

Report on Master Thesis

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

Student:	Adam Slavík
Advisor:	Jaromír Baxa
Title of the thesis:	Impact of Populism on Macroeconomic Situation Within a Country

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

Short summary

Adam Slavík analyzes the role of populism on macroeconomic performance. Rather than relying on cross-sectional or panel analysis, Adam employs synthetic control method to analyze the effects of 18 events when populist leaders took power. These individual effects were then aggregated. Adam finds that populist leaders usually have a positive impact on growth, which, however, diminishes after ten years, and there is also a large difference between the economic effects of left-wing and right-wing populists.

Contribution

Adam contributes to the growing literature on the economic effects of populism by attempting to derive the causal effect using the synthetic control method. It has been Adam's idea to proceed with this methodology, and this is an original and viable approach despite all potential shortcomings, such as the risk of a selection bias inherent to a decision, which episodes shall be captured by the study. Nevertheless, Adam could be more explicit when discussing his contribution within the thesis. Overall, the contribution is decent.

Methods

The core of the analysis relies on the synthetic control method in its baseline form, which dates back to original papers by Abadie et al. The method is described briefly but sufficiently. What is more important, the thesis contains a detailed discussion about the classification of what populism is, how to define left-wing and right-wing populism, and a detailed description of episodes selected for the analysis. All these aspects add to the credibility of the thesis. On the other hand, the results reveal that applying one method to different countries and periods without any modification leads to a relatively loose pre-intervention fit, in the sense that one size only fits some but not all. Nevertheless, such an approach - take one method, check it on the case of one country, and apply it automatically on the others is used quite frequently in the literature, so I consider this limitation as an inevitable consequence of the chosen approach.

Literature

The leading literature and topics are mentioned in the thesis. Nevertheless, the literature review could have been more extensive and provided a broader and more detailed analysis of methods that are currently used for the analysis of the effects of populism.

Manuscript form

There remain many unexploited opportunities to improve the manuscript form of the thesis. The abstract does not provide information about the methodology, part of the "Methodology" part in the proposal is related to a different thesis (most likely), and the contribution isn't explicitly defined in the Introduction. On the other hand, the thesis is well-structured, reads quite nicely, and contains a lot of interesting insights.

The results of the Turnitin analysis do not indicate significant text similarity with other available sources.

Overall evaluation and suggested questions for the discussion during the defense

The overall impression of the thesis is a bit mixed. Quite a few aspects could have been improved if Adam had worked more systematically during the semester. On the other hand, the thesis surely meets the criteria for a diploma thesis at IES: It is original, it contains a decent piece of empirical analysis, and the author demonstrated its command over current empirical methods and that he knows the literature related to the topic of his interest quite well. Last but not least, I am glad Adam managed

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to bring the thesis to this end and did not decide to extend his studies; I believe submitting the thesis must have been a huge relief for him.

Therefore, I recommend the thesis for defence, and I suggest a grade of C, depending on the thesis defence.

My suggested questions for the defence are the following:

- 1) Are there any possibilities to improve the pre-intervention fit in some of the cases analyzed in the thesis (Turkey, Ecuador)?
- 2) Can we distil some implications "what makes a good populism" from the results?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	22
<i>Methods</i> (max. 30 points)	24
<i>Literature</i> (max. 20 points)	17
<i>Manuscript Form</i> (max. 20 points)	13
TOTAL POINTS (max. 100 points)	76
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE:

Jaromír Baxa

DATE OF EVALUATION:

26.8.2024

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