

Report on Bachelor/Master Thesis

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

Student:	Aigerim TUXAITOVÁ
Advisor:	Doc. Vladimír Benáček
Title of the thesis:	Development of Transnational Corporations In Kazakhstan: Comparative Analysis and Aspects Of International Trade

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

The original idea of examining the role of transnational corporations (TNC) in Central Asia / Kazakhstan on enterprise data had to be modified as it became obvious that some data for such an ambitious exercise could not be available. Thus the deductive introduction remained but the empirical testing had to deal with data at hand. It should be appreciated that Miss Tuxaitova has coped with such hardships by flexibility and by intensifying her research.

The conclusions from her first chapter imply that each country should respond to TNCs by rallying around its comparative advantages represented by endowments. Thus Kazakhstan could not but build its development around its huge natural resources. What makes it very different from other natural resource rich countries is that Kazakhstan tried to plough back the capital gains from oil, gas and uranium to the development of other industries and be active in trading it with its neighbours. The TNCs have been purposefully used as an instrument of national development.

This makes the thesis of Miss Tuxaitova interesting. For example, the second chapter deals with the TNCs in context with such a two-pronged economy, which is often hit by the so-called Dutch disease. By means of a regression model for 1993 - 2008 she tested whether FDI inflows, split into two groups of sectors, could be explained by economic factors and policies. The tests reject the hypothesis that Dutch disease could harm the Kazakhstani economy. They also reveal that both sectors had to follow different policies for their development.

The last chapter deals with two dominant companies operating in oil and gas industry – one foreign (Shell Corporation) and one national (KazMunayGas) and compares their business and social activities. The study assesses their performance and concludes that both offer significant benefits (even spillovers of externalities) to the national economy. That requires to follow specific external and internal government policies, fine-tuning of the legislation and competition.

Conclusion: the study is an innovative analysis of the development of a country that follows policies aiming at breaking the barrier between developing and developed countries. It is partially based on econometric testing of hypotheses derived from theories of open economies.

Suggested questions for the defense is:

- 1) "Explain the incidence of Dutch disease in natural-resource rich countries and defend the statement that Kazakhstan avoided such an incidence by means of its pro-growth and pro-open policies".
- 2) "Where Kazakhstan differs in its policies from other Central Asian or even developing countries"?

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	25
Contribution (max. 30 points)	26
Manuscript Form (max. 20 points)	19
TOTAL POINTS (max. 100 points)	90
GRADE (1 - 2 - 3 - 4)	1

NAME OF THE REFEREE: Vladimír Benáček

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Referee Signature