

IMESS DISSERTATION



Note: Please email the completed mark sheet to Year 2 coordinator
(cc Chiara Amini chiara.amini@ucl.ac.uk and ssees-imess@ucl.ac.uk)

Please note that IMESS students are not required to use a particular set of methods (e.g. qualitative, quantitative, or comparative) in their dissertation.

Student:	Yunqiao Xu
Dissertation title:	Examining Innovation-Growth View and Innovation-Fragility View: A Case of European Countries

	70+	69-65	64-60	59-55	54-50	<50
	A	B	C	D	E	F
Knowledge <i>Knowledge of problems involved, e.g. historical and social context, specialist literature on the topic. Evidence of capacity to gather information through a wide and appropriate range of reading, and to digest and process knowledge.</i>	X					
Analysis & Interpretation <i>Demonstrates a clear grasp of concepts. Application of appropriate methodology and understanding; willingness to apply an independent approach or interpretation recognition of alternative interpretations; Use of precise terminology and avoidance of ambiguity; avoidance of excessive generalisations or gross oversimplifications.</i>	X					
Structure & Argument <i>Demonstrates ability to structure work with clarity, relevance and coherence. Ability to argue a case; clear evidence of analysis and logical thought; recognition of an argument limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.</i>	X					
Presentation & Documentation <i>Accurate and consistently presented footnotes and bibliographic references; accuracy of grammar and spelling; correct and clear presentation of charts/graphs/tables or other data. Appropriate and correct referencing throughout. Correct and contextually correct handling of quotations.</i>	X					
Methodology <i>Understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.</i>	X					

ECTS Mark:		UCL Mark:	78	Marker:	Prof Slavo Radosevic
<i>Deducted for late submission:</i>				Signed:	
<i>Deducted for inadequate referencing:</i>				Date:	31.05.2022

MARKING GUIDELINES

A (UCL mark 70+): Note: marks of over 80 are given rarely and only for truly exceptional pieces of work.

Distinctively sophisticated and focused analysis, critical use of sources and insightful interpretation. Comprehensive understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

B(UCL mark 65-69):

A high level of analysis, critical use of sources and insightful interpretation. Good understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

C (UCL mark 60-61):

Some evidence of critical analysis, knowledgeable interpretation. Wide range of sources used to develop a logic and coherent argument. Good understanding of techniques applicable to the chosen field of research, the extent of independent research could have improved.

D (UCL mark 59-55):

Employ relevant sources and show ability to engage in systematic inquiry. Little critical analysis of the material. It demonstrate methodological awareness but the standard and rigor of the analysis can improve.

E (UCL mark 54-50):

Mostly descriptive argument. Employ relevant but limited sources. The structure, logic and overall quality of the argument needs improvement.

F (UCL mark less than 50):

Demonstrates failure to use sources and an inadequate ability to engage in systematic inquiry. Inadequate evidence of ability to engage in sustained research work and poor understanding of appropriate research techniques.

Comments, explaining strengths and weaknesses (at least 300 words):

This is a thorough and well-designed research project of applied micro econometrics in the banking industry. The issue is well framed (innovation - growth/innovation – fragility). Dataset, variables and methodology are very well and exhaustively described, and results are well interpreted. Appropriate robustness checks. Given the conceptual or interpretative model that underpins the research the methodology of panel econometrics is appropriate.

The author has demonstrated excellent effort and mastery of methodology. Writing is impeccable, work is very well structured, and attention to detail gives the impression of very neat analytical work. The only omission is table 2F where the layout is out of control. Also, with 117 pages in length it is overkill, and there is scope for shortening by avoiding repetitions which can only improve its readability.

On the weaknesses side, there are a few issues which go beyond what would be required at the MA level. Hence, my remarks do not undermine the quality of the work.

First, the research questions are posed and framed in a positivist manner. There are no articulate theories behind the questions, which are posed entirely as empirical questions. Also, there are very limited insights on the causation mechanisms between innovation, growth and fragility. Along similar lines, the impact of Covid is posed as an external event without trying to probe into the mechanics of its impact on innovation and banking performance.

Second, the distinction between financial and technological innovation was taken very lightly as unproblematic and given and treated as of the same nature. The text talks about ‘holistic indicators’ of financial innovation, which are just three different types of ‘innovation’

Third, measures of innovation are not actually measures of innovation but input into innovation which may explain very similar levels of RD expenditures. Why was an innovation not measured through different types and measures of intensity and extensiveness of use of various services?

Fourth, possibly in conclusions or in the final sections, a reader would want to learn how the paper has contributed to the literature, arguing that results are mixed. Is this one more result which contributes to a cacophony of mixed results? Or, in which way this paper has clarified why results are mixed? Especially whether methodologies or context influence strongly mixed results. At least, some observations in that respect would further improve the analytical value of the dissertation.

Specific questions you would like addressing at the oral defence (at least 2 questions):

1. Empirical results show that capital regulation plays 'a vital role in the relationship between financial innovation and bank growth and the relationship between financial innovation and bank fragility'. If so, the more appropriate analytical model should be the one that looks at the interaction chain: Regulation > Innovation > Performance > Regulations. Each of these factors could have been proxied by a variety of indicators. However, this analysis cannot be done via panel regression but only through structural equation modelling type work. Please, comment.
2. Please, explain why findings in the literature are mixed? Is that due to different contexts, different periods or different indicators or different methodologies? If it is due to a mixture of these factors, what is the way forward towards a more robust understanding of the link between innovation and performance in the banking industry?
3. Why in 'COVID models' you have ignored differences among countries in degrees of COVID restrictions? Explain

