

IMESS DISSERTATION



Note: Please email the completed mark sheet to Year 2 coordinator (jiri.vykoukal@post.cz)

Please note that IMESS students are not required to use a particular set of methods (e.g. qualitative, quantitative, or comparative) in their dissertation.

Student:	Chuanli Xun
Dissertation title:	The Transformation of Russian Industrial Structure

	70+	69-65	60-61	59-55	54-50	<50
	A	B	C	D	E	F
Knowledge <i>Knowledge of problems involved, e.g. historical and social context, specialist literature on the topic. Evidence of capacity to gather information through a wide and appropriate range of reading, and to digest and process knowledge.</i>						25
Analysis & Interpretation <i>Demonstrates a clear grasp of concepts. Application of appropriate methodology and understanding; willingness to apply an independent approach or interpretation recognition of alternative interpretations; Use of precise terminology and avoidance of ambiguity; avoidance of excessive generalisations or gross oversimplifications.</i>						35
Structure & Argument <i>Demonstrates ability to structure work with clarity, relevance and coherence. Ability to argue a case; clear evidence of analysis and logical thought; recognition of an argument's limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.</i>						30
Presentation & Documentation <i>Accurate and consistently presented footnotes and bibliographic references; accuracy of grammar and spelling; correct and clear presentation of charts/graphs/tables or other data. Appropriate and correct referencing throughout. Correct and contextually correct handling of quotations.</i>						25
Methodology <i>Understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.</i>						30

ECTS Mark:	F/29	Charles Mark:	F	Marker:	Vilém Semerák, Ph.D.
<i>Deducted for late submission:</i>			<i>No</i>	Signed:	
<i>Deducted for inadequate referencing:</i>				Date:	August 27 th , 2023

MARKING GUIDELINES

A (UCL mark 70+) = A (Charles mark 91-100 - excellent): Note: marks of over 80 are given rarely and only for truly exceptional pieces of work.

Distinctively sophisticated and focused analysis, critical use of sources and insightful interpretation. Comprehensive understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

B (UCL mark 69-65) = B (Charles mark 81-90 - very good)

C (UCL mark 64-60) = C (Charles mark 71-80 - good): A high level of analysis, critical use of sources and insightful interpretation. Good understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research. 65 or over equates to a B grade.

D (UCL mark 59-55) = D (Charles mark 61-70 - satisfactory)

E (UCL mark 54-50) = E (Charles mark 51-60 - sufficient):

Demonstration of a critical use of sources and ability to engage in systematic inquiry. An ability to engage in sustained research work, demonstrating methodological awareness. 55 or over equates to a D grade.

F (UCL mark less than 50) = F (Charles mark 0-50 - insufficient):

Demonstrates failure to use sources and an inadequate ability to engage in systematic inquiry. Inadequate evidence of ability to engage in sustained research work and poor understanding of appropriate research techniques.

Please provide substantive and detailed feedback!

Comments, explaining strengths and weaknesses (at least 300 words):

The text is long and it arguably focuses on a topic that might have been tackled in a very interesting and relevant way. However, the result is deeply disappointing because of:

- Insufficient coverage of relevant concepts (more on that below). Indeed, the most relevant factors and concepts which contributed to Russian problems with economic structure are either not mentioned, or they are not discussed thoroughly (and key literature is not mentioned).
- Inadequate or poorly implemented empirical methodology ("Theil index", attempts at econometrics). Empirical results are thus unfortunately too weak to be useful and author's description does not suggest that the author was aware of the issues. Other relevant methods are neither mentioned (e.g. IO-based methods might have been quite relevant, or e.g. approaches based on easy to get trade data, perhaps such as economic complexity), nor attempted. Again, more on that below.
- The author had also decided to use highly aggregated data based on classification of industrial structure into three sectors only (in fact, it is easy to get data on Russian production broken down to even 45 industries). It also seems that there were issues with the role of extraction sector/mining – some data might suggest that the author might have used data for agriculture only when discussing the role of the primary sector in the Russian economy. Data are often not described adequately (e.g. is the GDP in Table 1 and Figure 1 real or nominal?)
- The author also presents the relevant literature and uses references and citations in a way not acceptable at this level. Again, more on that below.
- Poor editing, some sections were apparently written in a hurry (e.g. the Pearson correlation results on p. 107 were formatted very crudely). Very interesting (and tellingly), one of the key indicators used by the author (a kind of Theil index-inspired indicator) is called Theil index, Thiel index, Tel index and even Taylor index in different parts of the paper. And the text did not even include page numbers (numbers used in this assessment are based on the page numbers provided by pdf-reader software).
- Last but not least, the text also has a rather specific style and structure. It is very repetitive, most of the text consists of relatively shallow, general, and often weakly supported claims. While the author wasted space (and reader's time) by providing even a discussion of "research ethical consideration" in what can be described as a case of very simple attempts to using macro statistics, other important topics are not discussed at all. I was also puzzled by other contradictions in the text (so is Russia on the path to become another DPRK – which appears in the texts, or can it be considered a role model for other countries – as also suggested by the author).

A. Omissions: theory and relevant models

I would have expected quite a few relevant models and issues to be mentioned in a text with this title and focus:

- The discussion of institutional changes largely ignores literature on the political economy of such changes, which includes the discussion of linkages between the state of institutions and the de facto distribution of political power and resources. And linked to that e.g. the issue of rent-seeking. I really do not know which other factor can be described as more important for anybody trying to understand the design of Russian policies (and their typical failure to achieve the officially stated objectives). There are quite a few texts that might have been relevant, both readable and empirical (e.g. texts by Anders Aslund) or more formal and deeper e.g. Acemoglu & Robinson (2006).
- Similarly, it seems that quite a few papers which discuss theoretical models and empirics of structural changes are not included (there is even a special journal titled "Structural Change and Economic Dynamics" with quite a few contributions that might have been relevant for the author).
- Almost every paper that discusses structural changes in Russia logically mentions terms such as Dutch disease or resource curse. These are well-known theoretical and empirical concepts that definitely should not have been omitted.
- Why was the year 2020 described as important? The author claims that this was because of Putin (but the continuation of his rule was hardly a surprise for anybody). Were there not some other important factors, such as Covid-19 and related disruptions in the global economy?
- While the author mentions the very relevant issues of global value chains (global supply chains), it is only a

fleeting remark (p. 9). This is a pity – GVC-related data would provide an interesting option for the analysis of structural changes (and also of dependencies) of the Russian economy.

- Last but not least, when the author opened the issue of labour mobility, migration, and relations to skills, how about the problems of brain drain? Interestingly enough, two sources in the list of literature have this term in their title, but the author did find it relevant enough for discussion.

B. Empirical methodology

The text attempts to present itself as a contribution to empirical literature. Unfortunately, empirical methods are used on rather meagre data (one country, three sectors, some 16 years of – most probably – annual observations), and what is worse, they are not implemented correctly either.

- Firstly, there is the issue of the Theil coefficient as used by the author:
 - o The logic of evaluating the rationality of economic structure based on a comparison of the relative share in output and in employment (both in this text and in Yi) is flawed per se, therefore, including of these ratios into the Theil index does not make much economic sense either. I, therefore, dare write that the applications in the form used by the author do not yield any meaningful results - there is no reason why a rational economic structure should require the same structure of output and the same structure of employment, unless the author believes in some form of theory of labour value. After all, different sectors have (logically) different shares of value added in total output and different shares of labour in the value added. It might have been more logical to use more detailed data and apply a similar index to measure concentration over industries (and its changes) instead.
- Then there are the regressions:
 - o The design of econometric specifications seems to be ad-hockish, which implies the danger of specification biases. For example, when the author uses GDP as the dependent variable (Table 3), it would have been better to start e.g. with more standard growth regressions.
 - o In spite of dealing with time series (and many of them in levels), the author does not even discuss the possibility of the complications caused by trends, unit roots etc. I would have at least expected a brief mention why cointegration or unit root tests were not considered relevant by the author.
 - o Description (and post-estimation diagnostics) are weaker too. Tellingly, econometric results do not even mention the number of observations.
 - o I was also puzzled by the attempt to use the "big events" dummies as a dependent variable. Does the author really assume that e.g. the big financial crises was due to changes in Russian industrial structure or employment? The interpretation of the regressions is again rather specific.

C. References and citations

Firstly, some strange references appear in the text – attempts to support claims that should be supported by a peer-reviewed text e.g. by a claim by sources such as websites instead. For example, Drew (2022) is, in fact, "Helpfulprofessor.com". Sources like Statista (or – perhaps a bit better - Encyclopaedia Britannica) are used too. Also, was it really necessary to cite "National Geographic" for a claim that more or less only says that non-renewable resources will be depleted? p. 38)

Author's literature research also appears to be rather unsystematic – while the author cites many less relevant resources (e.g. texts from journal focused more on marketing) or even returns all the way back to A. Smith, actual economic papers relevant for the topic are represented less than one would expect. Even quite useable meta-analytic papers on related topics (e.g. Babecky & Havranek) that might have helped the author a lot, are not included.

Also, some texts mentioned in the long list of references do not appear to be mentioned in the text of the paper (Kuznets).

Even more importantly, the author severely misrepresents some of the cited texts - even in issues extremely important for the author's own attempt at analysis. For example, there is a claim that Theil index measures the rationality of economic structure - supported by a link to US Census Bureau. The linked text, however, does not mention rationality at all; it only (and correctly) mentions the use of Theil index for the measurement of economic inequality. Similarly, another text used by the author to give some credibility to the use of Theil index is by Neri; again, the index is not described or used there in a way compatible with the author's interpretation. Another source (Yi) does not mention the Theil index at all, it only mentions the comparison of relative output and relative employment in the analysis of industrial structure. The text which allegedly shows that Theil index is used to "assess rationality of economic organ-

ization (Wolcott, 2020)" does not mention Theil index at all.

There are also occasional time inconsistencies in the use of references - e.g. a reference from 2014 (Jong, 2014) is used to support the authors (rather insufficient) description of what happened in Russia during 2015-2020. Similarly, a text from 2017 is used to support a claim about the importance of events that happened in 2019/2020. The author uses old sources (and claims), e.g. from 1990s but does not reveal this to the reader – e.g. interesting claims such as " The market oriented reform process in Russia is now in its early stages" (p. 46). And again, the problems do not stop here either – a casual inspection reveals that the text (Jong, 2014) is not only referred to incorrectly (misspelled name), but it does not deal with Russia at all.

This all makes a very weird impression – this kind of issues can happen either because of extreme carelessness, or a lack of understanding of the texts, or more recently, if AI-assistance has been used.

Conclusion:

There are too many problems with the submitted text. The text is too weak; in my opinion, it would not be acceptable even as an bachelor thesis at the IES FSV UK. Unfortunately, it is not a case of a single (and possibly easy to correct) omission or mistake, but there are multiple problems (work with literature, empirical methodology, theoretical omissions), each of which alone would be, in my opinion, sufficient to reject the thesis.