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Joint Master Degree in
Economics of Globalisation and European Integration

Academic Year 2018-2019

DISSERTATION EVALUATION
SUPERVISOR'S FORM

Dissertation title: The international Balassa-Samuelson effect in Central and Eastern European countries: Is its importance increasing?

Student's name: Carl-Philip Dörge

Supervisor's name: Vilém Semerák, Ph.D.

Here is brief 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 <u>final overall grade</u> on the next page, using the following grading system:

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

In order to determine the final overall grade, it may be helpful to mark the dissertation on each one of the specific aspects mentioned on the next page, when they are relevant for the dissertation. However, the final grade does not necessarily have to be the simple average of these partial grades.

For the final overall grade you can use only integers or half-integers. <u>To insert your mark, first click on "Choose a mark", then click on the arrow on the right, and finally select your mark from the drop-down list.</u>

A short motivation of your grade will be much appreciated.

FINAL OVERALL GRADE:	3,5

Detailed appreciation:

Item	Mark (0 to 5)
Presentation	4
Is the dissertation well organised?	3.5
Is the list of references well organised?	4
Are the tables and figures well-presented and appropriately referenced?	3
Does the dissertation fit in the 12,000 worlds limit? (Penalise if you think the limit has not been reasonably respected.)	5
Literature review and references	4
Is there a good enough coverage of the literature that is reviewed?	4.5
Are the main relevant contributions included in the list of references?	4
Does the literature review clearly present the main questions and results of the literature?	4
Models and theoretical analysis	3.5
Is the choice of assumptions clearly motivated?	4
Is the choice of assumptions relevant?	3.5
If there are, what is the quality of the proofs?	Not relevant
Econometric analysis	3.5
Is the choice of the econometric model a relevant one?	4
Is the choice of econometric methods appropriate?	4
Are the main econometric problems (e.g. endogeneity) well dealt with?	3
Argumentation	4
Is the dissertation well motivated?	4.5
Is the argumentation well-presented and clear?	4
What is the quality of the interpretation of the main results?	3
What is the degree of originality of the work?	4
What is the potential of the dissertation to lead to publication in an academic journal?	1.5
Working on the dissertation	2.5
Has the student regularly worked on the dissertation all along the year?	1
Was the student regularly in touch with the supervisor?	2
Was the student understanding and taking account of the supervisor's remarks?	3
Was the student really autonomous?	4

Your general appreciation:

The paper has a clear objective and its methodology is inspired by relevant and respected literature. The Balassa-Samuelson model is definitely relevant for CEE countries, and the analysis of its relative importance can tell us a lot not only about trends in real exchange rates, but also about other features of analysed economies.

The thesis is relatively short, but its length is still above the 8000 words threshold. The author decided to move all tables into the appendix. While this is often a good strategy, it might have been better to keep the most relevant tables (including e.g. the table 1 which summarizes previous research) in the main text.

I appreciate that the author attempted own econometric analysis which is even linked to a theoretical model (the attempt at deriving the specification is provided on p. 18), even though additional work might have been needed to further check the results. Cointegration analysis and panel unit root tests do not seem to be amongst the typical methods used by students of the MA EGEI program.

The data used for the analysis are described rather superficially – for instance the main variable (real effective exchange rate) allegedly comes from "a dataset provided by Bruegel". No details on the source or reasons why it might be better than e.g. IMF IFS are provided.

Unfortunately, there are also many other clear indications that the text was being finished in a hurry:

- Some sections (including e.g. the long R code in the appendix) would have benefited from a bit more careful formatting, it would have been very easy e.g. to add page numbers or to correct the list of contents or improve formatting of the tables in appendix.
- A paper by Miletic is introduced twice on p. 10. Moreover, the list of references mentions a paper Miletic (2012) – and not 2011 as suggested in the reference.
- The list of references has some additional flaws too – only the author(s), year and the title are mentioned for some of the items, but no details about where the text has been published (e.g. Egert, 2005).
- Quite a few typos or imprecise formulations can be found in the text, especially in its rather hasty prepared conclusion.

All in all, Carl-Philip undoubtedly made a great overall progress when working on the thesis – learning how to use R or learning cointegration analysis more or less alone can be considered quite an achievement. He is also definitely capable of working independently and of understanding relatively advanced research papers. It is a pity that he had been struggling with time-management, the results (and the grade) might have been much more interesting.

Supervisor's signature: Date: October 16, 2019