

BACHELOR'S THESIS EXAMINER REPORT
PPE – Bachelor's in Politics, Philosophy and Economics
Faculty of Social Sciences, Charles University

Thesis title:	The Influence of Exogenous Price Shocks on the Functioning and Efficiency of Environmental Instruments
Student's name:	Til Gosch
Referee's name:	PhDr. Jiří Schwarz, Ph.D.

Criteria	Definition	Maximum	Points
Major Criteria			
	Contribution and argument (quality of research and analysis, originality)	50	48
	Research question (definition of objectives, plausibility of hypotheses)	15	15
	Theoretical framework (methods relevant to the research question)	15	15
<i>Total</i>		80	78
Minor Criteria			
	Sources, literature	10	10
	Presentation (language, style, cohesion)	5	5
	Manuscript form (structure, logical coherence, layout, tables, figures)	5	5
<i>Total</i>		20	20
TOTAL		100	98

Plagiarism-check (Turnitin) match score: 24%

The main reason for the relatively high score is that in several places Til cites other authors. But he correctly refers to the original sources, including the page numbers where the citations come from. As his supervisor, I saw numerous drafts of the thesis and consulted with Til extensively, and can therefore guarantee, that he is the original author of the text and provides correct references whenever he uses information from already existing literature.

Reviewer's commentary according to the above criteria (min. 1800 characters including spaces when recommending a passing grade, min. 2500 characters including spaces when recommending a failing grade):

The thesis focuses on the European Emission Trading Scheme (ETS) allowances and studies the allowance price drivers and potential consequences of the impact of its price increase. After an extensive literature review covering both theoretical and empirical analyses, Til proposes an incentive-based change to the ETS design which would motivate to reduce emissions even below the targeted levels by promoting productivity-

enhancing innovations. He finishes his thesis with the discussion of real-world applicability and limitations of the designed system.

Til motivates his research topic and research question well by using the recent upsurge in energy prices, as well as in the EU ETS allowance price. He explicitly identifies the gap in existing literature which allows him to substantiate his contribution. The originality of his contribution is very clear as Til applies a model, developed in a different context by Kwerel (1977), to the current institutional approach to emissions reduction. Given the fact that it is an empirical thesis, but a theoretical one, Til chooses relevant research method to address his research question. He starts with an extensive literature review paired with a careful description of the current ETS mechanism. Then he formulates a model capturing the current ETS mechanism and introduces a subsidy into this scheme. Finally, Til shows that under realistic assumptions the subsidy has the potential to minimize the environmental damage and, at the same time, promote economic activity by incentivizing productivity-enhancing investments.

It was very pleasant to work with Til during the whole academic year. I had the opportunity to read early drafts of the individual chapters and give Til my feedback. He very carefully incorporated practically all my comments. For example, I was rather critical about the lack of details regarding the determination of efficient emissions quantity and the financing of the newly introduced subsidy. Even though it is not the core of the thesis, which really focuses on the theoretical introduction of the subsidy scheme in the context of the ETS system, in the final version of the thesis Til addresses both topics in the section 3.2.5.

Til works correctly with sources, the manuscript form is without problems.

Proposed grade (A-B-C-D-E-F): A

Suggested questions for the defence are:

Do you think that such a subsidy scheme could get political backing in the near future? Also given the fact that it would be funded using part of the yield from allowances auctions, which now go to the individual member states?

I recommend the thesis for final defence.

Referee Signature

Overall grading scheme at FSV UK:

TOTAL POINTS	GRADE	Quality standard
91 – 100	A	= outstanding (high honor)
81 – 90	B	= superior (honor)
71 – 80	C	= good
61 – 70	D	= satisfactory
51 – 60	E	= low pass at a margin of failure
0 – 50	F	= failing. The thesis is not recommended for defence.