

Report on Bachelor / Master Thesis

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

Student:	Pavel Žofák
Advisor:	Barbara Pertold-Gebicka
Title of the thesis:	The impact of tax-benefit system on the labour market

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

The Bachelor Thesis by Pavel Žofák deals with the issue of unemployment in OESC countries. The author concentrates on the role of tax-benefit systems in shaping the labor market, as it has the direct effect on employers and workers and can be changed by the policy makers. The thesis consists of two major parts. First, the author describes the structure of the tax-benefit system, explains how it can affect the labor market (unemployment in particular) and introduces the basic concepts and terminology used in the analysis of tax-benefit systems. Second, the author turns to empirical analysis, where he uses the data for 28 OECD countries to estimate the effects of chosen measures of the tax-benefit system on unemployment rates. In particular, Pavel concentrates on the net replacement rate, the tax wedge, and the duration of unemployment benefits. As the estimation method the author has chosen the fixed effects model. This is a good choice, because one expects there to be country specific unobserved time constant factors affecting both the unemployment rate and the tax-benefit system. Nevertheless, this approach does not deal with all endogeneity appearing in the model, as the author correctly notes and is thus careful with interpreting the results.

The major value added of this thesis is the concise summary of the possible effects of the tax benefit system on the unemployment rate and an up-to-date empirical evidence supporting the major hypotheses concerning these relationships. The author also points out the directions for future research on the topic – mainly, he suggests to analyze the role of eligibility criteria for obtaining the unemployment benefit.

Suggested question: How do your results compare to the results of other studies on this topic?

Report on Bachelor / Master Thesis

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


Student:	Pavel Žofák
Advisor:	Barbara Pertold-Gebicka
Title of the thesis:	The impact of tax-benefit system on the labour market

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	22
Contribution (max. 30 points)	20
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	80
GRADE (1 – 2 – 3 – 4)	1-2

NAME OF THE REFEREE: Barbara Peetold-Gebicka

DATE OF EVALUATION: 8/6/2014



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong Average Weak
20 10 0

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.*

Strong Average Weak
30 15 0

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.*

Strong Average Weak
30 15 0

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.*

Strong Average Weak
20 10 0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě