

REPORT ON THE MASTER THESIS

IEPS – International Economic and Political Studies, Faculty of Social Sciences, Charles University

Title of the thesis:	Mapping Institutional Development: An analysis of deposit insurance in Argentina
Author of the thesis:	Dustin Alauzen Lane
Referee (incl. titles):	Doc. Ing. Vladimír Benáček, CSc.

Remark: It is a standard at the FSV UK that the Referee's Report is at least 400 words. In case you will assess the thesis as "non-defendable", please explain the concrete reasons for that in detail.

Comments of the referee on the thesis highlights and shortcomings (following the 5 numbered aspects of your assessment indicated below).

1) Theoretical background:

In general, the author Dustin Lane aims at testing the robustness and the efficiency of economic institutions vis-à-vis their contribution to economic development. As a concrete case he selected the deposit insurance as the studied institutional object and Argentina as an example of a middle-income country that has been stricken by the instability of economic growth, the roots of which could be traced to institutional weaknesses. This is, indeed, a serious theoretical objective. For a comparison, the author selected two distinguished analyses: by S. Levitsky and M. Murillo (2015) and by D. Acemoglu and J. Robinson (2012)¹, who represent a serious political and economic theoretical approaches to institutions. The theory of insurance was represented by Skogh (1986). The author proved that he was able to work with such theories independently and apply them creatively and in more general sense, beyond the mere Argentinian case.

2) Contribution:

Chapter 2 offers a very standard (often just journalistic) review of the economic and political history of Argentina, setting aside the deposit insurance arrangements. On p. 10-11 there is an incorrect date for the Argentinian economic crisis – it began in 1998 instead of 1995.

Chapter 3 goes deeper into describing the fundamentals of transaction costs and neo-institutional theory. However the first real contribution rests in chapter 4 dealing with methodology.

The chapter 5 (Analyses) comes with the tests of institutional ups-and- downs of Argentinian deposit insurance and concludes that the first hypothesis could be falsified by facts.

The hypothesis no. 2 (institutional vicious circle leading to information asymmetry and moral hazard that causes disruption between economic and political decision-making) was seemingly more complicated to prove and the conclusions were not so clear.

The economic policy implications of the extensive ch. 6 and its theoretical discussions are the most interesting part of the thesis. Especially section 6.2 is the most innovative. **I would propose that the author presents a summary of his findings at the thesis defence on 14 September and persuades the commission why they are correct.**

3) Methods:

The author applies quite skillfully the findings and the methodology of several previous researches who analysed critically institutions from various quantitative and qualitative angles, and proposed some alternative techniques that the author converted from general validity to his concrete cases. The empirical testing is applied on two hypotheses that were formulated on grounds of previous researches and proposed measurement indicators by S. Levitsky and M. Murillo (2015), D.

¹ Unfortunately, the latter source was omitted in the list of literature.

Acemoglu and J. Robinson (2012), Voigt (2009), and Skogh (1986). This is done in the 4th chapter (pp. 31-39), which presents some author's innovative ideas.

4) Literature: The coverage of literature is satisfactory. There are, indeed, included several seminal papers of distinguished authors. The problem is how the author worked formally with those resources in citations and references.

5) Manuscript form:

The thesis citations of sources and pages, and the linkages to references are the weakest side of the formal layout. E.g. see the sloppy arrangements on pp. 22-31 or the citation on p. 12 "(Weisbrot and Sandoval 10)", which is incomplete, non-standard and missing in the References. Similarly the citations and references to Acemoglu & Robinson throughout the paper or quotation of Ménard (2014), on p. 25 with three different citations of the year that are in all cases incorrect (these were, most probably the pages).

The citation of Voigt (2009) is not in the references, similarly Rodrik (p. 32) and Zenger (p. 53).

The fonts and styles of chapter titles and subtitles do not stick to a common standard.

There is a distorted figure without number and source on pp. 54-55.

Missing sources of some figures and confusing numbering of exhibits in the appendix.

Many poorly structured sentences (quite surprising for a native English speaker).

Etc., etc.

Suggested question for the defence is: „**The explanations of financial crises are dominated by macroeconomic arguments. How the institutional theory could contribute to that discussion? It is crucial or just of a marginal importance?**“

Conclusions: Unfortunately, the main weakness of this (otherwise quite effectively designed) thesis is the impression of precipitance (up to a virtual sloppiness) when dealing with the citations and references. These, unfortunately, form a core of the thesis, which is comparative. The author should have dedicated a couple of additional weeks of work for turning the thesis into success.

Thus this bad impression transcends all positive analytical contributions and taints the final assessment.

I recommend the thesis for final defence. I recommend the following grade: "3" (good).

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

CATEGORY	POINTS
<i>Theoretical background (max. 20)</i>	15
<i>Contribution (max. 20)</i>	12
<i>Methods (max. 20)</i>	11
<i>Literature (max. 20)</i>	16
<i>Manuscript form (max. 20)</i>	4
TOTAL POINTS (max. 100)	58
The proposed grade (1-2-3-4)	3+

DATE OF EVALUATION: 22.8.2016



Referee Signature

The referee should give comments to the following requirements:

1) THEORETICAL BACKGROUND: Can you recognize that the thesis was guided by some **theoretical fundamentals** relevant for this thesis topic? Were some important theoretical concepts **omitted**? Was the theory used in the thesis consistently **incorporated with the topic** and hypotheses tested? Has the author demonstrated a genuine **understanding** of the theories addressed?

Strong Average Weak
20 10 0 points

2) CONTRIBUTION: Evaluate if the author presents **original ideas** on the topic and aims at demonstrating **critical thinking** and ability to draw **conclusions** based on the knowledge of relevant theory and relevant empirical material. Is there a distinct **value added** of the thesis (relative to knowledge of a university-educated person interested in given topic)? Did the author explain **why** the observed phenomena occurred? Were the **policy implications** well founded?

Strong Average Weak
20 10 0 points

3) METHODS: Are the **hypotheses** for this study clearly stated, allowing their further **verification and testing**? Are the theoretical explanations, empirical material and **analytical tools** used in the thesis relevant to the research question being investigated, and adequate to the aspiration level of the study? Is the thesis **topic comprehensively analyzed** and does the thesis not make trivial or **irrelevant detours** off the main body stated in the thesis proposal? More than 12 points signal an exceptional work, **which requires your explanation "why" it is so**).

Strong Average Weak
20 10 0 points

4) LITERATURE REVIEW: The thesis demonstrates author's full understanding and **command of recent literature**. The author **quotes** relevant literature in a **proper way** and disposes with a **representative bibliography**. (Remarks: references to Wikipedia, websites and newspaper articles are a sign of **poor research**. If they dominate you cannot give more than 8 points. References to books published by prestigious publishers and articles in renowned journals give much better impression. Any sort of **plagiarism** disqualifies the thesis from admission to defence.)

Strong Average Weak
20 10 0 points

5) MANUSCRIPT FORM: The thesis is **clear and well structured**. The author uses appropriate **language and style**, including the academic **format for quotations**, graphs and tables. The text effectively refers to graphs and tables, is easily readable and **stimulates thinking**. The text is free from typos and easy to comprehend.

Strong Average Weak
20 10 0 points

Overall grading scheme at FSV UK:

TOTAL POINTS	GRADE	Czech grading	US grading
81 – 100	1	= excellent	= A
61 – 80	2	= good	= B
51 – 60	3	= satisfactory	= C
41 – 50	3	= satisfactory	= D with a warning of failing
0 – 40	4	= fail	= not recommended for defence