

Assessment of Master Thesis – Academic Consultant



Study programme: **Economics of Globalisation and European Integration**

Field of study:

Academic year: **2014/2015**

Master Thesis Topic: **International Imbalances and International Adjustment during the Global Financial Crisis**

Author's name: **Bc. Petra Klusáková**

Ac. Consultant's Name: **doc. Ing. Anna Klosová, CSc.**

Opponent: **prof. José Villaverde Castro**

	Criterion	Mark (1–4)
1.	Overall objective achievement	1
2.	Logical structure	1
3.	Using of literature, citations	1
4.	Adequacy of methods used	1
5.	Depth of analysis	1
6.	Self-reliance of author	1
7.	Formal requirements: text, graphs, tables	1
8.	Language and stylistics	1

Comments and Questions:

The aim was to assess if the pre-crisis current account imbalances reflected rational behaviour of countries or if their extent exceeded levels consistent with sustainable current account positions. Secondly, to analysis the extent of the adjustment of these imbalances and the contributing factors.

Using the approach pioneered by Lane & Milesi-Ferretti (2011), the dissertation finds that the contraction of current account imbalances was driven by a mixture of output, demand and income growth changes, but the exchange rate changes seem to have played no role. The fundamental problem is the asymmetry between deficit and surplus countries and the inability of the system to force surplus countries to undertake structural change. The three main adjustments needed are: (1) an increase in the US saving rate; (2) a decline in Chinese surpluses; and (3) lower US fiscal deficits.

Any additional comments:

The data requirements were extensive – consisting of the 20 members of the G20 group including both developing/emerging and advanced economies over the period from 1984 to 2012. Pooled estimation was used to generate the estimated current account imbalances which were then compared to the observed imbalances, with another set of dynamic regressions used to try to explain the extent of the current account adjustment.

Throughout Petra Klusáková worked independently to produce an outstanding dissertation.

Originality of the work is high, although largely a replication study.

Supervisor's cooperation: prof. Eric Pentecost, University of Antwerpen, Belgium

Conclusion: The Master Thesis is recommended for the defence.

Suggested Grade: **1**

Date: 06. 01. 2015

doc. Ing. Anna Klosová, CSc.
Academic Consultant