

Report on Bachelor / Master Thesis

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

Student:	Adéla Králová
Advisor:	Mgr. Roman Kalabiška
Title of the thesis:	Effects of Population Ageing on the Pension Systems in EU

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

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

The presented thesis investigates the demographic and economic challenges of population ageing on the pension systems of selected European countries. This involves a demographic projection for the period up to 2150 which enables the author to study the entire lifespan of several generations. With a panel data regression model she analyses the effect of demographic variables on the old-age dependency ratio and concludes that the life expectancy is the leading factor. Further she constructs a generation-specific pension balance in order to assess the sustainability of the PAYG system.

Contribution

Although the analysis has several unknowns, chief among which is the extended demographic projections, the results of the OLG model are useful, certainly in terms of comparability. Moreover, the demographic projection could present a unique contribution on its own if there were less assumptions and simplifications used. On the other hand, more detailed data on the migration wave from Ukraine as well as a brand new demographic projection are coming later this year, so the author did not have the absolute best data available to work with in the first place. Despite this, I believe that given the author's work, the contribution of this thesis meets the requirements of IES for bachelor theses.

Methods

The core of the OLG model as described by the author is a demographic projection, which includes the entire lifespan of at least several generations. The resulting projection covers a period 2000–2150. In order to create the projection this long and to construct the pension scheme balance, the author had to use several assumptions and simplifications. This is not wrong per se, especially at the bachelor level, but I would appreciate slightly clearer description of the methodology in chapter 4. As the purpose of this analysis is not to calculate the exact pension balance of each generation, but rather to visualise intergenerational solidarity as well as to illustrate the problematic aspects of the PAYG system, the methods used in this thesis are simple but appropriate, and are used in a correct way without major mistakes.

Literature

The literature review in chapter 3 is somewhat short but sufficient, although a more personalised approach to the description of the OLG model would be probably nicer. Moreover, there are no references to related literature in the empirical part at all. Yes, the methodology is quite technical, but the author could at the very least compare her results to the existing literature.

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Manuscript form

The thesis is well organized and formatted in LaTeX. It is also convenient to read and written in good English; I did not find any typos and never struggled with the intended meaning. Tables and figures are also labeled and referenced correctly. In my opinion, this thesis meets the criteria of a bachelor thesis.

Overall evaluation and suggested questions for the discussion during the defense

The author has worked on her thesis independently, although the days and weeks closest to the due date were quite hectic for her. In retrospect, allowing more time for the technical part of her thesis would be surely beneficial to make her analysis stand out more. The results of the Urkund analysis do not indicate significant text similarity with other available sources. I believe that the thesis fulfills the requirements for a bachelor thesis at the Institute of Economic Studies, Faculty of Social Sciences, Charles University. It is my pleasure to recommend the thesis for the defense and suggest a grade B.

Question for the defense

In your thesis, you conclude, that the PAYG system is unsustainable in the long term. In your view, what would have to change in order to make it sustainable? What is the dominant factor here, the system or the demographics? What changes to your projection would you expect if all the refugees from Ukraine (*currently around 300 000*) decided to stay in the Czech Republic? With regards to the recent announcement of the consolidation package (*May 11, 2023*), is there something you would wish to add to it that could help with the unsustainability of the pension system?

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

CATEGORY	POINTS
<i>Contribution (max. 30 points)</i>	25
<i>Methods (max. 30 points)</i>	27
<i>Literature (max. 20 points)</i>	10
<i>Manuscript Form (max. 20 points)</i>	20
TOTAL POINTS (max. 100 points)	82
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Mgr. Roman Kalabiška

DATE OF EVALUATION: 30/05/2023

Digitálně podepsáno (30.5.2023)
Roman Kalabiška

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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.*

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.*

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

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.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F