Report on **Bachelor / Master Thesis**

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

Student:	**Radim Král**
Advisor:	**PhDr. Jiří Kukačka, Ph.D.**
Title of the thesis:	**Nudging the Czech Pension System Towards Sustainability**

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

Short summary

The bachelor thesis by Radim Král, titled "Nudging the Czech Pension System Towards Sustainability," explores ways to enhance the sustainability of the Czech pension system, focusing mainly on behavioral nudges. The thesis employs an agent-based model (ABM) to study the effects of nudges on the pension system, incorporating country-specific data and a simplified version of the Czech voluntary-funded pension scheme. The findings indicate that while nudges alone have a marginal impact on sustainability in the current system, they become significantly more effective when combined with government incentives and higher-performing pension funds.

Contribution

The unsustainability of the Czech pension system has been an evergreen political discussion for several years in the Czech Republic. A need for pension reform is indisputable. Thus, studying how to improve the sustainability of the pension system in our country is of great importance. The thesis helps to better understand one of the most critical demographic issues that Czech society will face in the foreseeable future, which is an excellent contribution. Moreover, Radim Král focuses on nudges that have been implemented in multiple countries and have proven to improve people's savings behavior; however, they have not been comprehensively assessed in the Czech environment. The author provides a comprehensive analysis of how nudges influence the current Czech pension system as well as their potential effects if the government incentivizes individuals to save more and promotes access to higher-performing pension funds.

Methods

The methodologies used in the thesis are highly relevant and appropriate for the research question. The author comprehensively analyzes the Czech pension system using a stylized agent-based model. This model is well-parameterized with data specific to the Czech Republic and extended to incorporate realistic consumption and saving decisions. The analysis includes scenario and sensitivity analyses to evaluate the robustness of the results, demonstrating a thorough and sophisticated approach appropriate for the author's level of studies.

Literature

The thesis shows a strong command of recent literature on pension systems, behavioral nudges, and agent-based modeling. The author effectively integrates theoretical and empirical studies into the analysis, citing relevant sources properly. This demonstrates a deep understanding of the current state of research in these areas and the ability to build on existing knowledge.

Manuscript form

The thesis is well-structured, with clear sections and logical progression. The language and style are appropriate for an academic paper, with proper use of technical terms and concepts. The graphs and tables are formatted in accordance with academic standards, and the text effectively refers to these visual aids to support the analysis. The bibliography is complete and properly formatted, adding to the overall professionalism of the manuscript.

Overall evaluation and suggested questions for the discussion during the defense

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I recommend this thesis for defense and suggest a grade of A. The results of the Turnitin analysis indicate no significant text similarity with other available sources, suggesting that the work is original and free from plagiarism.

Suggested questions for discussion:

1. How might the results change if the parameters for nudges were adjusted to reflect different levels of government incentives or public awareness campaigns?
2. Considering potential demographic changes, can you discuss the long-term implications of your findings for the Czech pension system?
3. What are some limitations of the agent-based model used in your study, and how could future research address these limitations?
4. How do your findings contribute to the broader field of behavioral economics, particularly regarding retirement savings and pension policies?
5. Based on your research, what specific policy recommendations would you make to the Czech government to improve the pension system's sustainability?

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	30
Methods	*(max. 30 points)*	28
Literature	*(max. 20 points)*	19
Manuscript Form	*(max. 20 points)*	19
TOTAL POINTS	*(max. 100 points)*	**96**
GRADE	**(A – B – C – D – E – F)**	**A**

NAME OF THE REFEREE: Mgr. Tereza Palanská

DATE OF EVALUATION: 31.5.2024

Digitálně podepsáno (31.5.2024)
Tereza Palanská

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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**