

Report on Bachelor / Master Thesis

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

Student:	Bc. Elza Iusufova
Advisor:	Nargiza Alimukhamedova, Ph.D.
Title of the thesis:	Analysing Transition Process of Russia: Foreign Direct Investment Distribution across Regions

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

The Bachelor thesis is aimed to provide the analysis of attracting foreign direct investment (FDI) in Russia. The thesis is aimed to provide a comprehensive approach covering several aspects of FDI in Russia:

- In the first part, a general description, classifications and determinants of FDI in regions of Russia is provided. There is also a detailed delve into the Russian economy during 1991-1999 transition period, as well as during 2000 – 2013 period.
- The literature review provides the list of studies on impact assessment of FDI in Russia and similar countries. While the review also highlights different methodologies on finding the impact of FDI and empirical findings. Yet, as a venue for improvement it is recommended to include a broader set of studies, especially published in peer-reviewed Journals on the determinants and factors explaining the FDI in other comparable settings.
- For a more coherent structure it is also recommended to change the order of sections. In particular, it is recommended to place "3.1. Russian economy: transition process (1991-1999) and current state (2000-2014)" in the first part where a general description of Russian economy is presented. As of now it is not well embedded in FDI related sections.
- It is also recommended to highlight more the novel contribution of the thesis compared to other studies and mainstream literature. This can be provided in "Introduction and Motivation" sections of the work.
- In the second part, empirical analysis of the new determinants for attracting FDI in regions of Russia is presented. The analysis is based on a cross-sectional data of 83 regions in Russia. Empirical section is aim to shed more light on new determinants explaining heterogeneity of FDI in regions. Among novel determinants the following three are tested: [1] quality of life [2] level of industrialization and [3] investment risk. Estimation results of a linear regression model (OLS) reveal that investment risk has positive and significant determinants of FDI in regions. Other factors such as level of transportation, human capital as measured by education population, quality of life and regional population were found not to be statistically significant. The author has also conducted various statistical and model specification tests for chosen methodology, so that to ensure the validity of results.
- It might be useful to conduct additional robustness checks for validity of results and hypothesis as some contradict to existing studies and / or counter intuitive.

Questions for Defense:

What are potential future prospects for FDI in Russia? Is it expected to grow, diminish or remain stable?

Recommended grade for Defence:

61 – 80	2	= good	= velmi dobře
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SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	15
<i>Methods</i> (max. 30 points)	15
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	73
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: Nargiza Alimukhamedova, Ph.D.

DATE OF EVALUATION: June 1, 2016


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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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