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Date: 2022/08/12

Report on the Final Exam

Name of the Chair: Maung Aung Myoe

On behalf of the Thesis Examining Committee, I would like to report the final exam result as follows.

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| 1. Student ID | 1B9D01 |
| 2. Name | Kurukulasuriya Dinesh Udana Devindra Fernando |
| 3. Cluster | International Relations Cluster |
| 4. Thesis Examining Committee | Chair: Maung Aung Myoe |
| | Referee: Nawalage S. Cooray |
| | Referee: Kyohei Yamada |
| | Referee: Kaliappa Kalirajan |
| 5. Dissertation Title | The Institutional Spillover, Financial Development and Economic Growth: International Political Economy Perspectives |
| 6. Submission Date | Draft: May 16, 2022 |
| | Final: August 8, 2022 |
| 7. Final Exam Date | June 15, 2022 |
| 8. Faculty Meeting Date | August 17, 2022 |
| 9. Degree Title | Ph.D. in International Relations |
| 10. Result | Pass |

I. Dissertation Overview and Summary of the Presentation

The dissertation explores the institutional spillover on financial development and economic growth. Using a mixed method research methodology, the study analyzes the importance of institutions in financial development and economic growth. It applies the variables of good governance indicators for institutions and the financial development index to measure financial development and GDP per capita for economic growth. The study uses the panel data of 152 countries for the period 2002–2019 to explore the spatial spillover of the institutions on the finance–growth nexus. The results indicate that financial development and institutions of surrounding countries create a reverse spatial spillover impact on local governments.

Moreover, it also employs global panel data from 181 countries for the years 2002–2018 to identify the financial market and its moderation of economic growth and to indicate spillover behaviour. As a case study, the dissertation scrutinizes the Sri Lanka case by using nine provincial time series data from 1990 to 2019 to quantify the spatial impact of institutions on inclusive growth. The finding is that the mediator impact of institutions on inclusive growth and moderation impact of institutions with financial development on economic growth is adverse. Furthermore, provincial analysis indicates that fiscal decentralization had no significant effect on economic growth and inclusive growth. Overall, the dissertation concludes that global governance is a positive-sum game; monitoring and governance structures have failed at the international level in relation to separate states. To prevent institutional failure at the state level, good governance and links with the global governance structure could energize local institutions.

II. Notes from the Thesis Examining Committee (including the changes required to the dissertation by the committee)

The dissertation looks at the spillover effect of exogenous and endogenous institutions on financial development and economic growth. The literature review is thoroughly written to place the research project in the context of IPE and analyses are splendidly done. At the same time, a case study on Sri Lanka is carefully undertaken. However, the examination committee makes the following recommendations. First, the candidate needs to clarify some concepts as recommended in Professor Kalirajan's written report. Secondly, the candidate needs to reconsider the contribution of regional cooperation to achieving high growth and inclusive growth. Overall, the dissertation defense went well and the examination committee unanimously decided to give a "Pass" grade. The committee recommended a minor revision under local supervision before the submission of the final draft.

III. Confirmation by the Chair that changes have been done to the satisfaction of the committee

The candidate has addressed all the changes required by the thesis examination committee.

IV. Overall Evaluation

The dissertation is the result of good research work and it explains the institutional spillover, financial development and economic growth from an International Political Economy (IPE) perspective. It is a rare study of an IPE related research by applying a mixed research method with a quantitative analysis. It is an important contribution to the body of knowledge on and our understanding of institutions and development. Therefore, the committee concludes that the dissertation should be accepted as a fulfillment for the degree of Doctor of Philosophy (Ph.D.) in International Relations.