Bachelor’s Thesis Draft

Author: Adam Czyżewski

Thesis advisor: dr. Michał Lewandowski

**Topic: Taxation vs. charity, insights into redistribution from behavioral economics**

1. **Intro**
   1. Inequality, hot topic (Piketty but maybe sth more original?). Proponents of higher taxes, and the belief on the other hand that less taxes free people to be more charitable(third way is to say lower taxes mean greater total welfare for everyone without transfers). Better understanding of the topic might be practically useful in light of ex. Nudge theory, or “Economics for the Common Good” which propose social improvement through economic insight.
   2. Hypothesis : If altruistic impulses are true in some sense, and it can be showed that taxation is a more effective way of redistribution, the debate on the topic could be meaningfully rephrased.

Or instead of hypothesis: The goal of this paper…

1. **Chapter 1 Altruism – are we even charitable in the first place?**
   1. Ultimatum game and it’s critique.
   2. Let’s say altruism appears(seemingly), only because we fear retribution(taxes) or crave admiration(charity). If there is no meaningful distinction, we
2. **Chapter 2 Cooperation – how societies agree on common rules, taxes specifically**
   1. Why taxes exist already. It seems established that individuals mostly comply with tax law out of fear retribution. However, what is more interesting for me here, is that through cooperation/public choice they formally agree on the system(can I avoid the problem of majority voting, maybe Arrows impossibility theorem as excuse?).
3. **Chapter 3 Emotional attitudes towards taxation and charity**
   1. Framing, risk, intuitiveness vs deliberation.
4. **Chapter 4 Chapter for own research/analysys.**

Option 1 A model - I was thinking about comparing tax and charity by risk, but can I somehow disregard all other aspects?

Option 2 Study of empirical data – Case of 1% tax deduction for chosen charity.

1. **Summary**
2. **Literature (not yet properly referenced, sorry)**
3. The price of Virtue, V. Foster
4. The Bounds of Reason H. Gintis
5. Taxes and Trust: From Coercion to Compliance in Poland, Russia and Ukraine Mark P. Berenson
6. Economics, Acemoglu (Chapters on Game Theory and Social Economics)
7. Games, Rationality and Behaviour, Essays A.Innocenti
8. Readings in public choice… Rowley, Part V Applications
9. Natural Justice, Ken Binmore
10. Teoria Gier, Ken Binmore
11. Etyka, sprawiedliwość, I racjonalność w dorobku nauki o finansach, Ostaszewski
12. Game Theory and Public Policy, Roger A. McCain
13. Public Choice, Mueller
14. MIT lectures – Insights from Game Theory into Social Behaviour