

Advisor's Report on Dissertation Thesis

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Title of the Thesis:	Meta-Analysis in International Economics
Type of Defense:	DEFENSE
Date of Pre-Defense:	April 18, 2013

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 defensible.

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

Content of the Report:

I had the pleasure to become a supervisor of doctoral studies of Tomas Havranek. During his studies, Tomas has established himself as probably one of the best doctoral students during the two decade of existence of our institution and he is on his way to establish himself as one of leading academic economists in our country.

Tomas's scientific interest is meta-analysis and their applications in economics. For his thesis, he has chosen three papers that he wrote on the international trade subjects (these three interlinked chapters are accompanied with the introduction). Meta-analysis provides the methods for a quantitative survey of the literature. It offers an interesting alternative to the commonly used narrative surveys having the ambition to be less subjective and importantly, to address the possible existence of so-called publication selection (the preference of authors, referees or editors for certain type of results). The meta-analysis originated in medicine but has been increasingly popular among economists recently and several meta-analyses appeared

in the leading journals of our profession. Tomas regularly participates at the yearly meeting of Meta-analysis of Economic Research Network, which is a meeting gathering the leading scholars in the field. In addition, I would like to stress that I enjoy how Tomas transparently deals with his datasets and posts them on the special website dedicated to his meta-analysis research.

All three chapters of Tomas's doctoral dissertation are already published in very respectable journals and received very respectable awards. Chapter 2 appeared in the Journal of International Economics, which is a leading scientific journal in this area. It is extremely difficult to have the paper accepted in this journal; the acceptance rate is very low.

But the chapter was not only published in a highly prestigious journal, it was widely acclaimed by the community and received several prestigious awards - Medal for Research on Development by the Global Development Network given to selected papers on financing for development written by citizens of emerging countries, the third prize in the Young Economist Competition by the Czech Economic Society given to selected papers written by Czech economists younger than 30 years, and the Economic Research Award by the Czech National Bank given to best working paper published by the Bank.

Chapter 2 delivers several important policy lessons. Many countries attempted to attract the foreign investors and Tomas investigates whether there are some spillovers stemming from the presence of these investors in domestic economy. In other words, can we find some foreign investors, who are the most beneficial for our country? Several findings stand out. Greater spillovers are received by countries, which lack developed financial markets and which are open to international trade. Greater spillovers are also present, if the technological difference between countries is not too large.

Chapter 3 focuses on one of highly topical policy issues. It examines one of the supposed benefits of common currency, namely, the effect on international trade. So, is it worth to adopt common currency such as euro in order to boost trade among countries forming the currency union? Many articles have been written on this topic and their results differ more than dramatically. The somewhat sad story in the results presented by Tomas is that the researchers significantly overestimate the effect of euro adoption on international trade and that the true effect adjusted for publication bias is approximately zero. It is noteworthy that

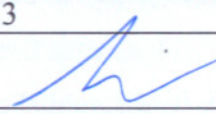
Chapter 3 was published in the Review of World Economics. This is well-established journal on international trade issues and interestingly, one of the oldest journals in our profession. The article received attention in policy circles, too. The chapter was awarded the Olga Radzyner Award by the Austrian National Bank. This is prestigious award for researchers under 35 years from Central and Eastern Europe. It also received the Karel Englis Award by the Czech Economic Society, which is given to the best paper addressing the topics relevant for formulating the economic policy in our country.

Chapter 4 is a success, too. It was published in World Development. It is widely acclaimed journal of somewhat interdisciplinary flavor. Using meta-analysis, it examines how the foreign firms' entry affects the domestic firms in the same sector. This is labeled as horizontal spillovers. Interestingly, the results suggest that the horizontal spillovers are on average zero but in those cases when the spillovers are non-zero, there are some systematic driving forces behind making the effect to be non-zero. The positive effect of the foreign firms' entry is materialized only if the technological gap between countries is not too large. Again this has an important policy lessons for developing countries. In my understanding, these results imply that developing countries should open to international trade carefully in order to maximize benefits for domestic economy.

The extremely high productivity of Tomas is documented by the quantity as well as quality of his publications. Except those three publications, Tomas managed to publish another 13 publications in the following journals: Journal of Money, Credit and Banking, Journal of International Money and Finance, Transformations in Business and Economics, International Journal of Central Banking, Energy Economics, Journal of Development Studies, Prague Economic Papers (twice), Czech Journal of Economics and Finance, Transition Studies Review (twice), Economic Change and Restructuring and Theoretical and Applied Economics. I had the pleasure to cooperate on some of these with Tomas and have to stress that the co-operation was always very efficient. In addition, Tomas produced several other papers that are on their way to be published in other highly selective journals. This record makes him an outstanding scholar even from international perspective and there is no doubt that he should be granted the Ph.D. degree at our institution.

Tomas went successfully though the so-called small defense at our institution and fully incorporated the comments raised by the referees.

Overall, I strongly recommend the thesis to be defended. In my opinion, no further changes to the thesis are needed.

Date:	September 15, 2013
Advisor's Signature:	
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