

Report on Bachelor / Master Thesis

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

Student:	Anna Umlaufová
Advisor:	PhDr. Jaromír Baxa, Ph.D.,
Title of the thesis:	Does Foreign Aid Decrease Inequality? Evidence from the Most Recent Data

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 author examines the relationship between development aid and inequality using panel data analysis. Despite the relevance of the topic, the originality of the author's approach is not sufficiently justified. In the introduction, she writes „...Kasuga & Morita (2018) uncovers a negative sign when focusing on pro-poor components of development aid.“ In the next paragraph, she follows by „Unlike previous literature, which generally disregarded motives underlying foreign assistance...“. What is the value added of this study in contrast to Kasuga & Morita (2018) and other mentioned research articles?

This study does a very good job when introducing the reader to the existing literature. Only rarely, however, it contrasts its contribution to the work of other scholars. To explicitly claim originality of some sort would significantly help the paper.

Lastly, the policy implications of the study could be more developed in the paper as the topic is highly relevant in this respect.

Methods

The methods are suitable for the problem at hand, and their choice is justified satisfactorily. Yet there are a few unclear parts which could be addressed during the examination.

1. Why does the author take three-year averages instead of simply interpolating the data? Many observations are lost this way. If she has a good reason to proceed this way, it is necessary to state it.
2. In section 4.1, the author rejects the null hypothesis using a 95% level of confidence based on p-value 0.087. It needs to be explained how would the analysis change, had the interpretation of the B-P-M test been done properly.
3. GMM method is interpreted as sufficient for claiming causality. Since it is using lagged explained variables as the instruments, however, it only replaces one assumption with another (see Bellemare, Masaki, Pepinsky 2017). A broader discussion of the GMM method would thus be a great addition to the thesis. Yet it needs to be said that such discussion is far beyond what one can expect from a bachelor's thesis.
4. Other measures of inequality are considered but not used due to unavailability. Even with a more limited dataset, however, it might be worthwhile to conduct such a robustness check.
5. Starting with section 5.2 the dataset is divided into various groups. The regressions are then run separately for each of these groups. It is not clear, why the author does not use a nested model with interaction terms which allows for comparison of group-specific estimates.

Report on Bachelor / Master Thesis

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

Student:	Anna Umlaufová
Advisor:	PhDr. Jaromír Baxa, Ph.D.,
Title of the thesis:	Does Foreign Aid Decrease Inequality? Evidence from the Most Recent Data

Literature

The paper provides extensive and to the point literature review. I do not have any concerns regarding this part.

Manuscript form

The paper is very well written, and its structure is clear. The only thing I miss is being more articulate in the regression tables (e.g., number of observations and time and, individual effects). Overall, the manuscript form above the expected level of a bachelor's thesis.

Summary and suggested questions for the discussion during the defense

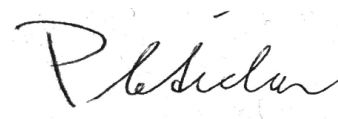
Despite the occasional shortcomings, the thesis is carried out in a very decent way. If the author can explain the place of this study in the existing literature and the questions about methodology, I would consider awarding the thesis with the highest grade.

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

CATEGORY	POINTS
Contribution (max. 30 points)	22
Methods (max. 30 points)	26
Literature (max. 20 points)	20
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	88
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Petr Pleticha

DATE OF EVALUATION: 5/14/2019



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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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