

What will (not) be the pension or the hidden „miracles" of an aging society

In my thesis I examined the unsustainable pension system. During its completion I made researches in three areas, I dealt with the phenomenon of hidden economy, the problems of the pension system and finally the analysis of demographical changes. These three areas constitutes the topics of the main chapters of my thesis.

The first one deals with the hidden economy. I defined it and showed the reasons of its appearance, its effects and measuring methods and finally I closed the chapter with the analysis of its size.

The second deals with the pension system. In this chapter I write about the definition of pension, the operation of the pension system, the different financing methods and the types of old-age pension. These are followed by analysis of the unsustainability of the system. I have made suggestions how to solve the problems.

The topic of the third is the analysis of the demographical changes. Similarly to the previous two chapters I started this one with the definition, too. Then I showed some demographic figures and continuing with the examination of the demographical changes of the Hungarian society.

During my research I found factors which create and maintain the unsustainability in all three areas. In terms of hidden economy, the main problem is that both the employer and the employee are encouraged to employ and be employed in that. In terms of pension system, problems are caused by old-age partial pension, early old-age pension, forward-brought old-age pension, reduced forward-brought old-age pension, and age concession pension. The problem with all these is that it supports the retirement at an early age which is really disadvantageous in the current demographic situation. In the area of demography I experienced that we have to face two main causes. One is the decrease of fertility which is shown in the figures of births. Because of this there are not enough young people to support the older generation. The other is the growth in life expectancy which is not a problem basically because all people live longer but it intensifies the unsustainability of the pension system.