

## REPORT ON THE MASTER THESIS

IEPS – International Economic and Political Studies, Faculty of Social Sciences, Charles University

<b>Title of the thesis:</b>	The Impact of the Financial Crisis on the European Value System
<b>Author of the thesis:</b>	Josef Vytlačil
<b>Referee (incl. titles):</b>	Janusz Salamon, Ph.D.

**Remark:** It is a standard at the IEPS FSV UK that the Referee's Report is at least 500 words long. In case you will assess the thesis as "non-defendable", please explain the concrete reasons for that in detail.

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

CATEGORY	POINTS
<i>Theoretical background (max. 20)</i>	16
<i>Contribution (max. 20)</i>	16
<i>Methods (max. 20)</i>	16
<i>Literature (max. 20)</i>	17
<i>Manuscript form (max. 20)</i>	12
<b>TOTAL POINTS (max. 100)</b>	<b>77</b>
<b>The proposed grade (1-2-3-4)</b>	<b>1.5</b>

You can even use a decimal point (e.g. giving the grade of 2.5 for 60 points).

### **Comments of the referee on the thesis highlights and shortcomings (following the 5 numbered aspects of your assessment indicated below).**

#### **1) Theoretical background:**

In his thesis the Author considers the potential impact of the European financial crisis on the fundamental values of the European Union, by which he means the principles espoused in the Preamble of the Lisbon Treaty regarding the conception of human person as a bearer of the inalienable rights entitled to freedom and equality (Article 1 of the Treaty), which in turn lies at the basis of the EU's commitment to "sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, (...) aiming at full employment and social progress..." (Article 2 of the Treaty). Mindful of the key contribution of Immanuel Kant and Jean Jacques Rousseau to establishing the above-mentioned humanist and democratic ideals that constitute the core of the European axiology, and the contribution of Adam Smith to theorizing the relationship between the market economy and "human sympathy", the Author develops the key arguments of his thesis in conversation with the these three thinkers on one hand and with the contemporary economic and political thinkers on the other. The Author addresses the key issues with an awareness of the broader theoretical background and in a convincing, although – given the space constraints – often in a very concise way, and perhaps the impressive scope of the work is the source of one of its main weaknesses, because it does not allow for exploration of some questions in sufficiently in-depth manner. Having said that, the theoretical framework of the thesis matches the objectives of the thesis.

#### **2) Contribution:**

The independent and critical treatment of the issues discussed in the thesis seems to me one of the main virtues of this thesis. The Author attempts to challenge some of the received assumptions of the mainstream normative economics bringing together in an imaginative way insights from a number of disparate sources. The Author poses the research questions in a novel way and addresses them in an independent manner which goes well beyond summarizing views of other authors. For this reason, I believe that for a Master thesis this work shows sufficient originality and its added value should be readily apparent to the reader. Nevertheless I imagine that the unorthodox and

sweeping manner in which some claims are being made and defended in this thesis – which is also characteristic of the style of writing of some of the contemporary contributors to the debate by whom the Author of the thesis is influenced and whose example he consciously follows – may limit its appeal to economists and other social sciences, while being more readily comprehensible by philosophically minded readers.

### **3) Methods:**

The three key hypotheses considered in the thesis are stated in a straightforward manner: (1) economic growth does not make us happy, (2) motivation of self-interest is not sufficient, and (3) we don't know what our preferences are. While the thesis might benefit from being more empirically grounded (which might require considering empirical data about the impact of the European financial crisis which are not readily available), the analytical aspect of the work is rather well developed and if its largely theoretical character is taken into account, its methodology is not inadequate. At the end the thesis turns out to be an interdisciplinary work at the intersection of philosophy of economics and moral and political philosophy, and as such it appropriately employs qualitative, rather than quantitative research methods. One of the virtues of the work is that while covering a lot of ground, it is free of irrelevant detours and is very concise and focused (perhaps too much so, and there can be no doubt that some of the issues call for a more comprehensive treatment). To sum up, while certain concepts employed in the thesis (like “the European value system”) might have been more precisely defined and the methodological self-awareness could be more directly communicated to the reader, the methodological shortcomings of the work do not undermine the above-mentioned contribution of the Author.

### **4) Literature:**

In the process of the work on the thesis the Author clearly did a lot of serious reading. The list of sources is an extensive one for a Master thesis and most of the secondary literature is recent and well selected. Since the thesis has an interdisciplinary focus, the literature taken into account by the Author could also be considered rather ambitious (especially in its philosophical section) for a student whose main education background is in Economics. Moreover, the difficulty of the work at hand in this case consisted in virtual lack of literature that would *directly* deal with the question which the Author chose to address in his thesis, so it was not easy – or perhaps even not possible – to make an uncontroversial judgment about which publications should be considered or not. For this reason the choice of literature was bound to be to a point subjective. The Author refrained from making references to unscholarly or substandard resources. Having said that, while not being an economist myself and hence having limited familiarity with extensive scholarly literature on the recent financial crisis, and while being satisfied with the wealth of the philosophical literature considered by the Author of the thesis, I sense that taking into account the voices of the economists exploring both the reasons for and social consequences of the financial crisis might have a beneficial influence on the methodological balance of the overall work.

### **5) Manuscript form:**

While the structure of the thesis is clear and matches well its objectives, it is hard not to realize (from examples like that on p. 14 or from the fact that Rousseau's second name is in most cases spelled incorrectly) that the final version of the thesis has been prepared in a hurry and that having sufficient amount of time to pay attention to details, the Author could edit the thesis with far greater care. The references at the end of the thesis do not seem to be listed in any particular order that would help the reader to grasp its logic. While in the bibliography (“Sources”) the Author is consistently italicizing the titles of the books (even though sometimes only parts of the titles is italicized), this is less consistently done throughout the text, although attention of the Author has been drawn on several occasions to the importance of the format for quotations and references. The use of capital letters in book titles is also not consistent and does not seem to follow any particular rule. A number of other elements of the editorial quality of the thesis could also be improved, if

time permitted closer attention to this aspect of the work. Having said that, I think that the thesis is easily readable and the intellectual integrity and seriousness of the Author about the challenging issues he addresses in his work clearly comes across in his style of writing, even though the work is not free of linguistic and stylistic lapses.

**DATE OF EVALUATION: 15.01.2015**

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***Referee Signature***

**The referee should give comments to the following requirements:**

**1) THEORETICAL BACKGROUND:** Can you recognize that the thesis was guided by some **theoretical fundamentals** relevant for this thesis topic? Were some important theoretical concepts omitted? Was the theory used in the thesis consistently incorporated with the topic and hypotheses tested?

Strong                      Average                      Weak  
20                              10                              0                      points

**2) CONTRIBUTION:** Evaluate if the author presents **original ideas** on the topic and aims at demonstrating **critical thinking** and ability to draw conclusions based on the knowledge of relevant theory and relevant empirical material. Is there a distinct **value added** of the thesis (relative to knowledge of a university-educated person interested in given topic)? Did the author explain **why** the observed phenomena occurred? Were the policy implications well founded?

Strong                      Average                      Weak  
20                              10                              0                      points

**3) METHODS:** Are the **hypotheses** for this study clearly stated, allowing their further verification and testing? Are the theoretical explanations, empirical material and **analytical tools** used in the thesis relevant to the research question being investigated, and adequate to the aspiration level of the study? Is the thesis **topic comprehensively analyzed** and does the thesis not make trivial or irrelevant detours off the main body stated in the thesis proposal? More than 10 points signal an exceptional work, **which requires your explanation "why" it is so**.

Strong                      Average                      Weak  
20                              10                              0                      points

**4) LITERATURE REVIEW:** The thesis demonstrates author's full understanding and **command of recent literature**. The author quotes relevant literature in a proper way and disposes with a representative bibliography. (Remark: references to Wikipedia, websites and newspaper articles are a sign of **poor research**). If they dominate you cannot give more than 8 points. References to books published by prestigious publishers and articles in renowned journals give much better impression.

Strong                      Average                      Weak  
20                              10                              0                      points

**5) MANUSCRIPT FORM:** The thesis is **clear and well structured**. The author uses appropriate language and style, including academic **format** for quotations, graphs and tables. The text effectively refers to graphs and tables, is easily readable and **stimulates thinking**.

Strong                      Average                      Weak  
20                              10                              0                      points

**Overall grading scheme at FSV UK:**

TOTAL POINTS	GRADE	Czech grading	US grading
81 – 100	<b>1</b>	= excellent	= A
61 – 80	<b>2</b>	= good	= B
51 – 60	<b>3</b>	= satisfactory	= C
41 – 50	<b>3</b>	= satisfactory	= D
0 – 40	<b>4</b>	= fail	= not recommended for defence