

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:	Andrés Morales Interiano
Dissertation title:	The Czech's Republic Participation in the Association Agreement between the European Union and Central America and Its Policy Implications

	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:	B/C	UCL Mark:	60	Marker:	Vilém Semerák, IES FSV UK
<i>Deducted for late submission:</i>				Signed:	
<i>Deducted for inadequate referencing:</i>				Date:	June 13 th , 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 = nepospělúa): 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):

The thesis presented by Mr Andrés Morales Interiano is not easy to evaluate. On the surface it looks amazing: it seems to integrate international political economy perspective, brief introduction into relevant economic theory and even an attempt at own empirical evaluation; the list of references is massive and staggering; the language appropriate; expert terminology omnipresent. Apparently quite a lot of time and effort had been invested into the work.

A closer look unfortunately reveals a few shortcomings, some of which are unfortunately quite typical for many publications in current humanities: the sad tendency to prefer style and rhetorical quality to actual and novel content. The excellent form of such texts can often hide the lack of non-trivial conclusions or the lack of actual hard evidence to support the conclusions. I am afraid that this feature is at least to some extent characteristic also for this thesis.

Author wastes lots of space on less relevant issues and digressions - for example, pages 8-10 contain a wide introduction (with many traditional references) into political economy, pages 19-20 focus on the history of GATT/WTO – something that is not really directly relevant for the topic of the thesis and something which will at this level of treatment hardly bring any new and interesting insight. Similarly, the author found it necessary to include a relatively lengthy description of the various definitions of a “negotiation” (p. 23) or explain what is the EU (p. 24). Unfortunately, the author is less generous elsewhere and the thesis thus fails to take into account models and facts which could have been rather important for both explaining the observed trends and for designing a proper way how to test them, e.g. the gravity model of trade. This concept is mentioned only once (p. 16) and the author probably did not realize that this is the piece of the puzzle which would help him improve the foundations of his text rather substantially.

In general, author’s results are correct (albeit unexciting) – as he briefly explains on pages 30-31, 34-35 and p. 51 the CA region is not really crucial for the Czech economy and the logic of the Czech position on the CA AA can indeed be described as not having any reasons to protest against the agreement (or even try to block it), but not having any real reasons to be too active supporters or even interested observers of the process either. The author implicitly (and without emphasizing this) provides a fairly strong indirect evidence for this on p. 35 – i.e. the fact that the Czech Republic most probably did not even have an explicit independent evaluation of the possible effects on the Czech economy (unlike in the case of Korea, Columbia & Peru, etc. where the MITCR commissioned such analyses), nor did it hold public consultations (p. 51).

However, it would have been useful to support these general conclusions and observations also by a bit more solid statistical evidence or underlying theory (e.g. based on the gravity model of trade); section 3 of the text while having a promising name (“Methodology, Evidence and Evaluation”) does not provide much of this kind of support – it is again mostly descriptive but it provides an interesting insight into the decision-making of Czech authorities (p. 48-52). Still, significant parts of the section are not really focused on the Czech role/position.

As far as the research methodology/strategy of the paper is concerned, it could have been a bit more interesting not just to provide a general description of the Czech involvement in the EU-CA association agreement but to compare this case with involvement in debates over other trade agreements negotiated at about the same time (EU – Columbia & Peru, EU – Korea, EU DCFTA with Ukraine, Moldova, Georgia). This comparison could have revealed more interesting details about the relative attitude of the Czech Republic to the particular case of CA AA.

Particular issues identified in the text and an outline of possible omissions:

- The reference to increasing returns (p. 15). Either the author defines the concept in a way very different from its traditional meaning in trade theory or he misunderstood the explanation of the models. Heckscher-Ohlin model (and the figure 2) are typically based on the assumption of constant returns to scale.
- It is not quite clear why the author borrowed the Figure 1 from Krugman & Obstfeld’s textbook. The figure could be used to explain the logic of Rybczynski theorem but it is not what author was probably trying to do (p. 15).

- On page 19 the author writes: "... the establishment of trade agreements as are known today has its beginnings with the creation of the GATT 1947 and its entry into force on the 1st January 1947, after the fall of the Bretton Woods system (Goode, 2004)". However, the end of the Bretton Woods system occurred in 1970s, the author probably misquotes the original source.
- It is not quite clear what the author means by "hasty liberalization" (p. 27) – whether domestic economic policies or trade policy. If (as the context suggests) it is supposed to be the external liberalization (trade policy), then this description seems rather exaggerated given the history of previous participation in the GATT. Similarly, the role of ECB mentioned at page 27 also does not seem to be too probably (especially as the adjustments which the author seems to write about had started even before the ECB was created).
- When the author speculates about the Czech motives for regional agreements (p. 30) citing motives described by Whalley (1998), he mentions strategic alliances and attempts to lock in domestic policy reform. This was indeed an important motive – but rather for EU (and NATO) membership, but it is hard to see (and the author does not provide additional explanation) why this should be the case of the CA AA.
- Interestingly enough, when the author writes about the Czech association agreement with the EU (p. 30-31), he does not mention the interesting case of the original Czechoslovak association agreement (1991) which had to be renegotiated because of the concurrence of the end of federation and of the EC Council 1992 decision that all new agreements must include a clause mentioning the "respect for human rights, democratic principles and the principles of market economy". As a result, the modified agreement only entered into force in 1995 (although an interim agreement reduced the effects of the delay). Hypothetically, this experience might have had some effect on the willingness to dwell on non-economic aspects of the EU CA AA.
- The description of the ratification process of trade agreements (p. 33) could have been a bit more precise. In fact, the extent of participation of the member countries depends on the contents of the agreement, where the "mixed agreements" require the ratification in a member state. However, it is true that most modern agreements are likely to fall into the mixed category.
- Two additional interesting factors which might have influence Czech focus on the negotiation process are not discussed either: (i) The Czech Republic held the rotating presidency of the Council of the EU in 2009. While the author mentions the presidency (p. 29), he does not consider its possible adverse side-effects – the additional administrative burden for the governments of new and less experienced member states (and the resulting even lower interest in projects perceived as less crucial). (ii) The internal political crisis caused by no-confidence vote for the Czech government in March 2009 – this also might have distracted possible Czech stakeholders.
- The text does not mention the possibility of indirect trade interests. The Czech Republic is an important supplier of intermediate products (components) e.g. to German companies, many of which are successful exporters to non-EU markets. A complex evaluation of liberalization-related trade interest should therefore include this channel too.
- The use of empirical data on changes in the values of trade flows after 2013 is unfortunately inadequate. The actual values of exports/imports are determined also by international prices, business cycles and other factors which can often dwarf the effects of gradual changes in trade policy. Rather than describing changes in the values of total trade flows (p. 53 for the EU, p. 56-57 for the CR, appendices 3-7) the author should have focused (at least) on the changes in the relative shares of the CA region in EU/Czech exports and imports; it would have been even better to attempt to use analysis based e.g. on gravity models or perhaps decomposition based on constant market share analysis. Of course, the previous point about indirect trade applies here as well. In fact, it is not difficult to imagine scenarios in which successful trade liberalization with non-EU markets actually leads to an increase in the share of the EU partners in Czech exports.

To sum it up – the submitted thesis has the appearance of very ambitious and well-research text, but the actual depths of analysis in the thesis (and its methodological quality) is thus more similar to a Bachelor's thesis rather than to the Master level.

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

1. Describe the share of the countries covered by the EU CA Association Agreement in Czech exports. Has it increased or decreased since 2013?
2. If you compare the GSP and the new regime for CA imports into the EU – what were the biggest differences, i.e. what was the extent of actual liberalization achieved from the perspective of the CA countries?
3. Non-tariff measures are seen as the most important (and also most sensitive) issues in most current trade negotiations (e.g. TTIP). Was it the case of this association agreement too?
4. Have you identified any major procedural weaknesses in Czech attitude to similar negotiations? Are any interests under/overrepresented? Is the process efficient?