

Report on Master Thesis

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

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Advisor:	PhDr. Ondřej Glazar
Title of the thesis:	Croatian accession to the European Union: impact on the agricultural sector

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

The thesis is an analysis of the Croatian accession to the European Union and its impact on the Croatian agriculture sector.

The thesis contains 50 pages including 35 pages of descriptive survey and 15 pages of analysis. Chapter 1-4 introduces the topic, surveys relevant literature present facts about the Croatian agriculture sector. Chapter 5 presents the methods used to analyze the impact of Croatian accession to the EU on its agriculture sector, and present results.

In chapter 5, gravity model is estimated for Croatian exports before and after Joining the EU. The gravity model estimation is an appropriate way to analyse the impact of any FTA (in this case Joining EU). However, my concern is the following:

- There is a potential problem of endogeneity of the Dummies CEFTA and EU with respect to trade. Countries are likely to enter FTA (in this case CEFTA and EU) if they already trade a lot (natural trading partner hypothesis). The issue is not discussed in the thesis.
- [pp22] you mention that despite the availability of direct support under CAP, "the farmers seem to be fleeing the field", however, the graph on the same page shows that the decline in the number of farmers has started from the month IV 2011 well before the Croatian entry into EU, while the number has stabilized from July 2013 onwards.

Suggested question for the defense is:

After entry into the EU, how do you think the EU sovereign debt crisis might effect Croatian Trade with the EU.

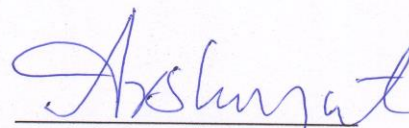
In the case of successful defense, I recommend "velmi dobře" (good, 2).

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

CATEGORY	POINTS
Literature (max. 20 points)	17
Methods (max. 30 points)	22
Contribution (max. 30 points)	20
Manuscript Form (max. 20 points)	16
TOTAL POINTS (max. 100 points)	75
GRADE (1 - 2 - 3 - 4)	2

NAME OF THE REFEREE: Arshad Hayat

DATE OF EVALUATION: 08.09.2014


Referee Signature