

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	Barbora Hlušíková
Advisor:	Ing. Vilém Semerák, M.A., Ph.D.
Title of the thesis:	Estimating the Effect of the Split of Czechoslovakia: A Synthetic Control Method Analysis

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Short summary

The thesis studies an interesting question that has not yet been answered in the existing literature: Estimating the Effect of the Split of Czechoslovakia. Barbora Hlušíková builds upon previous studies that have utilized the synthetic control method for related topics, such as the German reunification. However, she makes several adjustments to adapt the method effectively to the case of Czechoslovakia. In my opinion, Barbora's thesis is a great piece of work for a bachelor's thesis.

Contribution

Overall, I believe that Barbora has written a thesis that contributes to the current literature. Despite the counterfactual nature of researching the split of Czechoslovakia, this study offers valuable insights into the broader field of secession and country splits. Additionally, the timing of this thesis, coinciding with the 30th anniversary of the split, adds a layer of relevance and commemoration.

Barbora has demonstrated a strong understanding of the synthetic control method, a complex methodology not covered at the bachelor level at the Institute of Economic Studies. Despite this, she exhibits a solid grasp of the method, allowing her to clearly articulate the significance of her results. She effectively communicates the drawbacks and limitations associated with applying this method to the case of Czechoslovakia.

However, as a reader, I would have appreciated a more rigorous answer to the research question: "Did the split have any significant impact on the economic trajectories of both countries?" The thesis focuses extensively on the limitations and how to account for them, which, while important, somewhat overshadows the core findings. Furthermore, given the poor data availability and the influence of the donor pool composition on the results, the contribution of the thesis might be somewhat limited.

Methods

The thesis relies on the synthetic control method, which has been used previously for similar types of studies, such as the split of Yugoslavia and the German reunification. Barbora has demonstrated an understanding of relatively complex methodologies, which, as mentioned, is not typically expected at the bachelor level. Furthermore, she compares this method to the state-of-the-art difference-in-differences methodology in applied economics.

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I concur with Barbora that the synthetic control method is sound and appropriate for her research, especially given the data limitations. Barbora highlights several data limitations arising from the Soviet nature of statistical reporting, such as incorrect reporting on GDP and unemployment. This makes her task more demanding in obtaining comparable predictors to those used in previous studies. However, the chosen variables are well-argued and justified. Barbora applies the methods carefully and discusses the results appropriately. She provides thoughtful explanations whenever she makes a methodological choice. Additionally, she effectively illustrates the robustness of her results by closely analyzing the set of donor countries and discussing the impacts this has on the final results.

Literature

In my opinion, the thesis's literature review is thorough and demonstrates a cohesive flow between its individual parts. Barbora begins by evaluating relevant papers that utilize the synthetic control method. She then delves deeper into studies of a similar nature, specifically those employing the synthetic control method for counterfactual analysis, concluding with studies examining the economic impacts of major political events on the country's economic development. Regarding the second part of the literature review, the "Economic-historical context," I found some sections to be overly focused on historical perspectives. For the purposes of this thesis, a focus on the economic differences alone would have been sufficient.

Manuscript form

The thesis is written clearly and follows the standards of a scientific article. However, there are some aspects that could be improved. In section 3.3, there is an inconsistent switch between "we" and "I," which should be made consistent. Additionally, I find the inclusion of section 2.3, "Summary," to be somewhat unnecessary. The student could either integrate the limitations into the preceding text or use this section to provide a more detailed description of the limitations. Lastly, Barbora could dedicate more time to refining some of the charts, such as Figure 10.

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Overall evaluation and suggested questions for the discussion during the defense

In my opinion, Barbora Hlušíková has done a great job in writing her thesis. She has shown a good knowledge of both the existing literature and methodology. The results of the Turnitin analysis do not indicate significant text similarity with other available sources. In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A.

Regarding questions to be asked during the defense:

1. In section 2, you provide a summary of the economic-historical context. Considering this knowledge and in comparison to other works, such as the study on the German reunification by Abadie, Diamond, and Hainmueller (2015), which specific predictors do you consider to be the most critical but were unavailable to you due to poor data availability? Do you think their inclusion could change the results?
2. Considering the counterfactual nature of your study, and thinking about other secession tendencies around the world (e.g., Scotland, Somaliland), if you were to judge purely on an economic basis, what would you advise to the separatists based on the results of your thesis? Do you believe that the setup of your thesis is applicable to different country splits? What predictors would need to be adjusted, and how would the set of donor pool countries have to be modified (if they would need to be)?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	25
<i>Methods</i> (max. 30 points)	30
<i>Literature</i> (max. 20 points)	19
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	92
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: Mgr. Tomáš Boukal

DATE OF EVALUATION: 29. 5. 2024

*Digitally signed (29.5.2024):
Tomáš Boukal*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F