Report on Bachelor / Master Thesis

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

Student:	Tomáš Kraváček
Advisor:	Jaromír Baxa
Title of the thesis:	The Impact of International Sanctions on the Economy of Iran

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

Tomáš Kraváček has written an interesting thesis on the impact of sanctions on Iran. The thesis starts with a discussion of economic sanctions as an instrument of international policy, and with a description of the record of sanctions imposed on Iran. Then, after describing the economy of Iran, Tomáš uses synthetic control method to estimate the impact of the sanctions, to assess their efficiency in terms of economic burden caused by the sanctions.

The thesis provides one of the few assessments of the impact of 2010-2015 sanctions on Iran. It finds that the impact was significant and that just these sanctions caused a drop in the real GDP per capita by almost 25 %. Thus, the thesis confirms the views that international economic sanctions are effective in causing harm to the economy. However, even such a massive harm might not be enough to push some countries to a policy reversal and compliance with international commitments.

Methods

The thesis relies on the synthetic control method. The method is adequately described in section 5.2 and applied with a caution to the results. The placebo tests are provided, too. Unlike the earlier study by Gharehgozli (2018), the pool of countries does not suffer by over-representation of China in the synthetic control weights.

Literature

The thesis relies on an extensive list of resources, and the work with the literature is on par with academic standards. The results are compared with the existing results in the literature.

Manuscript form

No reservations here, perhaps Figure 6.2 has too thin lines, but that might be a matter of taste.

Summary and suggested questions for the discussion during the defense

I appreciate when students decide to focus on the economic effects of not so strictly economic topic, and if they follow their interests in some problems and countries. Exactly this is the case of the thesis prepared by Tomáš, which reflects his interests in this region a lot. The thesis is well-prepared, and the results are interesting as well. Therefore, I propose to award the thesis by grade A.

Suggested questions: Did the sanctions bring the outcomes that were expected?

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	28
Methods	*(max. 30 points)*	26
Literature	*(max. 20 points)*	20
Manuscript Form	*(max. 20 points)*	19
TOTAL POINTS	*(max. 100 points)*	**93**
GRADE	**(A – B – C – D – E – F)**	**A**

NAME OF THE REFEREE: *Jaromír Baxa*

DATE OF EVALUATION: *May 31, 2020*

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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.*

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.*

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

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.*

Overall grading:

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