

Report on Bachelor Thesis

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

Student:	Zhania Sadykova
Advisor:	Ondřej Schneider
Title of the thesis:	Pension Reform in Kazakhstan: Lessons from Chile

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

The thesis submitted by Zhania Sadykova tries to analyze pension reform in Kazakhstan using Chilean reform as a benchmark. However, the thesis is poorly written, often chaotic and suffers from many formal mistakes. Even though I am the thesis supervisor, Zhania never contacted me and I did not have a chance to see any draft version of the thesis. Therefore, I could not ask her to clarify the most evident errors and she submitted very raw and unfinished thesis draft. **Therefore, I recommend that the thesis is NOT accepted for the final exam and I suggest grade 4.**

It is quite difficult to review Zhania's thesis, as it is written in poor English and many sentences are difficult to understand. Moreover, pages are not numbered, which makes orientation in the text even more difficult. Also, the structure of the thesis is chaotic and often repetitive. The two chapters are meant to provide basic concepts of pension economics and pension reform in Chile, but Zhania does not quote her resources on Chilean reform. I am not familiar with concepts as "self-assurance" (p. 16) or "cruel performance". Also, simply stating that Chilean pension funds have yielded 13-14% annually without providing reference and time-span of this performance (why interval?) is unacceptable. The fourth chapter discusses the Kazakh pension reform and has a potential to contribute to literature, as little is written about the Kazakh experience. However, the chapter is so badly organized and written that it renders it almost useless. There are so many imprecision, errors and mis-concepts that I will not list them all. But, for example, what is actual demographic situation in Kazakhstan? Table 5 conflicts with preceding text explicitly. Why a mixed strategy would not improve pension system (p.27)? What exactly equation 2 means and how it differs from equation 1? Did Kazakh pension funds really achieve a 33% yield in 1999 (last line on page 32)? How is this possible when most of their investments were in government bonds (p.29)? Zhania's deliberation of inflation effects on 10% contribution level would be amusing, were they not simply wrong (p.44). The last chapter brings a "regression" where Zhania tries to estimate investment yield of Kazakh pension funds. First of all, I am perplexed by the nature of this exercise – what is it good for? Why Zhania chose the model she did? Why this model should appropriately estimate future yields? And how would Zhenia estimate future developments of independent variables?? Therefore, I am afraid that the whole exercise is futile. As a conclusion, I would like to stress that I am sorry that Zhenia did not send me her thesis prior its submission to the state exam.

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

CATEGORY	POINTS
Literature (max. 20 points)	10
Methods (max. 30 points)	10
Contribution (max. 30 points)	15
Manuscript Form (max. 20 points)	10
TOTAL POINTS (max. 100 points)	45
GRADE (1 – 2 – 3 – 4)	4

NAME OF THE REFEREE: Ondřej Schneider
DATE OF EVALUATION: 29. srpna 2009