

Institut ekonomických studií

Fakulta sociálních věd, Universita Karlova Praha

Referee report on the Bachelor/Master Thesis submitted to State Exam

Student Name:	Tomáš Hozík
Thesis Supervisor Name:	Pavel Streblov
Thesis Title:	Impact of HIV/AIDS on human capital accumulation in Sub-Saharan Africa

Overall Evaluation:

Tomáš Hozík addresses a highly topical issue of development economics – the impact of the AIDS epidemics and its role in human capital formation in Africa. Tomáš has followed the difficult path of trying to expand an already existing model by introducing different types of family settings and pension insurance. Despite being of the opinion that the model used for the thesis was far too complex which forced the author to make several short cuts in his assumptions and calculations, I would like to highlight the effort and ideas behind the complex paper and award and "A" to the thesis.

The author has clearly had the ambition to go beyond the standard of a bachelor thesis and has applied and further extended a fairly sophisticated of human capital accumulation of Bell et al (2003). In addition to the original model, the author has examined the impact of different family settings on human capital accumulation and has assessed the efficiency of potential government measures. Tomáš has built on the premise of Bell's model that AIDS epidemics outbreak leads to a decrease of optimal level of schooling and thus leads families to prefer consumption over investment into education. Tomáš has introduced a fairly interesting concept of distinguishing between nuclear and extended family setting and has looked how well these two modes of family altruism cope with the higher mortality due to AIDS. The author comes to the interesting conclusion that the extended family and tendency of intra-family altruism leads to socially inferior outcomes in terms of attained education. In this aspect it is certainly a fresh look at the role of institutions in play and the author deserves credit for this.

It would help if the author made another round of proof reading as there are quite some typos throughout the text (then vs. than, affect vs. effect etc.). I also believe that it would benefit the thesis if the author concentrated only on of the effects he is analyzing in more detail and were more careful about certain assumptions he makes in the model (e.g. re-marriage of widows, discounting for time value when assessing distribution of consumption over time) and if he devoted more time to the explanation of the various effects and dynamics of his model (e.g. dynamics of figure 3.3)

I believe that Tomáš Hozík deserves praise for his courage to deal with such important issues and using state-of-the-art models. At the same time, it is one of the major weaknesses of the thesis that the author does not have all the necessary mathematical background to feel at complete ease with such model. Nevertheless, I believe it is a very solid basis for his master diploma thesis and I recommend awarding the thesis with "A".

SUMMARY OF POINTS AWARDED (for the explanation of categories and scale, please, see below):

CATEGORY	POINTS
Quality of Research	27
Clarity and Readability	5

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Content/Quality of Ideas	32
Organization & Development	13
Manuscript Form	5
TOTAL POINTS	82
LETTER GRADE	A

Evaluated on: June 17th, 2008