

## **Pension systems challenges in the 21st century – impact on fiscal sustainability and adequacy**

Pension systems in developed countries have undergone many reforms over the last 50 years. These have aimed at achieving long-term financial sustainability of the system while maintaining the meritocracy of the system. However, the reforms have often resulted in a deterioration of pension rights for current and future pensioners and failed to address the issue of sustainability. At the same time, it is clear that the principles on which pension systems have stood for the last 100 years are being exhausted and are unable to respond flexibly and adequately to the challenges of the 21st century. Examples include the differential impact of reforms on individuals with different life expectancies, the impact of the decoupling of the income and expenditure side of the system from the demographic behaviour of households, the effects of the inappropriate setting of pension funds on future income adequacy, or the declining cohesion of society resulting from the increasing role of education in differentiating the life paths of individuals. The above examples will frame the shape of pension systems and their reforms over the next 50 years. This research will aim to identify and assess the impact of selected aspects of pension systems that will fundamentally shape their design and reforms over the next 50 years.

## **Effectiveness of social transfers**

Effective social policy is based, among other things, on the assumption that social benefits are utilised by the households targeted by the measure and at a designed level to help households address their social situation. In reality, however, there are cases where a household finds a way to draw social benefits to which it is not entitled. However, the opposite can also be identified, where a household entitled to a benefit does not draw it. Both of these cases distort the effectiveness of the social policy. Although the research results are mainly applied, we find this issue also in the academic literature. Research in this area should combine quantitative and qualitative methods. It aims to answer the question of which social benefits are prone to 'misuse' and why. It also identifies groups of households and their living situations that are less affected by efficiency.

A second possible branch of research focuses on fiscal instruments of family support. The family policy relies on social benefits, tax credits and public services with the increasing influence of tax credits. They differ from traditional benefit instruments in some aspects. These include the issue of eligibility for benefits, the issue of administrative costs and the issue of work incentives.

The aim of the dissertation is to assess the effectiveness of selected social and family policy instruments, taking into account the concept of equity and efficiency applied in economics. In particular, attention will be paid to their redistributive capacity, work incentives, eligibility and policy transparency. The research can focus on the perspective of the Czech Republic and other developed countries (possibility of comparison).