Review of the doctoral thesis

Author: **Orkhan Nadirov**

Title: **The relationship between changes in income tax rates and the motivation to work**

The topic of doctoral thesis is strongly relevant to current state of economies in developed countries, because they are now at the period of economic growth and very low unemployment. So questions of motivation to work become very important. The author´s view on the problem is based on deep knowledge and a strong ability to work with scientific instruments. His deep theoretical background is visible, and the way of elaborating the topic is remarkable.

The author sets to himself one research question: "How does the relationship between income taxes and the motivation to work vary between workers at low and high wage rates?" , and one research objective: "Determine if the impact of income taxes on the motivation to work varies between workers at low and high wage rates."

Compared with many other qualification works we can say that the author formulated his task very simply and closely. He has got only one research question and one research objective. But there is a huge research work hidden inside them. I appreciate the author´s approach to the topic, his excessive and profound literature review, his deep analysis, the ability to formulate problems, and to solve them afterwards. So I can state that he fulfilled the objective of the doctoral thesis completely.

At the first part of the thesis he analyses traditional approaches to income taxes, and the motivation to work, and their mutual link. His excellent analytical abilities are incorporated in a general summary of survey studies used in the literature review in the form of comparative tables (pp. 24 – 27), and then in the overview of experimental literature on taxes and labour supply (tables on pp. 32 – 35).

He pays a great attention to the analysis of the tax rate used in his further research (p. 88) – this shows that the author is very well acquainted to the topic, and he is aware of troubles coming from misinterpretation. Economic interpretation is extremely necessary in such analysis. He is aware of being simply a statistician, and he is able to find principal economic consequences. The author then goes on evaluating general equilibrium models on taxes and hours worked. He is again able to make an efficient overview of the models (pp. 40 – 42), and similarly another overview of cross-country literature on taxes and hours worked (pp. 44 – 45). Such approach enables the reader to obtain complex and well-arranged view on the topic, and admire the author´s logic, his analytical abilities and the talent for synthesis.

After analysing other related literature the author worked out the synthesis of obtained knowledge, and formulated a hypothesis: "The relationship between income taxes and the motivation to work varies between income levels. When wages are low, hours increase as income taxes increase, and when wages are high, hours decrease as income taxes increase." The hypothesis was approved during the work.

The fourth part of the doctoral thesis is dedicated to the model specification, full of statistics and econometrics, and the fifth chapter shows the results. It is necessary to say that these two chapters not only bring a huge sum of elaborated data, but also show the author´s ability to work with them in a highly qualified way.

The Discussion then brings author´s contribution to science and practice. The author developed two original theories (the hierarchy of pecuniary needs, and the differing utility of leisure). The author developed also an expanded model of the reaction to income tax rate changes of low and high wage groups, and so he motivates himself and also other researchers to go on in further research, to revise existing theory, and to make new empirical tests. The doctoral thesis can be inspiring for policy makers setting tax policy.

The results of the doctoral thesis are clear, well interpreted, based on strong arguments, and applicable in theory development, and in practice. The idea of the doctoral thesis is well recognizable, there is a strong logic present in the whole text.

The author is even aware of research limitations. So if the reviewer wants to set some questions to him, he gives them himself (p. 130).

It is necessary to appreciate the language and all formal characteristics of the doctoral thesis.

Publication activity of the author is sufficient. It shows the author´s scientific ability and his high activity during doctoral studies.

According to all above mentioned I can state that the doctoral thesis of Mr. Orkhan Nadirov is of a high quality, it follows all requirements set on doctoral theses, and so I **recommend** this **doctoral thesis to defence**, and after a successful defence I **recommend** to give Mr. Orkhan Nadirov **the title Ph.D.**

Questions for the defence:
1. Can you bring some situations when the link between tax rates and motivation to work behaves in opposition to your results?
2. Can this link between tax rates and motivation to work be modified in various stages of business cycle in the economy?
3. I have a problem with a fifty-year average. Is there any other way how to show the long-period consequences between economic phenomena?

Ostrava, June, 11th, 2018   doc. PhDr. Olga Březinová, CSc.