

REPORT ON THE MASTER THESIS

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

Title of the thesis:	Mexico´s Trade Policy during the Peña Nieto Administration
Author of the thesis:	Geovanna Ferrara Torres
Referee (incl. titles):	

PhDr. Kryštof Kozák, PhD.

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

Miss Ferrara, who is a Mexican, selected a topic, which could be of high relevance for the Mexican present and forthcoming policy-making. She touched the trade policies how they evolved in history, with a stress on the development in the last 16 years. Problems, such as the conflicts with the Trump administration, the future of NAFTA or the wider reorientation of trade to the world (particularly to the EU and China), while still the Mexican exports to the US form over 80% of their total, are moving from the regional agenda to the world agenda. Mexico, as well as the Czech Republic, share a common target: the re-orientation of exports from low-cost assembly to a strategy of more value added per worker. The question is “how to solve it”?

1) Theoretical background:

The theoretical background, as it was presented in chapter two, offers an insight into the pure theories of trade and specialization in trade. Unfortunately, it does not have an impact on the remaining chapters, especially on chapter 4, where theoretical grounds would be essential for explaining why Mexico targets its policies into the diversification of trade in geography, industries and products. The theoretical reasoning why Mexican RTAs and PTAs should deflect (at least partially) from the dominant US market is there replaced by mere political reasoning and trade security. The question is if the diversified trade would be also economically effective.

2) Contribution:

The thesis helps the lay reader a lot by summing up the economic history of Mexico and explaining the resultant “traditions” where Mexico has been too much open to the pressure of some hegemon country (e.g. Spain, France, Britain or the US) and responded, temporarily, by tendencies to autarchy. The present Mexican governments have been attempting to depart from such a flip-flop of final inertia. The thesis reflected that on data and pointed out that the policies of diversification succeeded just marginally. There is a lot to be done in the future, if the intended transition is to be successful. The condition is that Mexican economy should be transformed from inside, which is a fundamental finding and a very difficult task.

Is Mexico (in the Trump predatory era) now in a situation that its trade policies should be fundamentally revised? This topic was not addressed in more detail in the thesis.

Is the policy to have more trade with the EU and China a correct answer to the problem of diversification? What kind of pre-conditions should be applied here?

3) Methods:

I was rather disappointed by the methodological weakness of the thesis. I could accept that this thesis is, in principle, not theoretical but empirical. The author had a large collection of data available and used the data in her many tables. Unfortunately, the usage of data is too mechanistic, relying on the raw statistics. There is just a low value added to the statistics, especially in expanding the argument to comparisons in time and in geography.

Some tables are not offering the reader´s comfort – too many tables are difficult to read and to derive the inferences on-the-spot.

Miss Ferrara concentrated too much on the geographical diversification and practically skipped the industrial structural diversification, and also the policies supporting such a transition.

The theories of trade from chapter 2 could have been applied here. The presented analysis is not related directly to the quantitative assessment of policies. It is on the reader to derive it from the raw data.

In an empirical research of this type the value judgments should be kept at minimum and concentrate more on the analytical side of the research, i.e. on the work with data and statistics.

4) Literature:

I would welcome if the references were hitting more analytical literature about the trade and policies of Mexico, as published in academic journals.

It is insufficient to refer to newspapers or strategic plans of the government. We should know more about the mechanism how the economy responded to the announced policies.

5) Manuscript form:

The thesis is quite extensive, which is to some extent also due to repetitions of similar ideas or facts. There are not many typos or erroneous grammar. The style of references is not standard and could be improved. There are some data which seem to contradict each other (e.g. on p. 29 or 44).

Suggested questions for the defence are:

Is Mexico (in the Trump predatory era) now in a situation that its trade policies should be fundamentally revised? This topic was not addressed in more detail in the thesis.

Is the policy to have more trade with the EU and China a correct answer to the problem of diversification? What kind of pre-conditions should be applied here, so that such a transition is successful?

I recommend the thesis for final defence.

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

CATEGORY	POINTS
<i>Theoretical background (max. 20 points)</i>	14
<i>Contribution (max. 20 points)</i>	16
<i>Methods (max. 20 points)</i>	11
<i>Literature (max. 20 points)</i>	13
<i>Manuscript form (max. 20 points)</i>	18
TOTAL POINTS (max. 100 points)	72
The proposed grade (A-B-C-D-E-F)	C

DATE OF EVALUATION: 17 June 2019

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