

REPORT ON THE MASTER THESIS

IEPS – International Economic and Political Studies, Faculty of Social Sciences, Charles University

Title of the thesis:	More than Roads? A Gravity Model Analysis of the Institutional Effects of Trade in the Belt and Road
Author of the thesis:	Cezary Baraniecki
Referee (<i>incl. titles</i>):	Vilém Semerák, Ph.D.

Comments of the referee on the thesis highlights and shortcomings (following the five numbered aspects of your assessment indicated below).

1) Theoretical background:

Thesis deals with the logic and possible effects of the Belt and Road Initiative (BRI), the signature project of current Chinese president Xi Jinping. Most papers on this topic are descriptive or based on non-quantitative methods, but Mr Baraniecki's paper skillfully combines a descriptive approach (presents the available data and exposes the lack of adequately detailed facts) with own econometric analysis based on the gravity model of trade and on relatively simple correlation analysis of available data on funding of BRI projects.

2) Contribution:

There is a twofold contribution:

- A clear critical overview of the BRI, of its possible motives and effects.
- An attempt at new evaluation of the effects of institutional issues on international trade, with a special focus on China, the country which designed the BRI.

In spite of the fact that there has been a multitude of texts published on the BRI, clear and unbiased attempts which include quantitative analysis are much rarer. In my opinion, Mr Baraniecki's text can more than compete with papers so far published by Czech researchers.

3) Methods:

The main part of the paper is based on own estimation of the gravity model of trade. Mr Baraniecki compiled a new dataset consisting of 175 exporter and 195 importer countries (over 10 year period). He uses a modern gravity model (in section 2.3 he carefully and logically describes the development, advantages and main pitfalls of applied gravity models) estimated with the use of adequate methods (PPML-based procedures).

While some less clear formulations of econometric issues (e.g. on fixing endogeneity issues with fixed effects, p. 25), his application of the model definitely meets (and exceeds) criteria applied on IEPS theses.

4) Literature:

The thesis is anchored in a rather wide body of literature. The literature review includes the most relevant papers on the BRI, the author also provided an interesting overview and summary of the literature on the use of institutional variables in gravity models (also in Appendix 1, p. 59).

5) Manuscript form:

A few remaining typos can be found in the text, also some of the tables could be formatted a bit better (e.g. numbers in table 5, p. 42), but all in all the text is clearly structured and quite readable. The use of references/citations is quite appropriate, additional results were moved to the appendix.

Box for the thesis supervisor only. Please characterize the progress in the working out of thesis (e.g., steady and gradual versus discontinuous and abrupt) and the level (intensity) of communication/cooperation with the author:

Mr Baraniecki was working on his thesis steadily and gradually, and he showed a rather substantial degree of tenacity and willingness to master additional econometric methods. His approach was very consistent and thorough.

Suggested questions for the defence are:

1. Please briefly explain the advantages of the principal components analysis.
2. What do you mean by a global FTA (p. 12)?

I recommend the thesis for final defence.

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

CATEGORY	POINTS
<i>Theoretical background (max. 20 points)</i>	19
<i>Contribution (max. 20 points)</i>	19
<i>Methods (max. 20 points)</i>	19
<i>Literature (max. 20 points)</i>	20
<i>Manuscript form (max. 20 points)</i>	19
TOTAL POINTS (max. 100 points)	96
The proposed grade (A-B-C-D-E-F)	A

DATE OF EVALUATION: September 6th, 2018

Referee Signature

Overall grading scheme at FSV UK:

TOTAL POINTS	GRADE	Quality standard
91 – 100	A	= outstanding (high honour)
81 – 90	B	= superior (honour)
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.

The referee should give comments to the following requirements:

1) THEORETICAL BACKGROUND: Can you recognize that the thesis was guided by some **theoretical fundamentals** relevant to this thesis topic? Were some important theoretical concepts **omitted**? Was the theory used in the thesis consistently **incorporated with the topic** and hypotheses tested? Has the author demonstrated a genuine **understanding** of the theories addressed?

Strong	Average	Weak	
20	15	< 10	points

2) CONTRIBUTION: Evaluate if the author presents **original ideas** on the topic and aims at demonstrating **critical thinking** and the ability to draw **conclusions** based on the knowledge of relevant theory and relevant empirical material. Is there a distinct **value added** of the thesis (relative to knowledge of a university-educated person interested in given topic)? Did the author explain **why** the observed phenomena occurred? Were the **policy implications** well founded?

Strong	Average	Weak	
20	15	< 10	points

3) METHODS: Are the **hypotheses** for this study clearly stated, allowing their further **verification and testing**? Are the theoretical explanations, empirical material and **analytical tools** used in the thesis relevant to the research question being investigated, and adequate to the aspiration level of the study? Is the thesis **topic comprehensively analyzed** and does the thesis not make trivial or **irrelevant detours** off the main body stated in the thesis proposal? More than 12 points signal an exceptional work, **which requires your explanation "why" it is so**).

Strong	Average	Weak	
20	15	< 10	points

4) LITERATURE REVIEW: The thesis demonstrates the author's full understanding and **command of recent literature**. The author **quotes** relevant literature in a **proper way** and works with a **representative bibliography**. (Remarks: references to Wikipedia, websites and newspaper articles are a sign of **poor research**. If they dominate, you cannot give more than 8 points. References to books published by prestigious publishers and articles in renowned journals give a much better impression. Any sort of **plagiarism** disqualifies the thesis from admission to defence.)

Strong	Average	Weak	
20	15	< 10	points

5) MANUSCRIPT FORM: The thesis is **clear and well structured**. The author uses appropriate **language and style**, including the academic **format for quotations**, graphs and tables. The text effectively refers to graphs and tables, is easily readable and **stimulates thinking**. The text is free from typos and easy to comprehend.

Strong	Average	Weak	
20	15	< 10	points

Remarks for the referees:

- 1) Download the thesis from the SIS. If you have no access to SIS, please ask the secretary of IPS (jana.krejcikova@fsv.cuni.cz, tel. 251 080 214) for sending you the thesis by e-mail.
- 2) Use the IEPS Thesis Report form only for your comments. **It is a standard at the FSV UK that the Referee's Report is at least 400 words.** In case you assess the thesis as "non-defendable", please explain the concrete reasons for that in detail.
- 3) Retain your critical stance. You cannot confer more than 80 points upon a thesis that does not satisfy research standards in top European universities.
- 4) Upload the Report as PDF/A file into the SIS. Instructions on how to convert .DOCx to PDF/A): „Save as“ – select „PDF“ – check-in „Options or Možnosti“ that „PDF options“ tick „ISO 19005-1 compliant /kompatibilní s/ (PDF/A)“ – „Save“. If you have no access to SIS, please send the unsigned PDF file to the secretary of IPS (jana.krejcikova@fsv.cuni.cz).
- 5) Please deliver to the IPS Secretariat, U Kříže 8, 15800 Praha 5 Jinonice, **two hand-signed originals**. Unfortunately, a photocopied report with signature does not suffice. Sorry.
- 6) Your Report will be remunerated, so we need also your account information (separate from this form).