

INSTITUT PRO DEMOKRACII A EKONOMICKOU ANALÝZU

Think-tank Ekonomického ústavu AV ČR, v. v. i.

INSTITUTE FOR DEMOCRACY AND ECONOMIC ANALYSIS

Think Tank of the Economics Institute of the Czech Academy of Sciences

# BOOK OF ABSTRACTS

## English Summaries of Recent IDEA Studies

May 2025 – May 2026



PROJECT OF THE ECONOMICS INSTITUTE OF THE CZECH ACADEMY OF SCIENCES

## About **IDEA**

Institute for Democracy & Economic Analysis (IDEA) is a think tank of the Economics Institute of the Czech Academy of Sciences focusing on policy-relevant research and recommendations. IDEA provides policy makers with the evidence they need to be more effective and equips citizens to hold their government accountable.

Backed by rigorous analysis and academic expertise of CERGE-EI scholars, IDEA contributes to policy debates with its non-ideological, evidence-based approach to public policy.



S U P P O R T E D   B Y



Czech Academy  
of Sciences

## Impact of IDEA ➤

## Letters of Appreciation ➤

## IDEA Talks ➤

## IDEA Seminars ➤

## IDEA Publications

Complete list of IDEA Publications: [ENGLISH ➤](#) | [CZECH ➤](#)

### 2026

- *The Unfortunate Legacy of Abolishing the Super-Gross Wage. | Policy Brief.* Daniel Münich, Michal Franta, April 2026 ➤
- *Talent in School: What Helps Gifted Students.* Tomáš Protivínský, March 2026 ➤
- *The Wealth Structure of Czech Households: An International Comparison.* Daniel Münich, Michal Šoltés, January 2026 ➤
- *Pension Fund Clients Trapped by Low Returns and High Fees.* Lukáš Nádvorník, Filip Pertold, January 2026 ➤

### 2025

- *When Contracts Can Be Modified: the Impact of More Flexible Rules on Public Procurement.* Kris De Jaegher, Michal Šoltés, Vítězslav Tit, December 2025 ➤
- *Does It Pay to Enter College During Economic Downturns?* Alena Bičáková, Guido Matias Cortes, Jacopo Mazza, November 2025 ➤
- *More Educated Than Your Grandfather? Intergenerational Transmission of Education in Europe.* Miroslava Federičová, Filip Pertold, Lucie Zapletalová, November 2025 ➤
- *Can the Czech Economy Grow Out of Debt? | Policy Brief.* Michal Franta, Czech & English versions October 2025 ➤
- *Emissions Allowances: Proposal for a Mechanism to Prevent Excessive Price Increases.* Tomáš Protivínský, Silvester Van Koten, September 2025 ➤

- *An International Bibliometric Comparison of Research Conducted by the Czech Academy of Sciences.* Štěpán Jurajda, Daniel Münich, Taras Hrendáš, September 2025 [↗](#)
- *The Czech System of Financial Support for University Students: flawed, full of loopholes, and outdated.* | *Policy Brief.* Daniel Münich And Jiří Slabý, Czech version September 2025; English version March 2026 [↗](#)
- *What Further Reforms Does the Czech Pension System Require?* | *Policy Brief.* Filip Pertold, September 2025 [↗](#)
- *Teacher Salaries in 2024 and the Outlook: on a rollercoaster ride.* Daniel Münich, Vladimír Smolka, June 2025 [↗](#)
- *Cognitive Abilities are Not Enough: Social and Emotional Competencies of Czech Students.* | *Policy Brief.* Miroslava Federičová, Daniel Münich, June 2025 [↗](#)

## IDEA Leaflets for Election 2025

- *Climate Change in the Election Platforms of Political Parties and Movements.* Tomáš Protivínský. [↗](#)
- *Affordable Housing in the Election Platforms of Political Parties and Movements.* Jakub Komárek. [↗](#)
- *Support for Gifted Students in the Election Platforms of Political Parties and Movements.* Alena Bičáková. [↗](#)
- *Financial Support for Students in the Election Platforms of Parties and Movements.* Daniel Münich. [↗](#)

## IDEA Interactive web tools

Complete list of **IDEA** web tools [↗](#)

- *State Employees and Civil Servants: where they work and how much they are paid?* [↗](#)
- *Comparison of the Czech Academy of Sciences with networks of non-university research organizations in Germany and France in 2021–2022* [↗](#)
- *Publication Performance and Authors of Research Organizations in the Czech Republic in 2007–2024* [↗](#)

The IDEA studies gained significant media coverage, influenced public discourse and policy, and strengthened the recognition of IDEA and CERGE-EI among the CAS, ministries, and NGOs.

*Do Czechs show interest in addressing climate change in any way? And do they understand it correctly?*

Tomáš Protivínský from IDEA at CERGE-EI discussed this in the program Naše Česko on TN.cz (November 2025) [▶](#)



*Why do we have so few gifted girls? The system overlooks them.*

Alena Bičáková from IDEA at CERGE-EI discusses where smart girls are getting lost and why it costs us enormously in the Hlas Heroine podcast (December 2025) [▶](#)

*The Czech Republic Lacks an Upper Middle Class Compared to the West. After a Handful of the Wealthy Comes a Sharp Drop.*

An interview in Respekt magazine with Michal Šoltés from IDEA at CERGE-EI about a groundbreaking study revealing the wealth structure of Czech households (February 2026) [▶](#)







*The average Czech needs to save up to ten times more for retirement than a Slovak to achieve the same pension. Why does retirement saving in the Czech Republic yield so little?*

Lukáš Nádvorník from IDEA at CERGE-EI discussed this in an in-depth debate with Jan Sedláček, spokesperson for the Association of Pension Companies, on Události, komentáře – Economic News, Czech Television (January 2026) [▶](#)

*Will education become a priority for the new government or not? Why should teachers' relative salaries be set at exactly 130%, and when will they actually reach that level? And why will we have to wait until 2027 for further entrance exam reforms?*

These and other topics were discussed by Daniel Münich from IDEA at CERGE-EI on the Czech Radio Plus programme Řečí peněz (January 2026) [▶](#)



KOMENTÁŘ

## Ztracení Einsteinové v Česku. Jak nadané děti mizí v davu

**TOMÁŠ PROTIVÍNSKÝ**  
 Ekonom v IDEA při CERGE-EI.  
[+ sledovat](#) 7

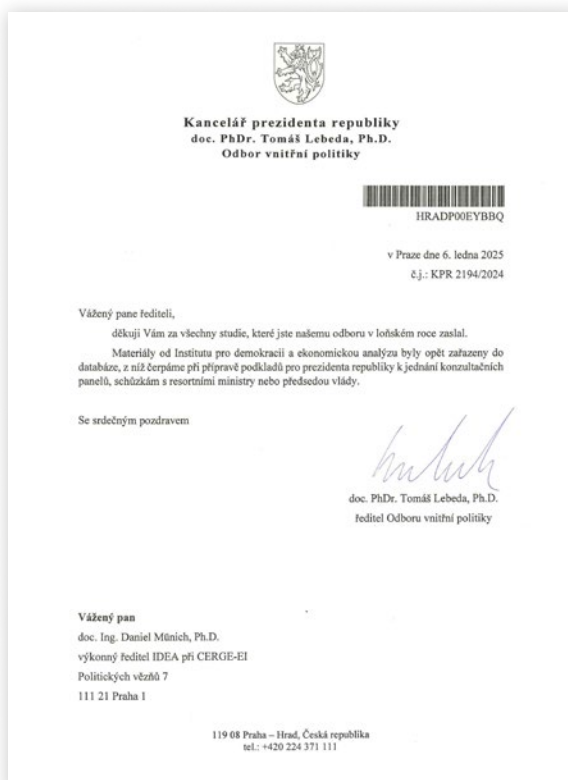
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326

*Lost Einsteins in the Czech Republic: How Gifted Children Disappear in the Crowd*

A commentary by Tomáš Protivínský from IDEA at CERGE-EI for Seznam Zprávy on the IDEA study Talent in School: What Helps Gifted Students (May 2026) [▶](#)

# Letters of Appreciation

IDEA has received numerous letters of appreciation from public institutions such as ministries, the Office of the President, and the Office of the Prime Minister, which draw on insights from IDEA's research in the development of public policies.



A letter of appreciation from the Office of the President of the Czech Republic

A letter of appreciation from the Ministry of Industry and Trade of the Czech Republic



A letter from the Prime Minister of the Czech Republic

*IDEA Talks* is a video interview series in which expert researchers present studies and research topics in an accessible and understandable way, focusing on issues relevant to public discourse. Over the past year, 10 episodes have been produced. You can find them here ➔

## IDEA Talks

### Klienti penzijních fondů v pasti nízkých výnosů a vysokých poplatků

LEDEN 2026

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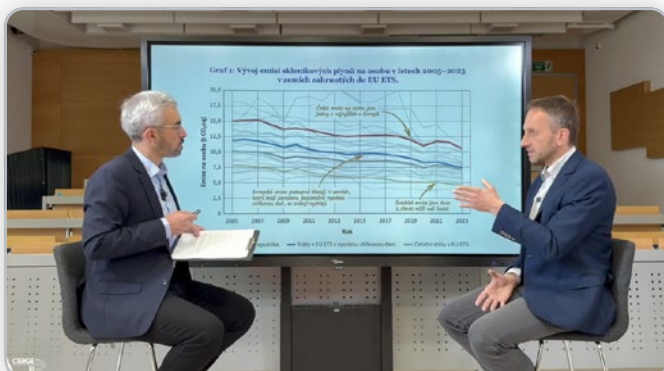
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IDEA Talks 55: *Pension fund clients trapped by low returns and high fees* (Filip Pertold) ➔



IDEA Talks 52: *Emissions allowances: what they are and how to keep them under control* (Tomáš Protivínský) ➔

## IDEA Talks

### Emisní povolenky: návrh mechanismu bránícímu neúnosnému nárůstu cen

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## IDEA Talks

### Z čeho má Česko platit vyšší obranné výdaje: ekonomický pohled

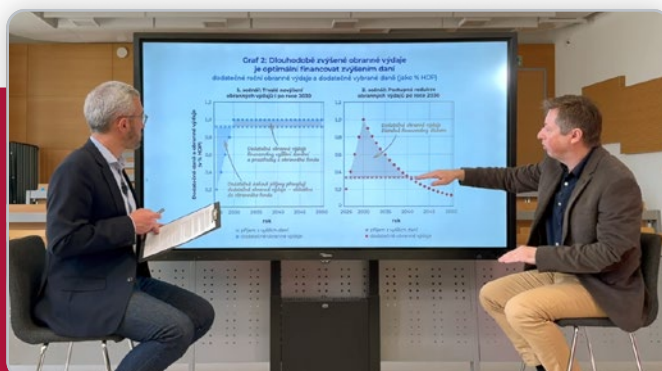
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IDEA Talks 49: *How should the Czech Republic finance increased defense spending* (Marek Kapička) ➔



## IDEA Seminars

IIDEA organizes a wide range of public lectures and discussions featuring international researchers on economic topics that are highly important for the public and for public debate.



The CERGE-EI IDEA Think Tank and the Embassy of Switzerland in the Czech Republic organized a seminar and discussion by Professor **Monika Büttler**: ***The promise and challenges of funded pension plans: some lessons from Switzerland*** (April 2026) [▶](#)

The CERGE-EI IDEA Think Tank and the German Embassy in the Czech Republic organized a seminar and discussion by Professor **Bernd Fitzenberger**: ***The German Labor Market: Trends, Evidence-Based Policies, the VET Market*** (March 2026) [▶](#)



The CERGE-EI IDEA Think Tank organized a seminar and discussion by Professor **Achim Wambach**: ***The sick man of Europe once again? On the prospects for the German economy*** (November 2025) [▶](#)

The CERGE-EI IDEA Think Tank and association *Občan* organized a seminar and discussion by Professor **Roland Sturm: *Big Data in Health Policy: Developing a Microsimulation Tool for Diabetes Care from Medical Records*** (May 2025) ➔





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Study 3/2026

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# Talent in School: What Helps Gifted Students<sup>3</sup>

*A Systematic Review of the Effectiveness and Impacts of Programs  
Supporting Gifted Students in the Economics Literature*

MARCH 2026

TOMÁŠ PROTIVÍNSKÝ\*

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## Summary

- **This study provides a systematic overview of economics literature focused on evaluation of programs for gifted students.** It supplements existing pedagogical and psychological knowledge with a perspective based on causal reasoning and measurable impacts of interventions. It is a useful resource for **education policymakers and school administrators** who need to allocate public funds effectively and to design effective support programs. It offers **education and economic researchers** an overview of modern evaluation methods and summarizes key empirical findings on various types of support, from early universal identification to the impacts of acceleration and specialized schools. The study's conclusions are particularly relevant for **reducing educational inequalities**, as they show that the positive effects of well-designed programs are most pronounced among gifted students from socioeconomically disadvantaged backgrounds.
- The key to supporting gifted students is early identification. Traditional approaches based on nomination by teachers or parents are often inaccurate and can overlook gifted students from disadvantaged groups. **Comprehensive screening at an early age, supplemented by complex diagnostics, has proven to be a more effective approach that can identify significantly more gifted students, especially among girls and students from disadvantaged backgrounds.** The definition of giftedness should be based on modern psychological concepts, and identification should be based on standardized, reliable, and psychometrically validated diagnostic tools.

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- **Within schools, gifted students can be taught in an integrated manner, i.e., in the same schools and classes together with other students, or they can be educated in separate, segregated groups (in selective classes or schools). In addition to integration and segregation, inclusive teaching based on differentiation is also increasingly popular; this allows teachers to work with students according to their individual needs and levels.** In this model, gifted and other students all remain in a regular classroom, with the teacher adapting the content, pace, and depth of the curriculum so that everyone can develop their potential. In fully inclusive and differentiated teaching, the role of identifying gifted students is less important if the teacher is able to recognize and meet the needs of all students. This approach places high demands on teaching skills and the organization of teaching, but at the same time promotes diversity and mutual enrichment among students.
- **Acceleration, i.e., adjusting the curriculum in such a way as to shorten the usual length of schooling, is a popular and well-researched form of support for gifted students, especially in the US environment.** Czech legislation allows gifted students to be moved to a higher grade.<sup>4</sup> Educational literature also offers many other acceleration methods. For acceleration to be truly beneficial, it must only include students who are ready for more challenging material. Otherwise, it can have a negative impact.
- **Despite the popularity of elite, selective schools, evaluation literature generally finds no or only very weak positive impact of these schools and of other specialized programs for gifted students.** Although students selected for elite schools generally achieve better academic results, in many cases they would achieve comparably good results in regular schools thanks to their talent. The positive impact of these programs is most evident among students from disadvantaged backgrounds, for whom extra support can be crucial for development of their potential. **Combined with widespread identification, well-designed programs to support gifted students can reduce inequalities in education.**
- Grouping students according to ability can be beneficial because it allows for more targeted teaching. However, dividing students into different schools at an early age can lead to poorer results for weaker students and exacerbate inequalities in education, especially if it is not easy to transfer between different types of schools later on. **Alternative measures include classes for gifted students in their original schools or pull-outs, where gifted students remain in their original classes but receive separate specialized instruction for part of the week.**
- The overall quality and readiness of the education system is crucial for successful support of gifted students. It is therefore necessary to systematically integrate the topic of gifted education into teacher training and continuing education. **Differences in teacher quality between schools are significant, and the impact of good and bad teachers on students can be enormous. The education system must be able to recognize and reward high-quality teachers.**





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*Study 2/2026*

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# The Wealth Structure of Czech Households: An International Comparison<sup>2</sup>

JANUARY 2026

DANIEL MÜNICH\*, MICHAL ŠOLTÉS\*

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## Summary

- **Poor** Czech households (at the bottom fifth of the wealth distribution) hold more assets than similarly defined poor households in, for example, Germany or France. The net worth of a **median** Czech household is approximately EUR 100,000, similar to Slovakia, Portugal, the Netherlands, Germany, and Finland. A **wealthy** Czech household (at the upper fifth of the wealth distribution) owns approximately half the value of assets of a similarly defined household in Germany, France, Italy, and Austria. While poor Czech households are relatively wealthy in terms of asset value in international comparisons, wealthy Czech households are, on the contrary, relatively poor.
- Expressed as an equivalent of the **average gross annual wage in a given country**, Czech households are among the wealthiest in Europe. The median Czech household owns assets worth more than five times the average annual wage in Czechia. In Germany and Finland, this figure is only about half as much. The difference is due to the relatively low wage level and high real estate prices in Czechia.
- **Primary real estate** plays a key role in Czech households' assets, with most households owning such property, which accounts for up to 80% of their total assets. The importance of primary real estate declines only in the top tenth of the wealthiest households, which often hold other assets as well. The importance of primary real estate in Czechia is mainly due to the historically extensive privatization of housing stock and restitutions after 1989, as well as rapid growth in prices in recent years.

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- Primary real estate is essential in the structure of household assets in other Central European countries as well. For example, in Hungary and Slovakia, virtually every household owns primary real estate. In contrast, in Germany and France, the importance of primary real estate is significantly lower. In Germany, households typically own real estate only from the median value of assets upwards.
- The disadvantage of the high share of primary real estate in total household assets in Czechia is low liquidity and limited flexibility in disposing of assets. Selling real estate is often time-consuming and administratively demanding. In addition, after the sale of primary real estate, there is usually a need to secure alternative housing.
- **Intergenerational distribution** of assets in the Czech Republic corresponds to the distribution in other Central European countries (Slovakia and Hungary). A median household with a reference person aged between 51 and 70 holds assets that are 30% more valuable than a median household aged between 31 and 50. In Western countries, the concentration of wealth among older generations is significantly higher. Typical households aged 51 to 70 hold 2.5 times the value of the assets of younger households. In contrast, in the Baltic countries, younger and older households own approximately the same value of assets.
- Czech households, like Slovak and Austrian households, hold a low proportion of their assets in the form of **financial assets**. A significant portion of these assets is concentrated in current or savings bank accounts and, to a limited extent, in conservative financial products such as life insurance or supplementary pension insurance. Compared to Western countries, Czech households lag in the proportion of assets held in funds or shares.
- Our analysis is one of the first international comparisons of the distribution and structure of Czech household assets. This comparison was made possible by the new Financial Situation of Households (FSD) survey conducted by the Czech Statistical Office in cooperation with the Czech National Bank according to an internationally comparable methodology (HFCS). The FSD household sample is not sufficiently representative of the poorest and richest households and individuals, and therefore does not provide a reliable picture of the situation of these households. To minimize possible bias caused by insufficient coverage of these households, we report the values and structure of assets for typical households.

*Study 1/2026*

# Pension Fund Clients Trapped by Low Returns and High Fees<sup>2</sup>

JANUARY 2026

LUKÁŠ NÁDVORNÍK\*, FILIP PERTOLD\*

## Summary

The current Czech third-pillar capital-based pension savings system **fails to deliver on its purpose**. It requires citizens to make **unrealistically high contributions** due to **extremely low effective returns** and a **high fee burden**. A fundamental revision is necessary, as maintaining the status quo risks fees depriving fund clients of up to **half of their returns**.

- **10× Higher contributions for the same benefit:** Due to low returns and high costs, the average client in the Czech Republic must contribute up to **10 times more** funds than a client of Slovak index funds to achieve the same capital rent.
- **Dynamic funds lag significantly:** Even the most profitable part of the pillar—Dynamic Funds—lagged behind market returns by **more than 5% annually** in the last decade and delivered less than half the appreciation compared to foreign low-cost index funds (e.g., Slovakia, Sweden).
- **Fees absorb up to half of wealth:** High fees in dynamic funds can deprive a client of up to **50%** of their future wealth over a 40-year horizon; in the last decade, they **erased 37–49%** of the funds' total returns.
- **Solution - reduce costs, introduce life-cycle funds, and better target state support:** Key improvements involve revising fee caps to incentivize pension companies to create low-cost index funds and introducing a mandatory life-cycle strategy that automatically balances the dynamic profile with the client's age and increases yield potential. State support should be directed only towards clients investing in funds that make the most sense from a pension perspective—specifically, life-cycle funds and more dynamic funds.

[Complete Study](#)



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*Study 10/2025*

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# When Contracts Can Be Modified: the Impact of More Flexible Rules on Public Procurement<sup>2</sup>

DECEMBER 2025

Kris De Jaegher, Michal Šoltés\*, Vítězslav Titl

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## Summary

- This study summarizes the results of an empirical analysis of the impact of easing the rules for public procurement contract modification on outcomes in the Czech Republic. We estimate how this affected the average tender winning price, the final prices of completed contracts, and the quality of the completed work.
- A significant portion of public spending in developed countries is carried out through public procurement. In recent years, the Czech Republic has spent more than CZK 1 trillion annually via public procurement. This represents 14% of GDP, nearly half of all state budget expenditures, and 30% of total public budget expenditures. Given the high volume of funds allocated through public procurement, even a small change in the rules and laws governing it can have billion-crown impacts on public budgets—either positive or negative.
- There is always a chance that an original contract will need to be modified during implementation, especially in the case of long-term and logistically demanding contracts, such as construction or IT projects. The way rules regulate the possibility to modify a contract (including increasing the final price) in such situations is a crucial aspect of public procurement regulations.

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- In 2016, the rules for public procurement contract modification were eased. After the reform, when it becomes necessary to modify a contract during its execution, the contracting authority and the contractor may do so, provided the overall nature of the contract is preserved and the financial limits set by law are observed.
- Following the easing of the rules, there was a significant increase in the number of public contracts in which the tendered price changed. This was particularly evident in the construction sector, where more than 40% of contracts tendered in the year following the reform saw a price modification.
- Despite the increase in the number of modified contracts (and increases of the originally tendered prices), the long-term average final price of contracts did not increase as a result of the reform. This was due to a decrease in the average tendered price. Competing contracting authorities began to expect that they themselves would not have to bear the entire cost of any unforeseen work, and began to offer lower prices.
- Despite having no impact on the average final prices of contracts, the overall costs to public budgets increased. This rise was caused by a small number of large projects in which the contracts were amended and the final price increased.
- After the reform, the option to modify an original contract also applied to most ongoing contracts awarded before the reform. In these cases, the average final price increased, because, as with projects awarded after the reform, contracts were modified more frequently and prices increased. At the same time, unlike projects tendered after the reform, no reduction in the tendered prices was possible, and indeed there were none.
- Changes to public procurement rules that may have significant impacts on public budgets should always be accompanied by thorough empirical evaluation. To enable this, it is essential to ensure the collection and accessibility of data in a form that allows for high-quality, credible impact analysis. Such analysis should be an integral part of any regulatory impact assessment.





PROJECT OF THE ECONOMICS INSTITUTE OF THE CZECH ACADEMY OF SCIENCES

*Study 9/2025*

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# Does It Pay to Enter College During Economic Downturns?<sup>2</sup>

ALENA BIČÁKOVÁ\*, GUIDO MATIAS CORTES, JACOPO MAZZA

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## Summary

- We analyze the long-term career impacts of the economic situation students face before enrolling in college. We use extensive data from the United States that includes information on future earnings of nearly 40 cohorts of college graduates who began their studies in different phases of the economic cycle. **College graduates who enroll during periods of higher unemployment** tend to earn **higher hourly wages and annual earnings** later in their careers. Women also achieve higher earnings through more intensive labor market participation. Adverse economic conditions before entering college also increase their future employment rates. These positive effects are long-lasting: we observe them both among recent graduates and later in their careers.
- We test **several possible economic justifications that could explain** the observed **earnings premium**, but **none** of them is **supported by the data**. Specifically:
  - **During recessions, only a select group of above-average students apply to, enroll in, and graduate from college.** However, previous research shows that more students enroll in college during recessions, so it is not a select group of high performers. Our data confirms that cohorts of graduates entering college during recessions are larger.
  - **Among graduates who start college during recessions, only a more select group may be employed later on.** Thus, the future earnings of only those high performers who managed to find employment would be observed. However, our findings

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show that cohorts enrolling during recessions have the same, or in the case of women, even higher employment rates than cohorts who entered college during economic booms.

- **Graduates who start college during recessions choose more lucrative fields of study than those who start during economic booms.** Only about 10% of the observed earnings premium, however, can be attributed to differences in fields of study.
- **Graduates who start college during recessions more often complete their studies during economic booms. They enter the labor market under better conditions and thus earn higher wages.** This explanation does not hold, either. We observe the earnings premium even among cohorts of graduates who complete their studies under the same economic conditions.
- **The only factor that explains about one-third of the observed earnings difference** based on the economic cycle phase before entering college is **the region in which graduates work** after completing their studies. Those who begin college during periods of high unemployment are more likely to be employed in regions with higher average earnings.
- The remaining approximately **two-thirds of the observed earnings premium cannot be empirically explained using the available data.** However, the observed effect of adverse economic conditions is consistent with previous research showing that recessions significantly influence human preferences, behavior, and major life decisions, and that early adulthood is one of the most sensitive periods in this regard. **Our interpretation** of the findings is based on these insights; we attribute the earnings premium to changes in preferences, life goals, and behaviors that affect future earnings.
- Negative personal experiences and concerns caused by a recession can have serious adverse effects on young people. However, they can also drive changes in life attitudes and trigger **increased effort, greater diligence, and stronger determination.** This can manifest in higher financial and/or time investments in education, choices of more lucrative fields of study, and/or better academic performance. Experiencing negative economic conditions when young can also later result in greater effort expended in job searches and higher productivity at work. All of this tends to be rewarded with higher earnings, and could explain the earnings premium that we observe among graduates who start college during recessions.
- This positive effect of recessions on increased effort by young people is supported by numerous psychological and economic studies. Our findings regarding the factors that can explain the observed earnings premium also confirm this hypothesis at least partially: graduates who start college during periods of high unemployment tend to **choose fields of study with greater financial returns, more often relocate to regions with higher earnings, and—in the case of women—show greater labor market participation.**
- Our analysis is based on U.S. data covering more than 1.9 million women and 1.6 million men with at least a bachelor's degree who began their studies between 1976–2014. **A similar study would be desirable in the Czech Republic.** We expect that the mechanisms observed in the U.S. would have similar effects here. However, due to institutional differences between the countries and their education systems, it is not possible to predict which mechanisms would be dominant. Therefore, **the impact of a recession when enrolling in college on future career outcomes of college graduates in the Czech Republic remains an open empirical question.**



PROJECT OF THE ECONOMICS INSTITUTE OF THE CZECH ACADEMY OF SCIENCES

*Study 8/2025*

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# More Educated than Your Grandfather? Intergenerational Transmission of Education in Europe<sup>3</sup>

NOVEMBER 2025

MIROSLAVA FEDERIČOVÁ\*, FILIP PERTOLD\*, LUCIE ZAPLETALOVÁ

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## Summary of key issues

- Education should be a pathway to a better future, not merely an inheritance of family background. However, reality often tells a different story – children from more educated families have a significantly greater chance of attaining higher education than their peers from less educated families. When educational mobility is low, inequalities persist across generations, and the education system fails in its role as a driver of social advancement. Recent research also shows that the influence of family does not end with parents – the educational level of grandparents can also affect children's education, suggesting that change may take longer than we might expect.
- This study examines how education is transmitted across three generations in European countries and uncovers the mechanisms that influence long-term educational mobility. What makes this study particularly unique is its ability to trace family lines from grandparents born at the beginning of the 20th century, through parents born during and after World War II, to the youngest generation born around 1975. This unique perspective provides a deeper understanding of educational mobility and its persistence across generations and European countries.<sup>4</sup>

Complete Study 

- Educational mobility across generations varies widely across Europe. Northern European countries tend to have the highest levels of mobility, meaning that children's education is less tied to their parents' background. In contrast, in German-speaking and Southern European countries, education levels are more often passed down from one generation to the next.
- Over the 20th century, people in most European countries gained more education—on average, more than five additional years. This increase was especially strong among women. While those born before 1920 typically completed about six years of basic schooling, people born in the 1970s reached an average of 12.5 years—roughly the level of upper secondary education. This trend is similar across all countries in the study.
- Intergenerational mobility has also increased over time. The statistical relationship in educational attainment between the generations born in the 1910s and the 1940s was significantly higher than between the generations of the 1940s and the 1970s in most European countries. The former socialist countries are exceptions, specifically Eastern Germany and the Czech Republic, where intergenerational mobility has not increased over time.
- In the countries of the former socialist bloc, we observe a strong influence of parents' education, but a significantly lower influence of grandparents' education on the educational attainment of grandchildren. This observation is consistent with the communist regime's efforts to significantly reduce inequalities in the oldest observed generation.
- After 1990, there was a significant strengthening of the link between parents' and children's education in both the Czech Republic and in Eastern Germany, indicating a decline in intergenerational educational mobility. This period in both countries is associated with transformational changes in the economy and society. Our study does not focus on the causes of this trend, and existing research does not offer a clear explanation. However, among the factors discussed are the increasing returns to education, the shortening of compulsory schooling to only the primary level, and the introduction of early tracking of students into multi-year grammar schools, which may have negatively affected the chances of children from socially disadvantaged backgrounds to attain higher education.
- The mediation analysis method shows that the mechanisms of multigenerational educational mobility are fairly similar across European countries, even though the absolute level of mobility may vary. The most important factor influencing children's educational attainment is the education level of their parents, which explains 57% of the relationship between children's and grandparents' education on average across EU countries. The remaining 31% is influenced by the education and socioeconomic status of the grandparents.



PROJECT OF THE ECONOMICS INSTITUTE OF THE CZECH ACADEMY OF SCIENCES

*Study 7/2025*

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# Emissions Allowances: Proposal for a Mechanism to Prevent Excessive Price Increases<sup>3</sup>

SEPTEMBER 2025

TOMÁŠ PROTIVÍNSKÝ\*, SILVESTER VAN KOTEN\*

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## Summary

- From an economic perspective, climate change represents a major market failure exacerbated by the existence of externalities: economic actors can burn fossil fuels without bearing the costs of the damage caused. **The most effective way to address this market failure is by pricing greenhouse gas emissions.** Price signals that include the costs of damage provide better information about the impacts of individual activities on society, and enable economic actors to make better decisions.
- **The European Emissions Trading System (EU ETS) puts a price on greenhouse gas emissions and is a suitable tool for addressing climate change.** For such a system to function effectively, it must appropriately set future emission trajectories (the amounts of allowances issued) and include safeguard mechanisms to prevent excessive price fluctuations. Prices that are too low would fail to achieve climate targets, while excessively high prices would lead to unbearable impacts on citizens and increase resistance to such measures.

Complete Study 



- **The current safeguard mechanisms in the EU ETS, particularly the Market Stability Reserve, are insufficient to stabilize prices and may even amplify price shocks.** Ambitious climate targets and the strict initial allowance volumes in the newly introduced emissions trading systems for transport and buildings (EU ETS 2) will increase pressure on allowance prices. Without strengthening these safeguard mechanisms, there is a real risk of very high prices and consequent costly impacts on citizens.
- **We recommend introducing a price collar that sets a minimum and maximum price for emission allowances through a minimum auction price and a price ceiling.<sup>4</sup> This mechanism is currently used in several emissions trading systems in other regions and is well supported by academic economic literature. A price collar is a more reliable and effective mechanism for price stabilization than are other adjustments to the Market Stability Reserve.**
- **Reasonable allowance prices can help in meeting emission targets without imposing unbearable impacts on citizens and the economy.** Empirical studies highlight the effecti-veness of the EU ETS in reducing emissions and find no negative effects on the economy. At an EU ETS 2 allowance price of €55 per ton of CO<sub>2</sub>, the direct annual cost for an average Czech household would increase by CZK 4,975, which represents 0.78% of its budget.
- **Households can reduce the additional costs caused by emission allowances by switching to cleaner alternatives, which is precisely the intended effect of emissions trading.** However, for some households, alternatives may not be available or financially accessible. Moreover, the impact on certain households will be significantly higher than the average. Therefore, it is crucial that the state is able to identify vulnerable households and provide them with adequate and effective support through the Social Climate Fund and other revenues from emission allowances, which should be introduced concurrently with the EU ETS.
- **Compared to economic estimates of climate-related damages, current allowance prices do not appear to be excessively high.** Moore et al. (2024) report an average estimate of damages caused by greenhouse gas emissions in the academic literature at \$165 per ton of CO<sub>2</sub>. When accounting for the quality of individual studies, they arrived at an even higher average estimate: \$354 per ton of CO<sub>2</sub>. These estimates carry a high degree of uncertainty—actual damages may be lower, but could also be significantly higher. Nevertheless, they confirm that every reduction in greenhouse gas emissions today helps mitigate future global damages. Emission allowances can effectively reduce emissions at relatively low cost, but truly addressing climate change requires coordinated global action.



Study 6/2025

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# An International Bibliometric Comparison of Research Conducted by the Czech Academy of Sciences

SEPTEMBER 2025

ŠTĚPÁN JURAJDA, DANIEL MÜNICH, TARAS HRENDAS

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## Summary

- This study presents key bibliometric comparisons of staff size, publication output, and publication productivity of the institutes of the Czech Academy of Sciences (CAS) as a whole.
- We compare CAS with similar networks of non-university research institutions in Germany—the *Helmholtz-Gemeinschaft Deutscher Forschungszentren*, *Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung*, *Leibniz-Gemeinschaft*, *Max-Planck-Gesellschaft zur Förderung der Wissenschaften* (HFLP)—and with the French network Centre national de la recherche scientifique (CNRS). The comparisons in this work are based on a publicly available interactive online **application** , which provides much more detailed information.
- The staff size of the CAS is similar to that of HFLP and CNRS, not only in absolute terms (the number of researchers relative to the populations of the countries), but also in terms of their share of their entire domestic research sectors, after we take multiple affiliations of authors into account.
- Compared to researchers at CNRS and HFLP, when we account for joint affiliations with universities, researchers at the CAS are similarly productive in top journals: they are slightly more productive than CNRS researchers, and somewhat less productive than HFLP researchers, but demonstrate significantly greater disciplinary heterogeneity. The disciplines at CAS that are relatively large in terms of personnel tend to be less productive in terms of publications.
- In comparison with the domestic research sectors (predominantly that of domestic universities), the CAS institutes are similarly over-productive in top journals, as are HFLP and CNRS institutes in relation to their domestic universities. After we adjust for overlapping affiliations, CAS institutes are relatively more productive than CNRS and HFLP in this respect.

Complete Study 



*Study 5/2025*

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# Teacher Salaries in 2024 and the Outlook: on a rollercoaster ride<sup>2</sup>

JUNE 2025

DANIEL MÜNICH\*, VLADIMÍR SMOLKA\*

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## Summary

- Between 2017 and 2021, teachers' salaries in the Czech Republic saw a large jump — from just **106%** to **125%** of the average wage in the economy, also thanks to a dynamic growth of real GDP, and growing state budget deficit in 2020-2021. This brought their wages close to the political promise of reaching 130%. But after 2021, things took a downturn. Among other things, this was a consequence of the fall in real GDP growth linked to the covid-19 crisis, the energy crisis with its inflationary wave, the huge reduction in income tax revenue (abolition of the super gross wage) and the subsequent efforts to consolidate state budget spending. By 2024, relative teacher pay had fallen to **109%**, and based on our estimates, it is expected to fall further to **108%** in 2025. If the 2026 education budget remains at the level currently planned in the Medium-Term Budget Outlook, we could see another drop — down to **102%**. That would be even lower than the previous low point of **104.7%** back in 2015.
- How much teachers earn compared to the average salary in the country plays an impactful role in how attractive the profession is — and whether enough people want to become teachers in the first place. The more selective the profession is, both when people are training to become teachers and later during their careers, the better the overall quality of education tends to be. High-quality education systems are built over time, through the continuous inflow and outflow of teachers and their ongoing professional development. That is why the effects of teacher pay on interest in the profession, the quality of teaching, and national educational outcomes tend to become visible only in the long term — more often over decades than just a few years.

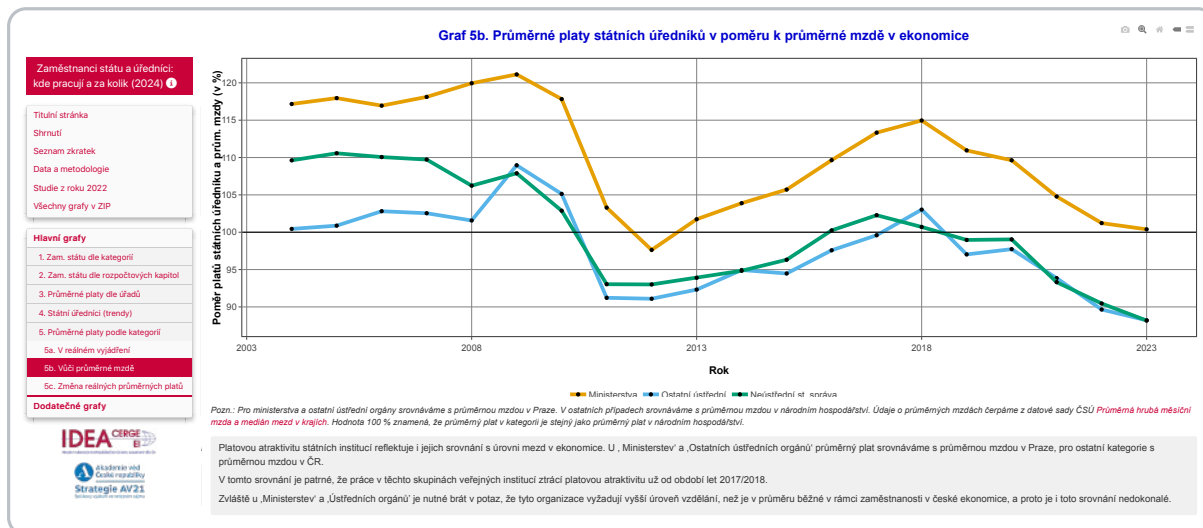
Complete Study 

- In international comparisons by the OECD, teachers' salaries are measured against the average earnings of university-educated workers. Until 2017, Czech teachers earned well below the OECD average in relative terms. There was a temporary improvement between 2017–2021, but since then, salaries have been falling again. Looking ahead, the Czech Republic is once again on track to rank among the OECD countries with the lowest relative teacher pay.
- What started as a pre-election promise later became part of the government's program, and is now even written into law: Czech teachers should earn 130% of the national average wage. But international comparisons, like those of the OECD, use a different benchmark — they compare teachers' pay to the average earnings of university-educated workers. However, the Czech indicator's value of 130% roughly corresponds to the OECD indicator at the level of the OECD and EU27 average, which was **90%** and **88%** in 2021 and 2022 respectively, while in the Czech Republic it dropped from **79%** to **74%** in the same period. In the following years, 2023 and 2024, the Czech Republic continued to fall further behind the OECD average.
- Simply maintaining the current (2025) level of teachers' relative pay in 2026 and 2027 would require their salaries to grow at the same pace as average wages in the economy — by 5.4% and 4.9%, respectively. Any slower growth would mean a further drop in their relative pay, pushing Czech teachers back toward the bottom of the OECD rankings, where they were until 2017.
- To reach the goal of teachers earning 130% of the average wage by 2026, the government would need to increase spending by 30 to 35 CZK 35 billion compared to what is currently planned in the Medium-Term State Budget Outlook (as of September 2024). The total increase would have to be even higher, because the education budget also covers salaries for many other types of educational staff.
- A key factor shaping the development of teachers' relative salaries is the *intensity of spending on regional education* — that is, the share of the state budget allocated to education relative to GDP. In the Czech Republic, this spending intensity peaked in 2022–2023, reaching the average level of EU27 countries. However, based on the Medium-Term Budget Outlook and current economic forecasts, this trend is expected to reverse. Compared to 2021, nominal GDP is projected to grow by **39%** by 2026, and average wages by **36%**. But the Ministry of Education's budget for regional schooling is expected to grow by only **21%**.
- Teacher salaries in public regional education make up **64%** of all wage costs in the sector and **60%** of the state's total spending on regional education — making them by far the largest budget item. Because of this, the relative pay of different groups of education staff, including teachers, tends to follow the same trend, because their salaries all depend on the same state budget. Therefore, relative salaries after 2021 will fall for all professions in education, though a little more slowly for teachers.
- Czech teachers' salaries in detail:
  - Between 2017–2021, teachers' salaries in the Czech Republic grew much faster than the salaries of other university-educated workers, both in the public and private sectors. Although the growth of teacher pay significantly slowed after 2021, their relative earnings in 2024 were still slightly higher than they were back in 2017.

- Across all age groups, the trend in teachers' relative pay has been similar: strong growth up to 2021, followed by a noticeable decline. Salaries for mid-career teachers have long been the least attractive. That is because, unlike most other university-educated professions, teacher pay increases more slowly with age and experience — both in the Czech Republic and internationally — although it does continue to rise steadily throughout a teacher's career. Since 2021, the biggest drop in pay attractiveness has been among the youngest teachers.
- Teacher salaries in the Czech Republic have long shown very little variation — both nationally and compared to other countries. This does not reflect the differences in teacher quality. Pay is still mostly determined by years of experience and education level, rather than performance or impact. Flat-rate salaries in education lead to underpayment and poor motivation of quality teachers. This increases the risk of teachers leaving the profession and reduces interest in the profession among younger generations.
- After a very significant increase in the share of the above-free component of teachers' salaries in 2019–2021, there is a slight decrease in 2022–2024, but it still remains higher than for comparable public sector salary professions.
- At the time of completing this study (May 2025), only a few major parties or movements have published an electoral program. Therefore, we will return to the audit of the electoral promises of political groups regarding teachers' salaries in early September 2025.

## State Employees and Civil Servants: where they work and how much they are paid?

<https://ideaapps.cerge-ei.cz/zamestnancistatu/>

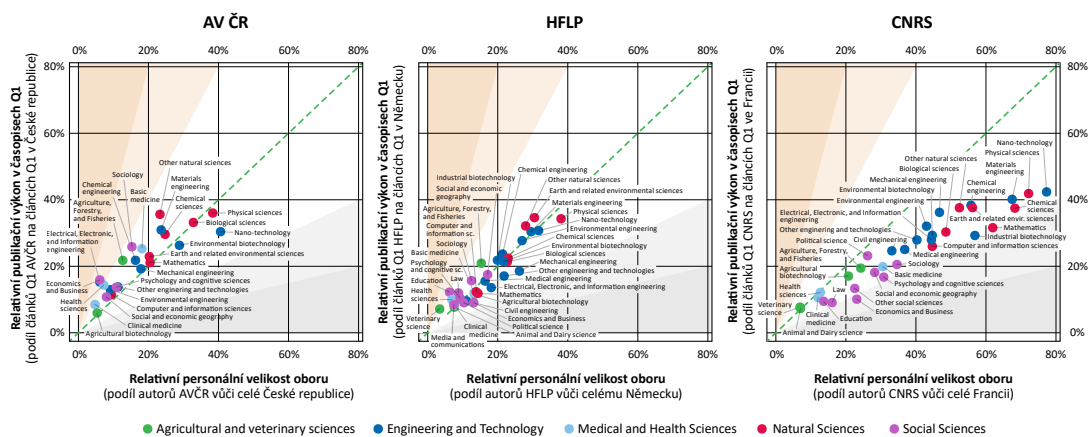


## Comparison of the Czech Academy of Sciences with networks of non-university research organizations in Germany and France in 2021–2022

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# Publication Performance and Authors of Research Organizations in the Czech Republic in 2007–2024

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