

REVIEW OF THE BACHELOR'S THESIS EXTERNAL REVIEWER

Student's name: Valeriya Sidorova.....

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

Name of the thesis external reviewer: Petr Špecián

	1	2	3	4
Assessment of the topic itself (irrespectively of the student):				
1.1 To what extent is the topic current and significant?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2 How challenging is the topic in respect of theoretical knowledge?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3 How challenging it in respect of practical experience or fieldwork?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4 How difficult is it to get background materials?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Verbal assessment (several sentences), in particular:

Subsection 1.1: Topic is current and significant.

Other (as appropriate):

2. Evaluation of the thesis structure and logical cohesion:

2.1 To what extent is the thesis structure logical and transparent?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.2 To what extent does the author use current / suitable sources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3 How properly did the author select methods in respect of the topic?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4 How sufficiently and functionally did the author use in the thesis original charts, tables, data, annexes, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.5 What is the compatibility level for the thesis basic line elements: topic – thesis assignment – objective – structure - conclusions?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Verbal assessment (several sentences), in particular:

Subsection 2.1: See below.

Subsection 2.5: See below.

Other (as appropriate):

3. Assessment of the thesis text quality:

3.1 How well – in terms of depth and quality – did the author analyze the topic?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.2 Did the author formulate the thesis objective clearly and with logical structure?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| 3.3 Did the author fulfill the defined thesis objective and approved assignment of the thesis that contains the objective? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3.4 How well – in terms of depth and quality – did the author cover the theoretical part of the thesis? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3.5 How well – in terms of depth and quality – did the author cover the practical / analytical part of the thesis? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3.6 To what extent are the thesis conclusions logically structured and show quality, and what is their added value? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Verbal assessment (several sentences), in particular:

Subsection 3.2: See below.

Subsection 3.3: See below.

Subsection 3.4: See below.

Subsection 3.5: See below.

Subsection 3.6: See below.

Other (as appropriate):

Valeriya Sidorova has chosen an interesting topic of the influence of institutions on the economic development in Kazakhstan. Unfortunately, her thesis in its current state leaves much to wish for. The text is too short, overly descriptive, shallow, and lacks systematicity. The author's dataset is poor and several important decisions regarding the design of the regression model seem arbitrary. Therefore, I doubt the value added of the thesis.

The lack of systematic treatment of the selected theme is already apparent from the introduction. The first, and longest, paragraph provides a tedious and uninformative overview of different authors who count as institutional economists: it takes the author too long to get to the gist of her own work, and even then she does it in a cursory fashion without much connection to the preceding overview. Also characteristically, the introduction is rather short.

The theoretical part of the thesis is only seven pages long and still manages to waste space with numerous definitions, direct quotes and elaborations of topics like transaction costs that play no further role in the thesis. Chapter 1.2 is more relevant but consists only of summary of three existing studies and a reflection of the possible weaknesses of the institutional view on economic growth which is of uncertain origin. Are these the author's own observations?

The practical part starts with a partly redundant description of the development of Kazakhstan's economy. Inflation or unemployment are not considered in the econometric model and the utility of their inclusion in the thesis is questionable. Chapter 2.2 which concentrates on institutions is more informative, yet still descriptive and largely lacks obvious connection to the concepts introduced in the theoretical part of the thesis.

The value added of the thesis is concentrated on chapter 2.3 which tests an econometric model. I have several reservations here. First, the choice of the dependent variable is somewhat questionable. Why not use GDP per capita? Second, the author only has 16 observations which prevents her from testing all the proxies for institutional quality simultaneously. Awkwardly, she must do six separate regressions instead. Very high R² in most of them is rather suspicious. Third, the author only comments on significance and does not really interpret her results. Moreover, the explanation of the inconvenient sign for the 'voice and accountability' is not very persuasive – the same could be said about the variables that work as expected. Fourth, the inclusion of a control based on the ideas from the gravitational model of trade lacks persuasive

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.

justification. Fifth, the thesis ignores the possibility that improvement in institutions can affect growth with a delay. Does the author consider a “real-time” impact the only possibility? In the conclusion, the author misleadingly labels ‘control of corruption’ as an institution. Based on what definition of institutions is this the case? Is ‘control of corruption’ a rule of a game in a society, or what?

4. Assessment of the thesis form and style:

- | | | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| 4.1 What is the formal layout of the thesis? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.2 What is the quality of citations and references? Are sources identifiable? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.3 What is the stylistic level of the thesis, particularly the use of correct economic terminology? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Verbal assessment (several sentences), in particular:

Subsection 4.2: The citations seem correctly done and numerous enough, although they have not been always utilized so well.

Other (as appropriate): The figures 2.1-2.3 are crossed by a weird line.

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 does not show much coherence and depth to really testify to the author’s competence in economics. Moreover, it is rather brief, artificially bloated by redundant appendices. Nevertheless, its shortcomings, however severe, do not make it indefensible. I conditionally recommend the thesis for the defense provided that the author can answer questions posed in this review and defend her approach in general terms.

6. Questions and remarks to the defense:

The questions are included in section 3 of the review.

Proposed grade: good

Date: 26. 8. 2019

.....
Signature of the Thesis’ External Reviewer

<p><i>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.</i></p> <p><i>Note: Classification method: 1 = exceptional, 2 = very good, 3 = good, 4 = failed.</i></p>
