IMESS DISSERTATION

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

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

Student:	Yiyun Qi
Dissertation title:	Determinants of China's Outward Foreign Direct Investment (OFDI) in Central and Eastern Europe (CEE)

	70+	69-65	60-64	59-55	54-50	<50
	A	B	C	D	E	F
Knowledge *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.*			64			
Analysis & Interpretation *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.*				58		
Structure & Argument *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.*				56		
Presentation & Documentation *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.*					50	
Methodology *Understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.*			60			

ECTS Mark:	D/58	**Charles Mark:**	D/67	**Marker:**	Magdalena Firtova
Deducted for late submission:	No			**Signed:**	
Deducted for inadequate referencing:				**Date:**	June 12th, 2024

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.

Comments, explaining strengths and weaknesses (_at least 300 words_):

The thesis aims to analyze the Chinese OFDI to CEE countries through the use of panel data analysis from 2005 to 2021, using two-way fixed effects models to analyze the data. It seeks to capture various motives for Chinese companies in investing, distinguishing between market-seeking, resource-seeking, efficiency-seeking, and strategic asset-seeking motives. It accurately reflects the heterogeneity of the region and, therefore, regroups countries into three larger groups with more similar characteristics to determine the local complexities encompassing various macroeconomic variables and formal and informal institutions. The text is logically structured, well and coherently presented and articulated with appropriate language with only minor typographical errors.

The thesis is well grounded in a very solid, comprehensive and well-presented theoretical literature overview that proves the legitimacy of the topic given diverging theoretical conclusions regarding the patterns through which Chinese OFDI flow in the CEE countries. The author demonstrates an understanding of alternative interpretations by discussing the limitations of traditional FDI theories and the unique aspects of Chinese multinational corporations' behaviour.

However, the contrast between the thorough referencing of literature in Chapter 2 (focusing on the literature review) and the sparse citations in the descriptive Chapter 3 on the historical evolution of Chinese engagement in CEE is very noticeable. Chapter 3 lacks sufficient references and quotations, especially given the use of concrete numbers and specific data. This makes the chapter less trustworthy and leaves the reader wondering about where the data comes from. The absence of citations where specific data and facts are mentioned could be perceived as plagiarism (I assume that the information is drawn from other sources without proper attribution).

To enhance the credibility of the periodization drafted in this chapter, I would also recommend explicitly stating the factors used for periodization because the rationale behind each stage is not very clear. Some concrete examples:

-        "In 2010, China's OFDI in CEE countries saw a significant surge, reaching $400 million. This period marked the beginning of more substantial economic engagements." These are general statements without detailed analysis or citation to support data.

--   "The period between 2014 and 2016 witnessed the establishment of strategic partnerships and the signing of several bilateral agreements aimed at enhancing economic cooperation." It needs more specific examples and references to agreements.

-        "Consequently, this situation resulted in elevated costs of raw materials for the Budapest-Belgrade Railway project, thereby disrupting the regular progress of cooperation." It needs further explanation to clarify what is meant by „the disruption of regular progress of cooperation."

While motivations behind Chinese investment in CEE are covered to a reasonable extent in terms of the theoretical framework and empirical literature, the coverage could be improved by providing more detailed and specific examples and a deeper analysis of each motivation.

Although the author admits limitations for using the panel data regression analysis, the selected methodology uses a plausible model that was well operationalized. Still, I would highly recommend providing a better justification and limitations of variables. For example, the selection of the Corruption Perceptions Index (CPI) as a variable reflects perceived corruption, not actual corruption levels. This distinction should be well reflected to avoid potential misinterpretation (see my example below).

The model assumption is also a bit problematic. The thesis relies on a stable or improving relationship between China and CEE countries, facilitated by the Belt and Road Initiative (BRI). It somehow overestimates the positive impact of institutional stability. I accept the fact that the data selection ends in 2021, before the war in Ukraine. However, geopolitical tensions have changed prior to 2021 and significantly transformed the international trade landscape. For example, in the case of the Czech Republic and Lithuania, the political relationship with China has deteriorated in recent years.

Furthermore, the thesis heavily emphasizes traditional sectors like manufacturing and infrastructure, leaving aside the growing importance of high-tech industries, digital trade, and green technologies.

Finally, I miss robustness checks, which are crucial to validate the findings and ensure that the results are not driven by specific assumptions or data inconsistencies.

The results might be biased by a concrete selection of variables and, thus, might suffer from oversimplification. Without adding concrete data or specific examples, some conclusions are highly questionable. Here is one example of such a claim without robust evidence that might not be applicable to all Visegrad countries: "This region, belonging to the industrially developed sector of CEE, hosts numerous automobile industry factories, offering vast markets and high levels of technological development. Additionally, the high perception of social corruption in its informal institutions, coupled with unstable formal political institutions, attracted significant Chinese investment, mostly from state-owned enterprises, inclined towards poor institutions."

Specific questions you would like to address at the oral defence (*at least 2 questions*):
- How recent geopolitical shifts, could potentially impact Chinese OFDI patterns in CEE countries?
- How would the inclusion of high-tech industries, digital trade, and green technologies alter the conclusions drawn from your current model?