

Report on Bachelor / Master Thesis

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

Student:	Anna Tlustá
Advisor:	PhDr. Tomáš Havránek, Ph.D.
Title of the thesis:	The Effect of Distance on International Trade: A Meta-Analysis

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

This bachelor's thesis is a very careful extension of the meta-analysis of Anna-Celia Disdier and Keith Head published in the Review of Economics in Statistics in 2008. Disdier and Head use data up to 2005 and do not carefully test for publication bias, and both these issues Anna Tlusta addresses in her bachelor's thesis. It is remarkable that even with a very different data set and method she still finds results very similar to those of Disdier and Head.

The topic of the thesis is the effect of distance on trade, which is crucial for the results of many economic models. The author presents the largest meta-analysis on the topic so far (which calls for publishing a shorter version of the thesis as an IES working paper) and finds the mean effect to be around -0.9 with no signs of publication bias. The finding of no bias is unusual in economics, because economists typically prefer to report statistically significant results (and results consistent with the theory). In this case the effect is so strong that it is almost impossible to get an insignificant (or positive) estimate of the effect of distance on trade; therefore, no publication selection is necessary to obtain "reasonable" estimates. Anna also illustrates that the distance effect does not decrease with time, which is surprising (this finding was the central message of Disdier and Head and influenced hundreds of researchers; Anna shows that this result is robust).

I believe that this thesis has all the necessary ingredients to be graded "A": it is an independent research work with clear contribution, the author had to work hard (collect her own data set) and show that she can master modern meta-analysis methods, way beyond the econometrics classes taught at the BA level.

Question for thesis defense: Are there some results of Disdier and Head that are sensitive to the extension of the sample and the use of modern meta-analysis methods?

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	90
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *PhDr. Tomáš Havránek, Ph.D.*

DATE OF EVALUATION: 19. 5. 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