

Report on Bachelor / Master Thesis

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

Student:	Daria Polenova
Advisor:	Mgr. Ing. Martin Štěpánek, M.A.
Title of the thesis:	Choice Architecture and the Pension System in the Czech Republic

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

Contribution

The student, Daria Polenova, deals with an important topic in her thesis and I believe that there are interesting research questions about pension system in Czech Republic to be answered by future research. Indeed, in some aspects the thesis is a good and interesting undergraduate thesis. For example, the thesis is good in having the ambition to do some data analysis, to clearly state the research questions, to compare the two pension systems, to discuss the behavioural aspects of the Swedish system and its implications for the Czech system. Having discussed the thesis with the student already at an early stage in November 2018, I also appreciate that the student has done progress in her understanding of the issues as well as in framing her interests in the way that have resulted into an undergraduate thesis.

Still, in comparison with the theses defended in recent years, this thesis does not reach their typically high standards and this is reflected in the overall proposed grade. Moreover, from the perspective of the research frontier (which is obviously not necessarily the right benchmark for an undergraduate thesis, but it does provide useful perspective for discussion at the exams), I am not sure the thesis represents a valuable contribution due to a few shortcomings that I discuss below that relate to how the ambitions described above have not been fulfilled satisfactorily. Also, with regards to the contribution of the thesis, I would like to see more of author's own evaluation of her contribution with regard to specific research papers and the overall body of existing research in both conclusion and the results section.

Methods

I consider the thesis to be a three-part combination of a lengthy descriptive part, an analytical discussion of pension systems' aspects and an empirical analysis. The first two parts – covering sections 2 and 3 of the thesis – are too descriptive and when the students comes up with interesting comparisons or insights, it is not always clear whether they originate from the student or the existing papers.

At the end of section 3 I appreciate the explicit statement of the three research questions, but I am not sure that the empirical analysis in section 4 (the section includes the whole of it but is slightly confusingly named research methodology only) manages to answer them. I would like to hear the student explain more explicitly the choice of the data set, how it is suitable for the questions at hand and how it differs to other research approaches chosen.

The research design of the empirical part is not very convincing and the student might have done better job at explaining its general empirical approach either in introduction or at the beginning of the empirical section (e.g. I read on page 30 that the student “decided to prove” and “...”For that I decided to analyse question”, but I would welcome more general explanation of the suitability of this approach). I appreciate when researchers are exploiting the best available data out there to answer relevant questions, but I am wondering how much this is really the case (and isn't it ironic that a thesis that deals with behavioural economics relies on opinions from a survey?). In terms of the methods applied, including the logit model, the student might be doing the best she can with the data (but I also wonder whether a simple descriptive statistics be as useful as some of the regressions), but I am not persuaded because of the data being used and because of the relatively confusing way the analysis is presented overall (more on this also in the manuscript form section below).

In addition to the obvious drawbacks of relying on opinion survey data in her empirical analysis, I am worried that the student is not careful enough when she interprets the results. I wonder whether in

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overinterpreting her results she might be attempting to bridge the obvious gap between the policy-relevant descriptive part of her thesis and her empirical analysis, but perhaps it is not worth it. Let me discuss one minor example, but perhaps it is illustrative about some other parts of the thesis. This is partly about application of methods and their interpretation (why I mention it here), but also about language (English and writing about economics more generally – so it could be down below in manuscript form section). A case in point is the abstract, which I believe should be carefully written. The student has a short sentence there stating that “And proves, that people can be influenced to postpone retirement.” In addition to missing the subject (which is not clear even in combination with previous sentences on which it seems to follow), the verb “to prove” is a very deterministic and, more generally, strong verb if used in the context of economics or other empirical analysis. Also, her generalisation in the final sentence, that the analysis supposedly shows that people tend to have unrealistic expectations do not seem to flow directly and unequivocally from the analysis presented in the thesis.

Literature

The covered literature is relatively good, but it sometimes feels that there are predominantly more general sources such as books and policy reports used and not enough relevant and more narrow academic research. For example, section 2 also overwhelmingly relies on OECD (2017), which is a useful and relevant source, but perhaps it would be possible to rely on other, more academic and research-based sources than the leading policy report, even for an undergraduate thesis. The first two sections that discuss existing literature are perhaps too long and not organised so well. The introduction, especially the first paragraph is confusing – and the cited literature as well (including the sentence with the 3.6% increase – from which literature is this sourced and if it is the European Semester document, could this be cited in the standard way as the other documents? On citing in standard way in the introduction, please pay attention to “Český důchodový systém v kontextu EU, MPSV” as well).

Manuscript form

The use of English is mostly OK, but grammar and spelling mistakes do occur. The problem is that author’s writing is not very clear or concise. At times I had problems understanding what the author is trying to convey. An example of a text that would be worth substantially improving is the abstract, as discussed above.

The thesis is generally relatively well formatted and presented, but I identify a few formatting and other formal issues below. For example, the source for Figures in section 2 is not stated clearly – perhaps “Source:” is missing in front of OECD (2017). The references are not listed alphabetically (or, it seems, according to any other systematic approach). Also, the coding of the variables – such as “qb19-CZ” – which is not very telling and is included also in the titles of the tables and figures is not very helpful for the reader. Also, I would expect the thesis to be formatted in the “justified” outline level rather than “left”, but perhaps that is just a minor and subjective concern.

Suggested questions for the committee

Consider for the moment the two very last sentences in your abstract. Could you link each of these statements of yours with specific evidence you present in the thesis? (In other words, from which discussed results do these conclusions follow?)

Having compared the two pension systems, if a Czech politician asked you for advice which choice architecture aspect to transfer from Sweden, what would be your top recommendation and expected outcomes if implemented?

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

CATEGORY	POINTS
Contribution (max. 30 points)	20
Methods (max. 30 points)	15
Literature (max. 20 points)	15
Manuscript Form (max. 20 points)	15
TOTAL POINTS (max. 100 points)	65
GRADE (1 – 2 – 3 – 4)	D

NAME OF THE REFEREE: Petr Janský, Ph.D.



DATE OF EVALUATION: 14th May 2019

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

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

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

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