

Report on Bachelor / Master Thesis

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

Student:	Valeri Covalenco
Advisor:	Doc. Roman Horváth, Ph.D
Title of the thesis:	The impact of IMF financial aid on economic growth and inflation

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

The thesis examines the effect of IMF financial programmes on economic growth using the panel regression framework.

The thesis is well structured and provides an extensive description of IMF lending programmes and a sufficient literature survey. The econometric model is described in the way that reader understands the procedure the author undertakes.

The thesis could have been written better. Consider the abstract. At the beginning, it says that it examines the effect of loan size and IMF quota on economic growth. Then, lengthy description of how control variables matter for economic growth is provided and it is somewhat difficult to find in the abstract whether in fact loan size matters for economic growth. The abstract says that lagged loan levels matter, which probably is loan size but the reader is exposed to an unnecessary level of uncertainty.

In addition, there are inconsistencies in the arguments. For example, the text on page 30 says that pooled OLS should not be used but Table 6 a couple of pages later provides the pooled OLS estimates. It is sometimes a bit difficult to follow the line of argumentation.

One could provide several examples in the thesis, where it is difficult to even guess the meaning of the sentence. The novelty of the thesis is not stressed at all (may be except some lines in the conclusions) and reader may have difficulty in understanding what is new in the thesis vis-a-vis existing literature.

Table 7 provides the estimates of the effect of IMF quotas on economic growth. It is a bit unclear to me why higher IMF quotas should have an effect on economic growth and the author does not explain it either when discussing the results.

The author argues the lower corruption translates into lower inflation (see the results in Table 11). The explanation for this effect is simplistic (see the beginning of page 44). Overall, very little effort is given to interpret the results and compare them to previous literature.

Overall, it is a solid thesis focusing on relevant policy topic but much more effort should be undertaken to draft the text and interpret the results. Therefore, I recommend the grade „dobře“ (3).

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	13
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	15
<i>Manuscript Form</i> (max. 20 points)	5
TOTAL POINTS (max. 100 points)	58
GRADE (1 – 2 – 3 – 4)	3

NAME OF THE REFEREE: Doc. Roman Horváth, Ph.D.

DATE OF EVALUATION: January 13, 2017



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

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

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

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 POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě