IMESS DISSERTATION

Note: Please email the completed mark sheet to Year 2 coordinator
(cc Chiara Amini chiara.amini@ucl.ac.uk **and** fiona.rushworth@ucl.ac.uk**)**

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

Student:	Ziyi WU
Dissertation title:	Which Factors Are More Important in Emerging Economies: External or Internal?

	70+	69-65	60-64	59-55	54-50	<50
	A	B	C	D	E	F
Knowledge *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.*			63			
Analysis & Interpretation *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.*		65				
Structure & Argument *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 argument´s limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.*			61			
Presentation & Documentation *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.*		66				
Methodology *Understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.*		65				

ECTS Mark:	64	**Charles Mark:**	C	**Marker:**	Vilém Semerák, Ph.D.
Deducted for late submission:				**Signed:**	Vilém Semerák
Deducted for inadequate referencing:				**Date:**	September 1st, 2020

MARKING GUIDELINES

A (UCL mark 70+) = A (Charles mark- excellent): *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 (UCL mark 69-65) = B (Charles mark – very good)
C (UCL mark 64-60) = C (Charles mark – good): 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 (UCL mark 59-55) = D (Charles mark – satisfactory)
E (UCL mark 54-50) = E (Charles mark – sufficient):
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) = F (Charles mark - insufficient):
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.

Please provide substantive and detailed feedback!

Comments, explaining strengths and weaknesses (_at least 300 words_):

Ms Wu Ziyi has opted for a very complex topic, she decided to analyze whether external or internal factors are more important determinants of countries development (proxied by economic growth). Rather than choosing a simpler type of approaches relying on panels of countries (e.g. traditional β- and ρ-convergence analysis) she opted for a more ambitious approach based on a VECM model applied on selected 4 economies from the BRICS group (China, India, South Africa, Russia). While this decision is not unusual (there have been a number of papers with a similar focus and this methodology published in recent years), it also brought some problems. Some of the problems are linked to typical features of economic time series – reliability of tests of some crucial properties (stationarity) on relatively shorter time series is often relatively poor, but the first best solution (getting longer time series) is not available. Even more importantly, all the countries selected for the analysis have experienced quite dramatic changes during the analyzed period, which implies a strong probability of significant structural shocks (e.g. China: internal restructuring, changes in attitudes to economic policies during changes in administrations). A researcher attempting to analyze this kind of growth focused questions is thus choosing between from several imperfect options:

(i) Emphasize theoretical problems related to econometric analysis and remain at a descriptive level which would provide examples and case studies rather than tests.

(ii) Attempt to use panel data (knowing that there might a significant differences in which factors matter for growth of the analyzed countries).

(iii) Attempt to use time series approaches (knowing that some relevant factors might happen to be ignored).

From my perspective Ms Wu Ziyi was able to find and apply approach which theoretically should be quite well useable for similar type of modelling, obtain and process relevant data and in spite of struggling with complexity of the approach she managed to produce and interpret the results.

Saying this, there are some weaker issues of the text too:

- The description of data used for the analysis is very brief and to some extent hidden in the text (p. 23). Providing this kind of details in a separate and easy-to-find subsection (ideally with additional descriptive statistics) would be better.

- The selection of variables for analysis might appear ad-hockish – it was driven largely by what was available. This is not necessarily a problem, but the author might have tried to discuss whether this matters (i.e. the fact that we might be either missing some important variables or that some of the variables are just imperfect proxies for the actual determinants).

- While the language quality of the thesis is acceptable, some cumbersome formulations and gaps in the development of some arguments remained.

- The results are interpreted as more unambiguous than they really are, both in terms of sensitivity to some decisions made during the analysis as well as in terms of interpretation, which attempts to find plausible explanations but goes significantly beyond what can be really seen in the data/results (e.g. the discussion of the role of financial institutions in China/Russia).

- Some additional sensitivity tests as well as discussion of the possible role of structural breaks or different assumptions on the (non-)stationarity of some variables might have been provided (but they would extend the length of the paper).

- Most importantly, a more convincing and precise overview of relevant sections of growth theory might have been provided.

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

1. Briefly outline the concept of Granger causality – why is it relevant for your topic?
2. Is there a prevailing consensus on which factors are crucial for starting and sustaining economic growth and convergence?
3. Please provide other examples of the use of the methodology (VECM) on similar types of economic issues.