘rent-seeking’ is used in a way and with a meaning that – although sometimes used in this way – is rather far from the core concept as developed by Tullock, Krueger and subsequent studies in public choice and political economy. I would still have preferred a clear conceptual distinction and, ideally, the use of another term. Finally, I still think that the defendant most probably has a causality / reflection problem in Chapter 3. He now more carefully explains DEA, yet I would ideally have liked to see more explicit treatment of the validity of the identifying assumptions instead of simply stating them. However, if this chapter has already gone through one revision at a decent journal, I do not think that it is worth the perhaps rather substantial effort it could require to empirically validate the assumption.
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.
My clear assessment is that I recommend the thesis to be defended without major changes.

<table>
<thead>
<tr>
<th>Date:</th>
<th>23/4-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opponent’s Signature:</td>
<td></td>
</tr>
<tr>
<td>Opponent’s Affiliation:</td>
<td>Christian Bjørnskov, M.Sc., Ph.D. Aarhus University, Aarhus</td>
</tr>
</tbody>
</table>