

Report on Bachelor / Master Thesis

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

Student:	Genta Mullaj
Advisor:	Jaromír Baxa, Ph.D.
Title of the thesis:	Overview of Foreign Aid in the Balkan Countries: Selected Problems

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

In this thesis, Genta Mullaj aims to overview and evaluate foreign aid in efficiency in Balkan countries. The author finds this role as being controversial and inefficient in reducing poverty and sustaining economic growth.

The thesis starts with an overview of the World Bank policies and then the role of the World Bank in the Balkan region is described. The second half of the thesis contains criticism of policies, based mainly on arguments by J. Stiglitz, and finally, Genta performs several econometric exercises. From this perspective, structure of the thesis is logical and adequate for selected topics, with respect to manuscript form, the language is sometimes quite complicated so the text is hard to read. The second criticism with respect to manuscript form concerns the fact that figures and tables do not have unified style – the author was aware of it but due to time constraints and number of figures and tables, they were not updated prior submitting the thesis.

Chapters 2 and 4 are relatively well elaborated and especially chapter 3 provides quite an extensive survey of foreign aid in Balkan countries pointing to the importance of "good governance" and low corruption for aid efficiency. The author uses appropriate data to support her arguments and her argumentation is based on relevant literature.

Chapter 5 is devoted to empirical analysis. Sadly, the level of empirical analysis is the weakness of the thesis. First, the estimates consider GDP instead of GDP growth, we discussed this choice, but the author decided to regressions in levels in her thesis. Second, although the results look interesting, it is necessary in this case to provide extensive sensitivity analysis not only across estimation methods – this was done – but also across other potential variables to make sure there is not omitted variable bias present.

All in all, despite my objections and limitations of methodology of the empirical part, the final version shows that the author is able to perform some basic empirical exercises with different methodologies and dataset and that the author is able to ask interesting questions. Despite the elaboration could have been better, good questions and ability to understand limits of our knowledge are sometimes more important than the answers. Especially in the field of growth econometrics, where the results often change when different dataset is considered.

My suggestion is grade C, satisfactory.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	15
<i>Methods</i> (max. 30 points)	11
<i>Contribution</i> (max. 30 points)	12
<i>Manuscript Form</i> (max. 20 points)	12
TOTAL POINTS (max. 100 points)	50
GRADE (1 – 2 – 3 – 4)	C

NAME OF THE REFEREE:

Jaromír Baxa

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DATE OF EVALUATION:

28.1.2013

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