

IMESS DISSERTATION



Note: Please email the completed mark sheet to Year 2 coordinator (cc Julia Korosteleva j.korosteleva@ucl.ac.uk and Marta Kotwas m.kotwas@ucl.ac.uk)

Please note that IMESS students are not required to use a particular set of methods (e.g. qualitative, quantitative, or comparative) in their dissertation.

Student:	Conrad Scheibe
Dissertation title:	Fiscal consolidations and their effects on income inequality

	Excellent	Satisfactory	Poor
Knowledge <i>Knowledge of problems involved, e.g. historical and social context, specialist literature on the topic. Evidence of capacity to gather information through a wide and appropriate range of reading, and to digest and process knowledge.</i>	X		
Analysis & Interpretation <i>Demonstrates a clear grasp of concepts. Application of appropriate methodology and understanding; willingness to apply an independent approach or interpretation recognition of alternative interpretations; Use of precise terminology and avoidance of ambiguity; avoidance of excessive generalisations or gross oversimplifications.</i>	X		
Structure & Argument <i>Demonstrates ability to structure work with clarity, relevance and coherence. Ability to argue a case; clear evidence of analysis and logical thought; recognition of an arguments limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.</i>	X		
Presentation & Documentation <i>Accurate and consistently presented footnotes and bibliographic references; accuracy of grammar and spelling; correct and clear presentation of charts/graphs/tables or other data. Appropriate and correct referencing throughout. Correct and contextually correct handling of quotations.</i>	X		

ECTS Mark:	A	UCL Mark:		Marker:	Jaromír Baxa
<i>Deducted for late submission:</i>				Signed:	
<i>Deducted for inadequate referencing:</i>				Date:	2.6.2016

MARKING GUIDELINES

A (UCL mark 70+; Charles University mark = 1):

Note: marks of over 80 are given rarely and only for truly exceptional pieces of work.

Distinctively sophisticated and focused analysis, critical use of sources and insightful interpretation. Comprehensive understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

B/C (UCL mark 60-69; Charles University mark =2):

A high level of analysis, critical use of sources and insightful interpretation. Good understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research. 65 or over equates to a B grade.

D/E (UCL mark 50-59; Charles University mark = 3):

Demonstration of a critical use of sources and ability to engage in systematic inquiry. An ability to engage in sustained research work, demonstrating methodological awareness. 55 or over equates to a D grade.

F (UCL mark less than 50; Charles University mark = neospělúa):

Demonstrates failure to use sources and an inadequate ability to engage in systematic inquiry. Inadequate evidence of ability to engage in sustained research work and poor understanding of appropriate research techniques.

CONTINUES OVERLEAF

PLEASE PROVIDE SUBSTANTIVE AND DETAILED FEEDBACK!

Constructive comments, explaining strengths and weaknesses (at least 300 words):

Presented thesis contains a well-motivated paper discussing the effects of fiscal consolidation on inequality in great detail. The problem of rising inequality attracted a lot of research in recent years, but most of the contributions focused on long-term trends (including the T. Picketty's bestselling *Capital of the 21st Century*) while the challenges related to the current conduct namely of fiscal policy remain rare. In this respect, presented thesis is a welcomed addition to the existing quite narrow literature on the effects of fiscal consolidation on inequality.

The thesis is well written. It starts with a detailed literature review where the effects of consolidation on growth and consolidation on inequality are discussed. Additionally, the literature review contains a subsection devoted to alternative approaches to identify periods of fiscal consolidation.

The empirical analysis closely follows the existing practice and it relies on panel data techniques. From my point of view, the analysis is conducted carefully and even the results of all important tests are presented and discussed. The results are then compared to the other literature and are roughly consistent, although the resulting effect of fiscal consolidation on net inequality is rather insignificant when the SUR methodology is not used.

Let me also highlight the section presenting sensitivity analysis, where Conrad Scheibe attempts to discuss specific effects of tax-based and expenditures-based consolidation policies and he finds that the choice of the instrument of fiscal consolidation is likely to affect the outcome. Although his results are quite in line with economic intuition, they were not (up to my knowledge) presented in the literature yet. I believe that a short paper, focused on particular effects of types of consolidations on inequality could have been published in a decent empirical journal. But as usually, a lot of work would have to be done since it is much different approach if one attempts to write a 15-pages paper or 70-or-so long thesis.

Overall, my evaluation is very much positive and I recommend grade A - excellent, of course depending on the defense.

Specific questions you would like addressing at the oral defence (at least 2 questions):

1. If you were asked to draft a proposal of fiscal consolidation of 3% GDP, which instruments you prefer and what effects on inequality you expect?
2. Considering your results, what do they imply for the recent policies implemented in the EU countries hit by the sovereign bond crisis most severely?
3. Could there had been any alternative in 2010 or 2011?