

MA Economics of Globalisation and European Integration

Reader's Evaluation Form

Dissertation title: Unconventional monetary tools adopted by the ECB and the FED from 2008 until 2014

Candidate: Lenka Setkova

Reminder of the general instructions:

- 1) The dissertation should:
 - a. have an original empirical part, albeit of limited scope, OR
 - b. (in the best of cases) contribute to theory, OR
 - c. be a 'meta-empirical' study, i.e. a comparative study of empirical results, with particular care to synthesis, OR
 - d. be a thorough critical survey of the literature (empirical and/or theoretical).
- 2) The length of the dissertation should be kept within well-defined limits (8,000 to 12,000 words). Quality before quantity.
- 3) There should be proper attention to the citation of sources in footnotes or endnotes. The list of references should be carefully made.
- 4) The supervisor and the readers of the dissertation may perform checks on plagiarism. Citations should be made very explicit with quotation marks, indented text and quotation of the source in the main text. Quotations should be limited. Attempts of plagiarism will be severely dealt with, according to the examination regulations.

According to these general guidelines, please report the final overall grade, using the following grading system:

- 5 = 'excellent' (outstanding performance with no or only minor errors);
- 4 = 'very good' (above the average standard but with some errors);
- 3 = 'good' (generally sound work with a number of notable errors);
- 2 = 'satisfactory/sufficient' (pass; performance meets the minimum requirements);
- 1 = 'not sufficient' (marginal fail);
- 0 = 'poor' (fail).

In order to determine the overall grade, it may be helpful to mark the dissertation on each one of the specific aspects mentioned below. However, the final grade does not necessarily have to be the simple average of these partial grades. Please do not use decimals for the final overall grade.

A short motivation of your grade will be much appreciated.

NAME OF READER: Peter Claeys

FINAL OVERALL GRADE: 4

Presentation of the dissertation objectives (motivation, main objective, bottom line, etc.) 4

Organization of the dissertation (division in sections, introduction and conclusions, etc.) 2

Use of presentation devices (tables, graphs, referenced material, quotes, etc.) 2

Development of the argument and provision of evidence for the dissertation objective (including references to the literature) 4

Originality of the work 4

Length of the dissertation (whether appropriate, penalize if you think the 12,000 words limit has not been reasonably respected)

Motivation:

This paper provides a quite complete overview of the unconventional policies that the Federal Reserve and the European Central Bank have implemented over the last couple of years. It starts with an all round overview of those policies, to center in a second part on the effects of those policies, and in particular on the spillover effect of ECB policies on neighbouring countries.

The nice point of this paper is that it has gone in detail to do a really original contribution to the literature by extending a paper (written by myself earlier in 2015) using a novel monetary conditions index and looking at several specifications for a structural VAR model. The paper also tests different specifications for the shadow rate, also from another recent JMCB paper. The results are for that reason quite interesting, also for policymakers.

On the downside, I have to say that only the first part of the paper is well organised and structured. Once the discussion starts on the effects of the policy, I constantly wondered why so much attention was given to the Fed policies, as the empirical part only looks at the ECB. Moreover, once discussing the impact of those policies, the empirical part only looks at the macroeconomic impact in the medium term (and not at the short term financial impact), so it did not look necessary to include also a discussion of this type of evidence. This makes the paper of course very complete, with all necessary references, but it is too much, and not logically related. As for the discussion of the results, this could be more structured, as it now is a really compact and dense couple of paragraphs, but with no clear structure.

In terms of presentation, graphs should not just be copied from existing documents, especially when it concerns data that can be found easily. References are not always presented in a consistent way in the paper, but are well done at the end.

Any additional comments:

I followed this student on developing the empirical analysis, on which she has been very hardworking and diligent, so I have to praise her for the extent of empirical results she produced, and the interesting extensions she planned.

