Abstract

The thesis investigates determinants of participation in the supplementary pension savings scheme in the Czech Republic and estimates their change with respect to the policy intervention realized in 2013. Using the time series of cross-sectional microeconomic data provided by the Statistics on Income and Living Conditions, the probability of participation and the level of contributions are estimated separately by probit and multiple linear regressions, respectively. The estimated coefficients of both models are tested for structural differences caused by the policy change, employing the pooled dataset of multiple years with additional coefficients to treat the compared period. The analysis confirms that income, age, education and economic activity have a positive effect on both the probability of participation and expected level of contributions. Whereas gender differences for the level of contributions have not been detected, single women on average show, ceteris paribus, 4.6 percentage points higher probability of participation than single men. Unexpectedly high level of activity was observed in case of retired individuals, who in 2014 represented approximately 15% of all participants and collected 20% of the credited direct state subsidy. With respect to the 2013 policy change, no evidence of a significant long-term effect on the participation rate was found. In terms of contributions, the intervention registered a positive impact in general, however the greatest response was observed in case of older and higher educated individuals. In contrast, the low-income, young and less-educated individuals were affected with lower intensity, suggesting that the policy change failed to diminish the existing disparities in participation of various population groups.

JEL Classification J32, J11, H24, C21, C25
Keywords supplementary pension savings scheme, Czech Republic, determinants of participation, policy change, regression analysis, probit

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