REVIEW OF THE BACHELOR'S THESIS SUPERVISOR

Student's name: Valeriya Sidorova..

Thesis title: The role of Institutions in Economic Development: case of Kazakhstan…………

Name of the thesis supervisor: Robin Maialeh ....

	1	2	3	4
Assessment of the topic itself (irrespectively of the student)**:**				
1.1 To what extent is the topic current and significant?	☒	☐	☐	☐
1.2 How challenging is the topic in respect of theoretical knowledge?	☐	☒	☐	☐
1.3 How challenging it in respect of practical experience or fieldwork?	☐	☒	☐	☐
1.4 How difficult is it to get background materials?	☐	☒	☐	☐

Verbal assessment (several sentences), in particular:
Subsection 1.1: The topic is greatly important; it follows recent incentives (famously e.g. by Daron Acemoglu) to incorporate institutional framework into various economic questions.
Other (as appropriate):

2. Evaluation of the thesis structure and logical cohesion:	1	2	3	4
2.1 To what extent is the thesis structure logical and transparent?	☐	☒	☒	☐
2.2 To what extent does the author use current / suitable sources?	☐	☒	☐	☐
2.3 How properly did the author select methods in respect of the topic?	☐	☒	☐	☐
2.4 How sufficiently and functionally did the author use in the thesis original charts, tables, data, annexes, etc.?	☐	☐	☐	☒
2.5 What is the compatibility level for the thesis basic line elements: topic – thesis assignment –objective – structure - conclusions?	☐	☒	☒	☐

Verbal assessment (several sentences), in particular:
Subsection 2.1: The structure itself is sensible, however there are reservations in the content which consequently affect logical cohesion of the thesis.
Subsection 2.5: Acceptable
Other (as appropriate):

3. Assessment of the thesis text quality:	1	2	3	4
3.1 How well – in terms of depth and quality – did the author analyze the topic?	☐	☐	☒	☐
3.2 Did the author formulate the thesis objective clearly and with logical structure?	☐	☒	☐	☐

Instructions for the review: Author of the review must provide verbal assessment for the specified subsections, which are pivotal for the thesis assessment, particularly for the defense; therefore, the assessment must have reasonable explanatory power.
Note: Classification method: 1 = exceptional, 2 = very good, 3 = good, 4 = failed.

3.3 Did the author fulfill the defined thesis objective and approved assignment of the thesis that contains the objective? ☐ ⊠ ⊠ ☐

3.4 How well – in terms of depth and quality – did the author cover the theoretical part of the thesis? ☐ ☐ ⊠ ☐

3.5 How well – in terms of depth and quality – did the author cover the practical / analytical part of the thesis? ☐ ☐ ⊠ ☐

3.6 To what extent are the thesis conclusions logically structured and show quality, and what is their added value? ☐ ☐ ⊠ ☐

Verbal assessment (several sentences), in particular:
Subsection 3.2: With minor deficiencies.
Subsection 3.3: Formally, the thesis goes along with the objectives and the approved assignment, nevertheless the content suffers with considerable qualitative weaknesses.
Subsection 3.4: The theoretical part is highly unfocused; the text remains on the surface of the problem.
Subsection 3.5: The practical part follows standard procedures of the basic undergrad modelling. The empirical introduction to the KZ's economy is purely descriptive, without any analytical insight.
Subsection 3.6: I very miss a discussion of results which significantly harms the added value of the thesis.
Other (as appropriate):

4. Assessment of the thesis form and style:

4.1 What is the formal layout of the thesis? ☐ ⊠ ☐ ☐

4.2 What is the quality of citations and references? Are sources identifiable? ⊠ ⊠ ☐ ☐

4.3 What is the stylistic level of the thesis, particularly the use of correct economic terminology? ⊠ ☐ ☐ ☐

Verbal assessment (several sentences), in particular:
Subsection 4.2: Valeriya made use of papers published in respected journals and empirical findings are based on official statistical databases. Content processing however lacks behind. There are few uncertainties in citations, e.g. Daniel Kaufman and Aart Kraay wrote their paper in collaboration with Mastruzzi.

Other (as appropriate):

5. Overall assessment *(It is necessary to state, whether the thesis meets the requirements of the Methodology of the Faculty of Economics in terms of the quality of contents, scope and formal requirements, whether the thesis is/is not recommended for defense. It may also be nominated for a special award, etc.):*
The thesis deals with an interesting and scientifically stimulating topic. On the other hand, promises of this thesis were not fully met. First of all, the thesis is relatively short, which often has pushed the author to superficial treatments. The structure of the thesis is acceptable, but the content of both parts makes its logical cohesion quite obscured.
The theoretical part lacks any conflicting ideas and serves as a brief and narrow outline of what institutional economics is. Moreover, this "summary" deals with issues that are not important

for the following parts and omits important issues crucial for the practical part. The connection between these two parts thus seems incoherent.

The practical part starts with empirical introduction to KZ's economy. I would welcome more tight connection between parts of the model and presented data – there are plenty of data which do not relate (neither indirectly) to thesis' goals. Furthermore, data presentation absents any analytical insight (for instance, the difference between nominal and real GDP in the context of inflation, etc., etc.). I assumed that the crossed figures at the beginning of the practical part will not be present in the thesis.

The model is a simple OLS regression with controls. This is quite typical approach to hit the questions concerned, (e.g. famous Glaeser, E.L., La Porta, R., Lopez-de-Silanes, F. and A. Shleifer. Do Institutions Cause Growth? Journal of Economic Growth (2004) 9:271-303, which was, to my surprise, not cited in the final version.). My main objection to the model is that the influence of institutions on economic performance of the country can be detectable in the middle-term horizon or even in the long run, which substantially undermines detected simultaneous relationships.

I particularly miss a discussion of results and their contextualization. This may help to postulate conclusions that satisfy at least a sense of causality between studied relationships. The added value remains in the question, there is no developed interpretation of results and numerous limitations, e.g. computability of qualitative indicators, are not problematized. Valeriya's results rather stand alone as a bit "hasty" outcome of the model.

Overall, the thesis would deserve more attention from the author. We agreed on the topic in March 2019, but the main work was done during the last few weeks. Valeriya did not sufficiently follow my advices to go more in theoretical depth and hence both the literature review and her own arguments suffer with shallowness. On the other hand, Valeriya showed outstanding language skills and ability to cope with worldly recognized academic literature. After my careful consideration, I conclude that the thesis meets all necessary requirements to be defended at the Faculty of Economics, University of Economics, Prague.

6. Questions and remarks to the defense:

Q1: China and India are countries with quite similar technology, population and at the end with similar growth rates. How would you explain the role of **governmental** institutions in these two countries, where very similar growth rates are reached within fundamentally different institutional frameworks? (This question aims at inter-country relevance of what can be, sometimes robustly, detected within a single-country analysis.)

Q2: What exactly would you change in the model in order to capture intertemporal changes between institutional settings and economic performance?

Proposed grade: good

Date: 28/8/2019

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Signature of the Thesis Supervisor

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1