

Report on Bachelor / Master Thesis

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

Student:	Milana Jascuk
Advisor:	Doc. Ing. Tomáš Cahlík, CSc.
Title of the thesis:	Impact of Potential EU Membership on Economy of Ukraine

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

The aim of the thesis is to assess the potential impact of the EU accession on Ukraine, no matter how likely such integration is. I find this exercise interesting and relevant. However, its elaboration is somewhat beyond the level of average theses defended at the IES. The methodology is very unclear, and the same holds for the results. More on that below. Hence, it's difficult to assess the proper contribution of the thesis.

Methods

The thesis relies on synthetic control method, and the results are compared to the narrative evidence of the impact of the EU accession on the CEE countries.

The description of the methodology is not really on par with the academic literature, perhaps mainly due to formatting and organisation of the text. I also do not accept the choice of Ukraine as the treated economy and the other countries as controls. I'm wondering why the author shows plot with synthetic and control GDP for almost all countries for which the effect of the EU accession was calculated but not for Ukraine. Perhaps it's somewhere hidden to me, but I did not find it. I'm also wondering why there is such a big difference between the results in Table 5 and Tables 15 and 16. While I can find the results in Table 5 as plausible, the results from Tables 15 and 16 are far from being realistic: They imply almost two-times higher GDP in Ukraine in case of the EU accession, on top of that the dynamics of GDP in Table 16 is beyond my imagination.

I don't know what's the interpretation of the equation on 56. It is described as a definition of GDP, but that's not the case. More likely, it's a regression on determinants of GDP, but the coefficients are missing in the equation.

The EU accession is assumed to have happened in 2012. Would a change in the year change the results? What about the sensitivity of the results to the choice of other controls?

The results for other countries are from my point of view somewhat questionable. To my understanding, the results for the countries that entered the EU already in 2004 should have been based on comparison with countries that are not members of the EU, such as in Campos, Coricelli and Moretti (2014).

Overall, the description of the method is confusing and also the results are somewhat strange. Those issues could be clarified during the defense.

Literature

It seems to me that relevant papers discussing the situation of Ukraine are covered. However broader literature review discussing the impact of the EU accession on various countries would be welcomed. In particular, it could have helped the author to discuss her choice of methodology (synthetic control method over the alternatives such as gravity models), especially when some of the main papers are mentioned in Ch. 4. Also, it could be worth to discuss whether the claims of both opponents and proponents of the EU accession do have some support in the existing literature or not.

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Manuscript form

There are several issues with writing. For example, the text of the thesis should start with the introduction which shall provide a sufficient introduction to the thesis. But here, the author seems to expect the reader to start with the proposal since the hypotheses are being discussed already in the introduction on p.1 without stating them explicitly before. Also, it mixes two terms, the impact of free trade agreement together with the EU accession which is much broader effects. Hence, the introduction is quite confusing. So the text itself isn't structured very well which makes the text somewhat hard to follow. Similar points can be raised to Chapter 3 and other parts of the thesis as well (Ch. 3 - headers of figures are not aligned with the respective figures, they are also not very informative. I did not get the information what's on the plot on p.19, and I suppose the graph on p. 20 does not depict percentage changes, rather a development of an index; proper description would help to clarify those issues). Finally, it is very confusing to include results of the empirical analysis before actually explaining the methodology, i.e. some results of synthetic control method are provided in Ch. 3 but the methodology itself is described in Ch.4, and the other results are being discussed in Ch. 5.

Summary and suggested questions for the discussion during the defense

Overall, I'm somewhat confused. My suggestion for Milana Jascuk is to explain carefully what are the main results (Table 5 or Tables 15 and 16). Where did the results come from. And what are the main takeaways. Based on this I believe the commission can easily assess whether I've just misunderstood what's in the thesis. It could be the case and then the evaluation of mine could be improved. If not, I'm suggesting to ask Milana to explain the main logic of the methodology and to discuss potential mistakes and what could have been done differently. Based purely on my reading I'm inclining to accept the thesis although with reservations.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	15
<i>Methods</i> (max. 30 points)	12
<i>Literature</i> (max. 20 points)	15
<i>Manuscript Form</i> (max. 20 points)	10
TOTAL POINTS (max. 100 points)	52
GRADE (A – B – C – D – E – F)	E

NAME OF THE REFEREE: *Jaromír Baxa*

DATE OF EVALUATION: *September 6*



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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

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

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

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	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F