

# Report on Master Thesis

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

Student:	Lorena ZHUPAJ
Advisor:	Doc. Roman Horváth, PhD
Title of the thesis:	Examining the impact of reforms on economic growth: The case of transition economies

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

The master thesis of Ms. Zhupaj is a not very extensive study (the real contents being on pages 12-56) whose large part is a loose description of conclusions from a plethora of journal publications and institutional reports (pp. 12-46). The apparent weakness of such a non-categorized approach is that its narratives are dumped without anchoring to some theoretical unifying frame. Thus marginal or even flawed technical macroeconomic exercises and descriptions of transition from the prism of developing countries, rank equally with fundamentals, such as market structure, labour mobility, human capital, privatization, banking, openness, terms of trade or FDI. The topics of corporate governance, market failure, asset stripping or entrepreneurship were practically skipped. It is a pity that the textbook of G. Roland (2000) or even better his *Economies in Transition - The Long-Run View* (2012) did not serve as a guideline for a selectively structured treatment.

Another crucial and highly controversial (and generally confused and misunderstood)<sup>1</sup> topic – the output decline – has a special chapter but that is merely 1 page long (sic !). Its seminal paper of J. Kornai is placed into references as Janos K. Another non-orthodox but influential author Vladimir Popov (see e.g. <http://ideas.repec.org/e/ppo130.html>) is quoted only once (p. 32) and incorrectly in the References. It is a pity that the author did not attempt at explaining such a heated topic e.g. why China did not suffer of the same malaise experienced in the Post-Soviet countries.

The positive aspect of the chapters 2-4 are the figures of the author and the concentration on the assessment of institutions and reforms and their impacts on transition and development. Nevertheless, also even here I missed personal views, criticism and more insightful comparative comments. On p. 43 there is a graph with overall indicators of reform constructed by the author without explaining the method how it was done.

The only creative part of the thesis with a personal touch is the chapter 6 (practically 6 pages of the text) where there are author's empirical tests. Its preceding chapter 5 introducing the empirical analysis is again a residual where the hypotheses 2 and 3 are not stated with sufficient clarity. I would appreciate if equations 1, 2, 3 on p. 50 (choice of variables and the interpretation of all coefficients) would be explained with a more theoretical vigour. The final lack of a thorough interpretation of the estimated

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<sup>1</sup> See e.g. Kohli U. (2004): Real GDP, real domestic income and terms of trade changes. *Journal of International Economics*, 62, s. 83-106

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results in Table on p. 55 (which offered material for some 3-5 pages) was for me difficult to understand. (Was the student short of time at the end? Was she ill?)

The extensive list of literature is the most positive part of the thesis. I wondered why after so much studies of the literature the final result was so non-personal and without undisputable own contribution. Maybe sometimes less can be more if the study does not move only on the surface.

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

<b>CATEGORY</b>		<b>POINTS</b>
<i>Literature</i>	<i>(max. 20 points)</i>	14
<i>Methods</i>	<i>(max. 30 points)</i>	10
<i>Contribution</i>	<i>(max. 30 points)</i>	8
<i>Manuscript Form</i>	<i>(max. 20 points)</i>	8
<b>TOTAL POINTS</b>	<i>(max. 100 points)</i>	<b>40</b>
<b>GRADE</b>	<b>(1 – 2 – 3 – 4)</b>	<b>4</b>

**NAME OF THE REFEREE:** *Vladimír Benáček*

**DATE OF EVALUATION:** *11 Jan 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 analysed.*

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