

**BACHELOR'S THESIS EXAMINER REPORT**  
*PPE – Bachelor's in Politics, Philosophy and Economics*  
*Faculty of Social Sciences, Charles University*

<b>Thesis title:</b>	<b>Evaluating the Euro's Impact on Slovak Trade: An Empirical Analysis</b>
<b>Student's name:</b>	<b>Tomáš Pientka</b>
<b>Referee's name:</b>	<b>Vilém Semerák, Ph.D.</b>

Criteria	Definition	Maximum	Points
<b>Major Criteria</b>			
	Contribution and argument (quality of research and analysis, originality)	<b>50</b>	46
	Research question (definition of objectives, plausibility of hypotheses)	<b>15</b>	14
	Theoretical framework (methods relevant to the research question)	<b>15</b>	14
<i>Total</i>		<b>80</b>	74
<b>Minor Criteria</b>			
	Sources, literature	<b>10</b>	9
	Presentation (language, style, cohesion)	<b>5</b>	4
	Manuscript form (structure, logical coherence, layout, tables, figures)	<b>5</b>	4
<i>Total</i>		<b>20</b>	17
<b>TOTAL</b>		<b>100</b>	91

**Plagiarism-check (URKUND) match score:**

Score in thesis.cz: 13%

Overall similarity score in Turnitin: 23%

Even though the Turnitin score might appear slightly higher, a more detailed analysis of the score as well as my experience with the student's work on the thesis, show that the text is original.

Mr Pientka has opted for a topic that might have been considered traditional (and to some extent even overresearched or settled until recently – as visible from the high number of previously published papers) but which has re-gained in importance for a Prague-based researcher during his work on the thesis, i.e. the effects of Euro-adoption on the trade of participating countries.

The thesis provides a decent explanation of the relevance of the topic as well as a comprehensive critical overview of existing literature and an explanation of methodological errors of some of the traditional papers on the topic. Significant space was dedicated to Rose and to the subsequent criticism of his methodology (e.g. p. 8-9) and to the need to address the issues with the presence of the multilateral trade resistance term in gravity regressions. Occasionally, some oversimplified explanations or descriptions can be found, e.g. the description of the results on the endogeneity of OCA by Frankel & Rose (p. 7). Similarly, section 2 is a bit less connected to the previous literature review (e.g. the mentions of the effects of dummies on Maliszewska's results on p. 19 might have provided the author with some reasons for criticism/scepticism). However, taking into account the level and type of program, I find the literature review quite adequate.

Based on the explanation of the methodological issues, the author performs his own empirical tests of the effects of the Euro on trade of European countries and specifically on the trade relations of one of the later entrants, Slovakia. The methodology can be described as entirely adequate both for the analyzed problem and for the bachelor level of study. When designing the specification and choosing the estimator (PPML), the student demonstrated knowledge of modern literature on micro-founded gravity models. Similarly, the data are up-to-date, based on resources (CEPII & BACI, DESTA) accepted and used by professional researchers. I would like to highlight his decision to add more recent and comprehensive data on FTAs (DESTA), the omission of which from some older papers might have contributed to the biases in their results.

I would also like to highlight the fact that Mr Pientka did not stop after obtaining a basic level of effects of the introduction of the Euro on mutual trade, but continued by testing possible trade-diversion-like effects on third countries, distribution of effects in time (including possible expectation-related effects that might have led to increased trade prior to Euro introduction as well as delayed effects) and even a test based on narrower data which only included the automotive sector. The results of the regressions appear to be in line with expectations, and they are probably more reliable and relevant than the results of many older papers. The author also critically evaluates the obtained results and mentions some additional relevant factors (such as structural changes caused by the Global Financial Crisis) that might have brought some additional biases into the estimates of Euro introduction on Slovak external trade (p. 44).

The thesis is mostly written in relatively clear and understandable language. Some minor inconsistencies in style or e.g. the occasional (but rare) mixing of different formats of references (p. 29) can be found in the text, but their incidence is not above the level usual in similar texts written by non-native speakers. I was, however, surprised by the inclusion of a second conclusion section written in Czech.

**I recommend the thesis for the final defence. Taking into account the fact that the thesis was written by a bachelor student in an interdisciplinary program (PPE), I propose an A grade.**

**Proposed grade (A-B-C-D-E-F): A**

**Suggested questions for the defence are:**

1. Did your trade data include information on trade in services? Can this be relevant for some of your results?
2. How is it possible that the introduction of the Euro might have had an insignificant or small overall effect on the mutual trade of participating countries?
3. On p. 18, you suggest possible effects in the form of increased political stability for Slovakia. Has this really happened?
4. Would you expect the possible future effects of the Euro introduction on Czech foreign trade to be bigger or smaller than the effects identified for Slovakia?

**Digitally signed (June 1st, 2024):  
Vilém Semerák**

---

***Referee Signature***

Overall grading scheme at FSV UK:

TOTAL POINTS	GRADE	Quality standard
91 – 100	<b>A</b>	= outstanding (high honor)
81 – 90	<b>B</b>	= superior (honor)
71 – 80	<b>C</b>	= good
61 – 70	<b>D</b>	= satisfactory
51 – 60	<b>E</b>	= low pass at a margin of failure
0 – 50	<b>F</b>	= failing. The thesis is not recommended for defence.