Report on Bachelor Thesis

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

Student:	Jitka Poštulková
Advisor:	Ondřej Schneider
Title of the thesis:	Basic Income, Its Features and Implementation

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

Jitka Poštulková presents in her bachelor thesis a comprehensive discussion of the basic income concept and her own estimates of such a scheme implemented in the Czech Republic. The discussion is rather incoherent on its own, but the careful modeling and conclusion make the thesis an interesting work. The main contribution is a rather revealing eastimate of tax rates needed to finance a basic income scheme in the Czech Republic. Literature is extensive, albeit rather exotic, quiting Thomas More together with standard economics and several accounting handbooks and Marxists sociological literature. This combination of literature sometimes brings confusion in using terms as "freedom" which is, of course, understood differently by these various authors. The thesis is written in reasonable English, even though a native speaker revision would certainly benefit the language and the grammar. It is, however, always comprehensible and gives the reviewer confidence that it is the author's own work. I enjoyed working with Jitka, as her work was improving throughout the process of writing the thesis and she was always willing to experiement and explore ideas and concepts that had not been a part of her original plan. **Overall, I recommend that the thesis is accepted for the final exam and I suggest grade B ("velmi dobře").**

After a short philosophical introduction (where problems with the term "freedom" are manifested), the thesis begins with a definition of the basic income and history of the concept in Chapters 2 and 3. The following chapter discusses arguments for and against the basic income as the backbone of a social system. Some sections are rather difficult to understand (as for example 4.1.6. – I still don't quite understand Pech's arguments, no matter how many times I have read it. Whether it is because Pech himself is confused or Jitka did not succeed in communicating his ideas, I am not sure). Similarly some arguments supporting the basic income scheme might be well-intentioned and perhaps even true, but without any supporting data or models they sound hollow (see section 4.2.1.). I understand that Jitka wanted to present these arguments, to provide a balanced discussion, and it is helpful that she added some of her own discussion of these arguments on page 14.

Chapter 5 discusses several experiments with the BI, or close alternatives. These experiments are chosen from rather unconventional sample: Alaska, Brasil, Namibia, India, South Africa…I first thought that the Alaskan permanent fund is not a good example, but discussion in Chapter 5 is interesting, even though it is very sparse with data from these experiments. Jitka makes a correct observation on page 21, that most of these experiments are difficult to avaluate as there are clearly missing variables that might have caused effects explained by observes by the BI implementation. It would be interesting te hear, how would Jitka establish a more convincing experiment.

Chapter 7 brings the most important part of the thesis: estimate of a BI scheme implementation in the Czech Republic. As we spent considerable amount of time on this section and Jitka implemented all my suggestions, I have no further comments to this chapter. In her conclusions drawn on page 43a d then again in the final chapter, Jitka argues convincingly that a BI scheme in the Czech Republic would be difficult to implement (English in this section is rather colorful).

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As a conclusion, I would like to stress that my comments attempt to show how the thesis could be improved, the existing paper satisfies conditions for a bachelor thesis and I recommend grade B.

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

CATEGORY		POINTS
Literature	*(max. 20 points)*	20
Methods	*(max. 30 points)*	20
Contribution	*(max. 30 points)*	20
Manuscript Form	*(max. 20 points)*	15
TOTAL POINTS	*(max. 100 points)*	**75**
GRADE	**(1 – 2 – 3 – 4)**	**2**

NAME OF THE REFEREE: Ondřej Schneider

DATE OF EVALUATION: August 10, 2013

Referee Signature