

Report on Bachelor / Master Thesis

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

Student:	Přemysl Horáček
Advisor:	Doc. Tomáš Havránek
Title of the thesis:	Impacts of Ethanol Policy on Corn Prices: A Meta-Analysis

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

Please provide your assessment of each of the following four categories. The minimum length of the report is 300 words.

Contribution

Policies promoting the use of biofuels are expected to increase food prices, because they decrease the amount of farmland available to cultivating food crops, thereby reducing the supply of such crops. Many studies have attempted to quantify these effects, but their results vary a lot (from zero to 85% increase in prices following a one billion expansion in corn ethanol production). One quantitative synthesis of this large literature has already been published, but it ignores the effects of publication selection – and correction for publication selection is the contribution that Mr. Horacek makes in his thesis. Obviously, it makes no sense for biofuel policies to reduce food prices, and such estimates are thus almost never published. But of course negative estimates can arise sometimes if imprecision in data or estimation is large enough and if the underlying effect is small enough. By discriminating against negative results, the literature reports an overestimated mean effect. After correcting for the bias, Mr. Horacek finds that the mean effect (the best guess we can make for policy purposes) is 2-3 % -- clearly the correction has important policy implications. If published in an international journal, the finding will be quoted often.

Methods

The author uses the classical funnel asymmetry test, even though the conditions for this test are, strictly speaking, not met. Studies in this stream of literature do not report standard errors (indeed, typically these are not regression estimates, but simulation results), and so the standard assumption of no correlation between estimates and variance (which the author measures as within-study dispersion of results) does not have to hold. Of course, the author is aware of this problem and admits it in the thesis. Given the limitations of the literature, I think he does his best in trying to correct for publication bias (in part he follows my previous work on the social cost of carbon). Could some additional support for this particular technique be found? For example, does the central limit theorem help, and under which assumptions? What about Box-Cox transformations? (The distribution of the effect in simulations is not always assumed to be normal.)

Literature

All the relevant sources are properly cited.

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Manuscript form

The thesis is written in good English and competently typeset in LaTeX.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	29
<i>Methods</i> (max. 30 points)	25
<i>Literature</i> (max. 20 points)	19
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	91
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Doc. Tomáš Havránek

DATE OF EVALUATION: 23.5.2017



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