

REPORT ON THE MASTER THESIS

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

Title of the thesis:	The impact of financial crisis on the European values
Author of the thesis:	Josef Vytlačil (JV)
Referee (<i>incl. titles</i>):	Ing. Luděk Rychetník, CSc

Remark: It is a standard at the 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.</i>	10
<i>Contribution (max. 20)</i>	8
<i>Methods (max. 20)</i>	8
<i>Literature (max.</i>	15
<i>Manuscript form (max. 20)</i>	3
TOTAL POINTS (max. 100)	44
The proposed grade (1-2-3-4)	3

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: JV asks timely, but broad and complex questions about mutual impact of values and economic and social development during the last decade, and how the crisis has disrupted the old value equilibrium. Voluminous institutional/political economic literature investigates them (from historical studies of Douglass North to the recent analyses of the sources and causes of the crisis, of which, surprisingly, JV does not seem to be aware). By "values" he means fundamental, publicly displayed values of EU as listed in the introductory part of the Treaty of Lisbon (2004) (pages 7-8 of the theses). He traces them to philosophers of enlightenment (mainly Rousseau and Kant) relying mostly on (well chosen) secondary and tertiary literature references. JV narrows down his quest to three hypotheses (about economic growth and human happiness, the role of self-interest in economics, an apparent discrepancy between the displayed values and the believed and lived ones).

2) Contribution: After some forty pages of philosophical and theoretical economic discussion (Rousseau, Kant, Adam Smith, Amartya Sen, Dan Arielli, David Orrell, Robert H. Nelson, Slavoj Žižek), in which JV tries to clarify key concepts, he ends up with rather meager conclusions. They question elementary assumptions of neoclassical economics (*homo economicus* model). The questions and doubts by implication may, or may not, inform values of society at large. However JV has not gone as far as that.

Apart from that, JV does not seem to be aware of the rich political and theoretical economic debates and events in the original *loci* of crisis - Great Britain and the USA in recent years

(Congressional hearing with Allan Greenspan in Oct 2008, self-critical and apologising letter from British Academy to the Queen in July 2009, The Institute for New Economic Thinking at New York City founded in Oct 2009, "Occupy Wall Street" movement starting in Sept 2011, discussions and publications about financial sector at LSE and at the Bank of England and the resulting legislation). In various ways they all try gain insight and draw enlightenment and conclusions from the crisis. Loss of (civic) values ("devaluation": Friedman, Mandelbaum 2011 *That Used to Be US*) is being considered as one of the root causes of the crisis.

3) Methods: JV's hypotheses are clear and (perhaps reasonably) narrow, but rather loosely related to his stated aim, "I will consider the impact of the economic crisis on the fundamental values of EU" (p.8). And the discussion, which follows in the main body of the theses, is mostly general, about key concepts (human nature, freedom, self-interest, what makes us happy). What I miss is a clearer elaboration of the connection with the crisis.

4) Literature: His sources are mainly theoretical and philosophical. They represent the area JV appears to be interested in most. However the crisis has been a phenomenon of daily life and needs to be investigated as such (however I have **not reduced** the mark for JV's onesided orientation). Apart from that, there is a Czech line of work about a value system in general and the Czech one in particular, which should have been referred to but is not: Libor Prudký a kol. *Inventura hodnot: Výsledky sociologických výzkumů hodnot ve společnosti České republiky*. Academia 2009. A minor point about life style and JV's surprising link to "courage" or a lack of it (p.50): another Czech author, PhDr Miluše Kubíčková, has devoted her whole career to life style and health education. She emphasizes information and active approach to life (*Zdraví – plod poznání a činu*. Nová tiskárna Pelhřimov 2014) and her opinion might have been considered.

5) Manuscript form: The text is difficult to read. The author has left some of the work of connecting various strands of the ideas to the reader. His English is uneven, at some places fluent with a sufficiently rich vocabulary, at other awkward, cumersome. The reader should not be burdened wih sentences like "(a)s I see it, economic crisis can be perceived as the externalization of the lack of Kantian perception of freedom that is in my opinion epitomized in the hypothesis of exogeniety of the preference set of economic man" (p.59).

The proposed grade : satisfactory

DATE OF EVALUATION: 18 January 2015

Luděk Rychetník

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	1	= excellent	= A
61 – 80	2	= good	= B
51 – 60	3	= satisfactory	= C
41 – 50	3	= satisfactory	= D
0 – 40	4	= fail	= not recommended for defence