

Report on Bachelor Thesis

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

Student:	Jakub Stuchlík
Advisor:	Jaromír Baxa
Title of the thesis:	Economic Impact of Margaret Thatcher Revisited

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

Jakub wrote an original thesis that evaluates the impact of Margaret Thatcher on the economy and economic policy of the U.K. The thesis starts with a historical overview of the 1970s in the United Kingdom, and economic policy pursued by M. Thatcher. It is described how much M. Thatcher followed the program of the Heath's administration from the early 1970s, and that even her government was forced to undertake several policy U-turns and set-backs. For me, this comparison is valuable and interesting, because in the popular culture, the Thatcher's government is presented as something radically new in the U.K.'s post-war history. Then, Jakub applies the synthetic control method to estimate the impact on the real GDP, unemployment, and inflation.

Methods

The empirical part relies on the synthetic control method. Special attention is devoted to the selection of donor countries, following some of the earlier implementations of the synthetic control methods, Jakub excludes not only apparent outliers but countries with similar policies as well, to assure that the countries in the donor pool did not experience similar policy intervention as the U.K. did. The results seem to be OK for all variables except for the GDP, where the synthetic GDP does not track the pre-intervention GDP and, so the outcome is somewhat questionable. However, this is pointed by Jakub as well, and the thesis is honest in this respect. Unfortunately, we did not have more time to try to improve these results.

The other results are fine, and confirm the impression that M. Thatcher exploited the inflation-unemployment trade-off, and valued lower inflation over the low unemployment.

Literature

I don't have any reservation here, Jakub demonstrated his good command of the existing literature. The work with references is correct.

Manuscript form

Structure of the thesis is logical, and there are just a few occasional typos. The language of the thesis is adequate.

Summary and suggested questions for the discussion during the defense

Overall, Jakub has written an original thesis that evaluated M. Thatcher's policy measures that are still being subject to passionate debates among her admirers, and her opponents. I liked especially the review of the experience of the 1970s, which demonstrated how frequently the policy had changed before M. Thatcher came into the office. I believe the thesis deserves grade A, depending on the defense, mainly due to its original contribution.

Question for the defense:

Is there any way how to improve the pre-intervention fit of the model for the GDP?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	29
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	96
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE:

Jaromír Baxa

DATE OF EVALUATION:

May 30, 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.*

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