

BACHELOR'S THESIS EXAMINER REPORT
PPE – Bachelor's in Politics, Philosophy and Economics
Faculty of Social Sciences, Charles University

Thesis title:	The Role of Institutional Change in the Turkish Economic Growth Under AKP Governance
Student's name:	Algushad Gulaliyev
Referee's name:	Vilém Semerák

Criteria	Definition	Maximum	Points
Major Criteria			
	Contribution and argument (quality of research and analysis, originality)	50	37
	Research question (definition of objectives, plausibility of hypotheses)	15	13
	Theoretical framework (methods relevant to the research question)	15	9.5
Total		80	59.5
Minor Criteria			
	Sources, literature	10	9
	Presentation (language, style, cohesion)	5	3.5
	Manuscript form (structure, logical coherence, layout, tables, figures)	5	3
Total		20	15.5
TOTAL		100	75

Reviewer's commentary according to the above criteria (min. 1800 characters including spaces when recommending a passing grade, min. 2500 characters including spaces when recommending a failing grade):

The author describes his research question using the following words: "whether the change in the political institutions of the Republic of Turkey has had an impact on the economic performance of Turkey during the AKP governance between 2002-2017". The topic is not entirely new but it remains relevant; the dynamics and especially economic and policy stability of regimes similar to the regime which has developed in Turkey remains in the focus of many researchers and policymakers.

The first main section of the thesis provides a relatively broad and non-technical outline of the relationship between institutions and economic growth/development. This overview covers the most important aspects of the role of institutions, although it is not quite complete – many additional more recent papers (and especially empirical research papers) on related topics might have been relevant too. However, the level of the treatment of the issue appears appropriate for a broader interdisciplinary program such as the PPE and the bachelor level of study.

The next section (section 3) is the longest one and can be considered the actual core of the work and of the author's contribution; it provides a brief overview of the political/economic development of Turkey in 20th and 21st century followed by a relatively detailed description of AKP's policies before and after year 2007. It seems that the author attempts to provide a relatively balanced description of the rule of AKP, he pays attention both to the positive side of their pre-2007 reforms as well as to the more troublesome policies introduced after 2007. Interestingly enough, the 2016 (alleged) coup is not mentioned or analyzed in the text even though it might have provided the author with an opportunity to test some of his conclusions. It is not clear whether this is due to the fact that the author did not consider this issue relevant for his paper, or because many of the resources he uses in this section are from 2016 and older.

Finally, section 4 focuses on what should be the core of the thesis, i.e. on issues directly linked to the original research question. The section provides a comparative analysis of the economic development and attempts to outline (and to some extent also to evaluate) possible relationships between the differences in AKP's pre- and post-2007 policies and the speed and structure of Turkish economic growth. The author has opted for a very simple methodology, he compares the development of selected indicators (including the TFP and the share of high- and medium-tech products in exports) in the two periods, in some cases he adds additional countries into the comparison. This is a very traditional (old style) approach which is useful for illustration of the differences, but which makes it almost impossible to provide more detailed tests of statistical significance of the comparisons or of possible linkages between variables describing "the quality of growth" and institutional changes.

This approach has two main problems:

- (i) the reliance on such simplified (and often visual) comparisons might not be too convincing; some additional work on the form of presentation of the data might have been useful. For instance, the information conveyed by figure 9 (p. 48) might be easier to digest had the author attempted to provide also pre- and post-2007 averages for Turkey and OECD respectively.
- (ii) The second and more important issue is the fact that many countries experienced better development (and higher growth) during 2002-2007 than after that, simply because of the timing of the subsequent financial crisis. The effect can be reinforced for some neighbours of Turkey due to the side-effects of Greek debt crisis. A deeper analysis of the differences between pre- and post-2007 development would therefore require more advanced comparison which would include other countries (and econometric methods).

In the author's defence, it must be admitted that similar descriptive approaches are still being used in less technical texts and that attempts to use more advanced methods (e.g. the synthetic control method) are not too likely to lead to more convincing results in this particular case. The proximity of the critical year 2007 with the beginning of the financial crisis is, of course, beyond the author's control, although a discussion of the possible collateral damage brought by the crisis in the form of negative influence on Erdogan's policy space might have been interesting too.

In spite of the fact that the author has amassed and processed a relatively extensive list of papers discussing the role of institutions in economic growth and the development of Turkish society and economy relatively early in the process of his work, the thesis was finalized quite hastily in the final weeks before submission. This unfortunately means that some language, formatting and typographic issues remained in the final version of the text, these include some imprecision in terminology, esp. when the author refers to econometric

results (p. 8), formatting of bibliography and of footnotes (including an incomplete footnote on p. 54), and inconsistent capitalization (e.g. White/white Turks on p. 24). On the other hand, the style and form of the thesis as well as the incidence of the aforementioned problems still remain at a rather acceptable level; the author had even time to update numbering of figures and add the list of acronyms to the paper.

The automatic Urkund analysis (SIS) was not available when this report was being prepared, probably because the thesis was submitted to the SIS late and in a wrong format (PDF but not PDF/A). However, the aforementioned language issues as well as the style of work of the author suggest that it is his original contribution.

Proposed grade (A-B-C-D-E-F): C

Suggested questions for the defence are:

1. As you mention on p. 6, it is also possible that the relationship between democracy and economic growth is reversed (or two-directional): economic growth can consolidate the democratic system. Why this apparently has not happened in Turkey? Or has it?
2. Your thesis provides an interesting outline of who relatively profited from AKP's reforms. Is it possible to use these conclusions in order to explain the 2016 coup (or alleged coup)?
3. Is there any relationship between the existence of "extractive institutions" in some countries and a phenomenon known as "state capture"?

I recommend the thesis for final defence.

Referee Signature

Overall grading scheme at FSV UK:

TOTAL POINTS	GRADE	Quality standard
91 – 100	A	= outstanding (high honor)
81 – 90	B	= superior (honor)
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.