Report on Bachelor Thesis

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

Student:	**Dorian Ardeleanu**
Advisor:	**Jaromír Baxa**
Title of the thesis:	**What is the effect of income inequality on economic growth?**

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

To some extent, this thesis is "yet-another-paper" on the inequality and growth nexus. From the existing studies, it differs mainly by a selection of a sample that encompasses 93 countries, 1995-2015. For a M.A. theses, this won't be enough, but for bachelor thesis, a careful replication of existing research on meaningful sample is adequate. The main value added is in the analysis of the heterogeneity of the effect across countries.

Methods

Panel data are used, both fixed effects and dynamic panels. Dorian controls for potential heteroscedasticity by employing the Newey-West standard error. The methodology is well-suited for the problem, and it seems to be well implemented. Then, some results for the subsamples are provided. Some of these subsamples are somewhat more debatable, i.e., the classification of countries depending on their political regime leads to groups that are not intuitive.

Literature

The literature review is rather brief but well-structured, and the work with references is correct.

Manuscript form

This thesis belongs to those that could be just 20 pages long; however, much more pages are being required. Sometimes, especially the part on methodology is written more like an empirical exercise rather than a paper, and also the level of academic writing is slightly below the best theses.

Summary and suggested questions for the discussion during the defense

Overall, I believe this thesis fulfills the criteria for a decent thesis that contains a well-executed empirical exercise, at a relatively solid professional level. Not much more, but not less. What needs to be appreciated at most is the progress Dorian made during the last two semesters.

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	24
Methods	*(max. 30 points)*	26
Literature	*(max. 20 points)*	17
Manuscript Form	*(max. 20 points)*	17
TOTAL POINTS	*(max. 100 points)*	**84**
GRADE	**(A – B – C – D – E – F)**	**B**

NAME OF THE REFEREE: *Jaromír Baxa*

DATE OF EVALUATION: *May 30, 2019*

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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.*

Strong	Average	Weak
30	15	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.*

Strong	Average	Weak
30	15	0

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	Average	Weak
20	10	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.*

Strong	Average	Weak
20	10	0

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F