

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

Thesis title:	The Impact of Trade Liberalization on Economic Growth in Latin America: A Comparative Analysis of Statistical Approaches
Student's name:	Sasha Goncharov
Referee's name:	Jaromir Baxa

Criteria	Definition	Maximum	Points
Major Criteria			
	Contribution and argument (quality of research and analysis, originality)	50	40
	Research question (definition of objectives, plausibility of hypotheses)	15	14
	Theoretical framework (methods relevant to the research question)	15	12
Total		80	66
Minor Criteria			
	Sources, literature	10	9
	Presentation (language, style, cohesion)	5	4
	Manuscript form (structure, logical coherence, layout, tables, figures)	5	2
Total		20	15
TOTAL		100	81

Plagiarism-check (URKUND) match score: Turnitin analysis did not detect any forms of plagiarism.

Reviewer's commentary according to the above criteria

Short summary: Sasha Goncharov focused on the impact of trade liberalization on economic growth in Latin America. Latin American countries have been frequently mentioned as examples of countries with economies that suffered from decelerating growth and frequent financial crises in the 1980s and 1990s, and trade and capital liberalization were mentioned as driving factors of these problems. Sasha Goncharov decided to check (1) how does the perspective on the costs and benefits of trade liberalization evolves in the more recent literature covering the post-90s period and (2) whether the estimated impact of trade liberalization depends on the choice between panel data, time series, or cross-section regression. He finds that the choice of the regression model is not driving the results, but the source of the data seems to have a rather significant impact on the results.

Contribution: The core of the thesis is a quantitative evaluation of the results of 13 empirical papers, with 68 regression coefficients in total. Simple regression is used to evaluate the dependence of the results on methodology, not a full-fledged meta-analytical framework, with fixed effects for individual studies or more detailed analysis of variables included in the model. For

bachelor thesis, this simplification can be accepted, although it does not meet the current standards of the field. However, it poses limitations to the contribution of the thesis.

Research question: The research question is interesting, adequate, and justified.

Theoretical framework: As suggested above, the methodology is a limitation for a value-added of the thesis. This is mostly visible in the interesting finding that studies that utilize the data from the IMF tend to support trade liberalization as a pro-growth policy, while studies employing the data from the World Bank tend to find adverse effects of trade liberalization on growth. I have some doubts that the source of the data is the *real* cause of the difference, I suspect some underlying confounding variable driving the differences, such as institutional affiliation of the researchers that might drive their model choices, which then might drive the results. The finding itself (different effects of papers using different data sources) is, nevertheless, interesting and important. On the positive side, Sasha Goncharov is aware of the limitations, and those are carefully mentioned on p. 34.

Literature, Language, Manuscript form: The literature selected for the thesis is adequate; nevertheless, the contribution to the literature is mentioned not in the Introduction, but as late as on p. 18, which is quite late. There are also some inaccuracies in the literature review, for example, section 2.1.2 is called Heckscher-Ohlin model, but describes the Stolper-Samuelson theorem, and section 2.1.4 on empirical studies effectively discusses only the paper by Berg et al. (2012). Also, the manuscript form is not as polished as it should be: missing page numbers in the table of contents, large blank space on p.10.

Summary: Overall, the thesis leads to mixed feelings. The overall impression is dragged down by the manuscript form, where there is a large space for improvement. Furthermore, at least the literature review discussing the main concepts of trade policy could have been better, to qualify for the top evaluation. On the other hand, the topic, selected by the author independently, is interesting, the heterogeneity in the empirical papers used for the analysis is summarized with an attention to non-trivial details, and a good deal of findings presented in the thesis are quite clever. Therefore, after judging all strengths and weaknesses, I propose grade B, albeit somewhat weaker.

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

Suggested questions for the defence are: Why not moving into full-fledged meta analysis with this topic? Which variables could be a good candidate for inclusion within the meta-analytic regression? What do you think drives the difference between studies that exploit the data from IMF and studies that employ the World Bank?

I recommend the thesis for final defence.

Referee Signature

Overall grading scheme at FSV UK:

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