

Report on Bachelor / Master Thesis

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

Student:	Tomáš Kraváček
Advisor:	PhDr. Jaromír Baxa, Ph.D.
Title of the thesis:	The Impact of International Sanctions on The Economy of Iran

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

This thesis uses the synthetic control method to estimate the impact of economic sanctions against Iran on its GDP per capita. The author finds convincing evidence of a significant impact of the sanctions, with an estimated 30% output gap in 2015 between the synthetic Iran and actual Iran.

Before I comment on individual areas, I would like to say that I like the thesis very much and my comments below are all minor and should be thought of as suggestions for improvement rather than serious criticism.

Contribution

I recognize the contribution of this thesis as threefold. First, the thesis replicates a related study by Gharhgozli (2018) and, as the author argues, implements several methodological and data-related improvements. Second, I find that the overview of Iranian sanctions and overall the background of the study is very well done and stands as a contribution on its own. Third, I like that the author has taken into account some outcomes other than GDP per capita (such as trade and unemployment), albeit only in the discussion and not in the empirical analysis. One potential way to improve the contribution of the thesis in this direction would be to consider more outcome variables, such as inequality measures or health care quality.

Methods

I find the methods used in this thesis to be appropriate and well-implemented. One small comment is that it is slightly confusing to read in section 5.3. about the countries chosen for the analysis but not seeing mentioned there that for most of these countries, the used weights are actually zero. In terms of robustness checks, it would be useful to consider other weightings, such as the ones used by Gharehgozli (2018) to be able to compare the results more directly.

Literature

The literature review in this thesis is carried out very well. The text is well-structured and although I am not an expert on this particular literature, it seems comprehensive. The existing studies are nicely tied to the thesis.

One potential thing to improve in this part of the thesis is the following: In section 6.5., I like that the author directly compares his work to the closest study on the topic. However, the description of the methodology of this related study could have been provided sooner (in the literature and methodology sections), while in section 6.5., I would like to see more discussion on the comparison of results. In particular, what is a bit unclear is that the author states that Gharehgozli's (2018) large reliance on China might overestimate the final result (19.6%). At the same time, his comparable result of 24.1% is larger and he states that comparing the two is impossible "due to the PPP exchange rates." I believe this section would benefit from a further discussion of the differences between the two studies.

Manuscript form

The thesis is well-written and I very much enjoyed reading it. It is clear that the author has taken the time to carefully read and edit the text and to think about the presentation of his results. One larger remark is that it seems that only a small part of Table 6.3. is displayed. Two small remarks that I

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believe would further improve the manuscript form are that, first, Table 4.1. could be sorted by one of the important variables to be more useful, and that the readability of figures 6.2., 6.4., and 6.5. could be improved (label font size, line color and style, etc.).

Summary and suggested questions for the discussion during the defense

In summary, I am happy to report that the author has written a thesis that is well above the average standard of theses defended at our Institute. In case of a successful defense in front of the committee, I recommend the grade A.

During the discussion, I suggest that the author could elaborate more on how he thinks the future of the oil market could affect the wellbeing of poorer citizens of Iran and similar countries – and whether he sees any opportunities for research in that area.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	28
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	28
<i>Manuscript Form</i> (max. 20 points)	29
TOTAL POINTS (max. 100 points)	94
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: *Mgr. Miroslav Palanský, M.A.*

DATE OF EVALUATION: *May 31, 2020*

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