

Social Inclusion Strategy (2014–2020)

Prague 2014



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INTRODUCTION

This Strategy describes priority themes of the Czech Republic in the area of social inclusion of persons in the period up to 2020, and for disbursements from the Czech public budgets as well as the use of structural and investment funds of the European Union (EU) in the programming period 2014+. It also contains a list of measures affecting social inclusion and combating poverty, and an overview of relevant materials and resources. The Strategy is based on the "*Long-term vision of the Ministry of Labour and Social Affairs for social inclusion*" approved by the Minister of Labour and Social Affairs in May 2012, but it also includes themes extending the Ministry's competence which have a significant impact on the social inclusion of people.

Social inclusion: The legal order of the Czech Republic (Act No. 108/2006 Sb., on social services, as amended) defines social inclusion as a *process, which ensures that socially excluded persons or persons at risk of social exclusion can enjoy the possibilities and opportunities that help them fully participate in economic, social and cultural life and to live in a manner the society considers common*. Therefore, general objectives of social inclusion include:

- ensuring participation in employment and equal access to all resources, rights, goods and services;
- prevention of the risk of social exclusion;
- help for the most vulnerable;
- mobilization of all relevant actors.

The purpose of the "Social Inclusion Strategy (2014–2020)" (the "Strategy") is to contribute to **meeting the national objectives of reducing poverty and social exclusion, to which the Czech Republic has committed itself under the relevant EU target in the Europe 2020 strategy** (a ten-year strategy for smart, sustainable and inclusive growth), whose implementation is primarily monitored in the National Reform Programme of the Czech Republic (the "NRP")¹, based on the Europe 2020 strategy²: "*Keeping the number of people at risk of poverty, material deprivation or living in households with low work intensity at the 2008 level until 2020.*" The Czech Republic has also committed itself to making efforts to

¹ Updated annually, the National Reform Programme contains priorities and targets of the Government of the Czech Republic in the context of achieving the Europe 2020 targets. It also includes monitoring progress in achieving the above objectives.

² Europe 2020 has five headline targets: 1) Increase the employment rate; 2) Increase investment in research and development; 3) Reduce the energy sustainability of the economy; 4) Increase the number of people completing third-level education and reduce the number of early school leavers; 5) **Promoting social inclusion through the reduction of poverty and social exclusion by at least about 20 million people by 2020.**

reduce the number of people at risk of poverty, material deprivation or living in households with low work intensity by 30,000 people.

Social exclusion: A process during which individuals or entire groups are socially marginalised and their access to resources and opportunities that are normally available to other members of society is made more difficult or restricted.³ These **resources** primarily include **employment, housing, social protection, health care and education.**

Social exclusion always affects the entire society; one of its negative features is the permanent erosion **of social cohesion.**

Social exclusion is a continuous social phenomenon and its solution requires a comprehensive approach. Currently, it is especially **homelessness** that represents the absolute form of social exclusion.

The extent of social exclusion is influenced not only by the level of development of **each region of the Czech Republic**, but also by different regional approaches to their solution.

To measure the achievement of the above national target in combating poverty and social exclusion, the Czech Republic set **an aggregate indicator** which was created on the basis of the following three sub-indicators. The aggregate indicator shows the number and share of people at risk of poverty or social exclusion in the population⁴.

The main three indicators include:

(1) **At-risk-of-poverty rate** – the share of persons with equivalised disposable income below the poverty threshold, which is set at 60% of the national median equivalised disposable income per consumption unit (after social transfers);

(2) **Material deprivation** – the number and share of people who cannot afford at least four out of the following nine items: 1) pay rent or bills, 2) adequately heat the house or apartment, 3) pay unexpected expenses in the amount specified, 4) a meal including meat or its vegetarian equivalent every second day, 5) one week of holiday away from home per year, 6) personal vehicle, 7) washing machine, 8), colour TV, 9) phone;

³ In general, the effects causing social exclusion are classified as external (systemic, objective) and internal (subjective). For more information see GAC s r.o.: *"Analysis of socially excluded Roma localities and the absorption capacity of entities active in this field"*; Mareš, P.: *Poverty, marginalization, social exclusion*", 2006; Integration programmes of People in Need, etc.

⁴ The aggregate indicator was created at the EU level as one of the alternatives to achieve the Europe 2020 targets based on data from the EU-SILC survey, whose uniform methodology ensures comparability across EU Member States. The aggregate indicator shows the share and the number of people who are at risk of poverty, material deprivation or living in households with low work intensity. The people are counted only once, even if they occur within several sub-indicators. The area of material deprivation is covered by indicators that relate to economic pressure and durable goods; currently their revision has been completed, which will become valid in 2015. The data source is Eurostat and EU - SILC survey results (ilc_peps01, ilc_li02, ilc_sip8, tsdsc310).

(3) **Persons living in households with low work intensity** – the number and share of people aged 0–59 living in jobless households or households with very low work intensity (i.e. in households with adults aged 18-59 who did not work at all or used less than 20% of their total work potential over the past year) relative to the total population in the 0–59 age group.

Although the global environment of the 21 century is characterized by a certain unpredictability of social and economic change, the current concept of poverty and social exclusion indicates that **the above target and the indicators are defined very generally**. The Czech Republic has had experience with the formulation of a national social inclusion strategy since 2004 in the form of national action plans for social inclusion, or National Reports on Strategies for Social Protection and Social Inclusion, prepared every three years, which mainly relied on **qualitative objectives of the open method of cooperation for social protection and social inclusion**. In this context, indicators were used rarely, always in the context of description and illustration of the national situation. The lack of quantified objectives was pointed out by European Commission documents (e.g. Joint report 2009, 2007), analytical and comparative studies (Mareš, Rákoczyová, Sirovátka 2006 Rákoczyová 2007, etc.) as well as activities of non-profit organizations (e.g. the "NAPSI spolu" initiative).

In response, the Research Institute for Labour and Social Affairs (RILSA) carried out in 2012–2013 a research project entitled *"Indicators of strategy in reducing poverty and social exclusion in the Czech Republic"*. From 2014, the project should contribute to improving the implementation of measures in the field of social inclusion, especially in the context of quantification of objectives, measures and indicators and monitoring of impacts and results.

This strategy is a **framework document in the field of social inclusion**, incorporating and suitably complementing existing documents. These especially include the following strategic and other documents:

- A strategy for smart, sustainable and inclusive growth (*Europe 2020*) – the European Commission communication (+ framework position of the Czech Republic);
- The European Platform against Poverty and Social Exclusion: European framework for social and territorial cohesion – European Commission communication (+ framework position of the Czech Republic);
- Investment for European competitiveness: Czech Republic's contribution to the Europe 2020 strategy: 2011 and 2012 National Reform Programme of the Czech Republic;
- Summary proposal for the focus of future EU Cohesion Policy after 2013 in the Czech Republic;
- Development priorities of the Ministry of Labour and Social Affairs 2014+;
- National Action Plan for Inclusive Education;
- Concept and Strategy for Employment in the Czech Republic until 2020;
- Housing Policy Concept of the Czech Republic until 2020;

- Comprehensive Solution of Social Housing (to be adopted by 31 December 2013);
- Strategy for Preventing and Addressing Homelessness in the Czech Republic until 2020;
- Strategy to Combat Social Exclusion for the period 2011–2015;
- National Strategy for the Protection of Children's Rights (priorities for the years 2012–2018);
- Action Plan for Implementing the National Strategy for the Protection of Children's Rights for the period 2012–2015;
- National Strategy for the Prevention of Violence Against Children in the Czech Republic for the period 2008–2018;
- National Action Plan to Support Positive Ageing for the period 2013–2017;
- National Plan for the Creation of Equal Opportunities for Persons with Disabilities for the period 2010–2014;
- Roma Integration Strategy for the period 2010–2013;
- Report on the Situation of the Roma Minority in 2012;
- Strategy for Combating Extremism for 2013;
- Strategy for Crime Prevention in the Czech Republic for the years 2012–2015;
- and others – the European Social Charter, the Convention on the Rights of the Child, Government Priorities and Procedures for the Promotion of Equal Opportunities for Women and Men, recommendations of the National Economic Council, etc.

This Strategy shows the direction which addressing social exclusion should take, promotes socially responsible values related to combating social exclusion, highlights the shortcomings in the search for solutions to social exclusion and encourages the spread of the principle of social inclusion mainstreaming at all levels of government. At a time when certain parts of the CR experience social tensions, which is, *inter alia*, a direct consequence of social exclusion, it is essential to show the political and moral will to deal with the new situation not only by introducing specific measures, but also by building a social discourse which will lead to the strengthening of social cohesion. Therefore, the document also aims to contribute to the creation of such a social climate with conditions for policies aimed at weakening or slowing down social exclusion.

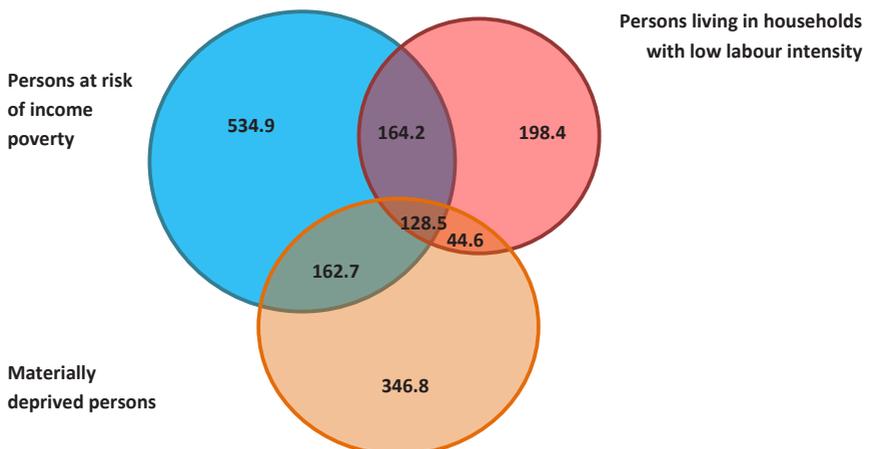
1 DESCRIPTION OF THE CURRENT STATE – GENERAL SITUATION IN THE CZECH REPUBLIC

It is clear that the implementation of the national targets for combating poverty and social exclusion will be affected by the ability of the Czech Republic to recover quickly from the crisis, by the development of the Czech economy, the situation on the labour market and demographic trends.

1. 1 Poverty and social exclusion in the Czech Republic

To assess poverty and social exclusion, the EU uses an internationally comparable **aggregate indicator "at-risk-of-poverty-or-social-exclusion rate"** (according to EU-SILC data), which expresses the share of the people who are at risk of income poverty (with a disposable income below the poverty line) or strong material deprivation, or who live in households with very low work intensity, in the total population. **Its value in the Czech Republic is traditionally the lowest in the EU-28.** The share of persons at risk of poverty or social exclusion in the Czech Republic at the beginning of the financial and economic crisis in 2008, as well as in 2011, being the year with latest data available for EU 28, was **15.3%**, while the average for the EU-28 (preliminary figure for 2012) stood at 24.8%. Compared to 2011, there was only an insignificant increase in the value of the indicator in 2012 by 0.1 percentage points to 15.4%, which, in absolute terms, equals the total number of about **1,580,000 persons at risk of poverty or social exclusion.** The most vulnerable group of the population of about 128,500 persons is made up of people who are simultaneously at risk of income poverty, material deprivation and at the same time live in households with low work intensity. These include, in particular, the long-term unemployed and those living in single-parent families with children.

Figure 1 Number of persons ('000) at risk of poverty or social exclusion in 2012



Income poverty

To assess income poverty, we use the internationally comparable "**at-risk-of-income-poverty rate**" indicator, which shows the share of people living in households whose income is below the threshold, typically at 60% of median equivalised disposable income per consumption unit.⁵

In the Czech Republic, a country with traditionally the lowest levels of income poverty among the EU countries, its level has reached **9.6%** in 2012, while the EU average was about 7 percentage points higher (preliminary figure for the EU-28 in 2012 is 17.0%).

The number of persons at risk of poverty with an income below the poverty line in the Czech Republic (almost CZK 115,000 per consumption unit in 2012, i.e. CZK 9,680 per month) stood at **990,000**. Of this number, **256,600 were children** aged 17 and under, **633,500** were persons **aged 18–64** and **100,200 were persons aged over 65**. **The poverty rate** (of the total number of people in the relevant age group) stood at **13.9%** for **children aged under 17**, **9.3%** for **persons aged 18–64 years** (13.4% for the age group 18-24 years) and **6.0%** for **persons aged over 65**.

The share of persons at risk of poverty was **10.5% for women** and **8.7% for men**.

In terms of **educational** attainment levels, the risk of poverty is higher in the case of persons **with low educational attainment levels (30.7%)** and lower in the case of persons with middle **educational** attainment levels and high **educational** attainment levels, the share being 10.0% and 2.6%, respectively.

In terms of form of housing, it is clear that the risk of poverty is higher for persons in **rented apartments (18.5%)** with the highest cost of living, compared to home owners (7.5%).

Regions with the highest unemployment rates have the highest rates of income poverty – 16.0% in the Ústí region and 14.7% in the Moravian–Silesian Region; conversely, the most favourable situation is in the Pilsen Region (5.7%) and in the Capital City of Prague (6.2%).

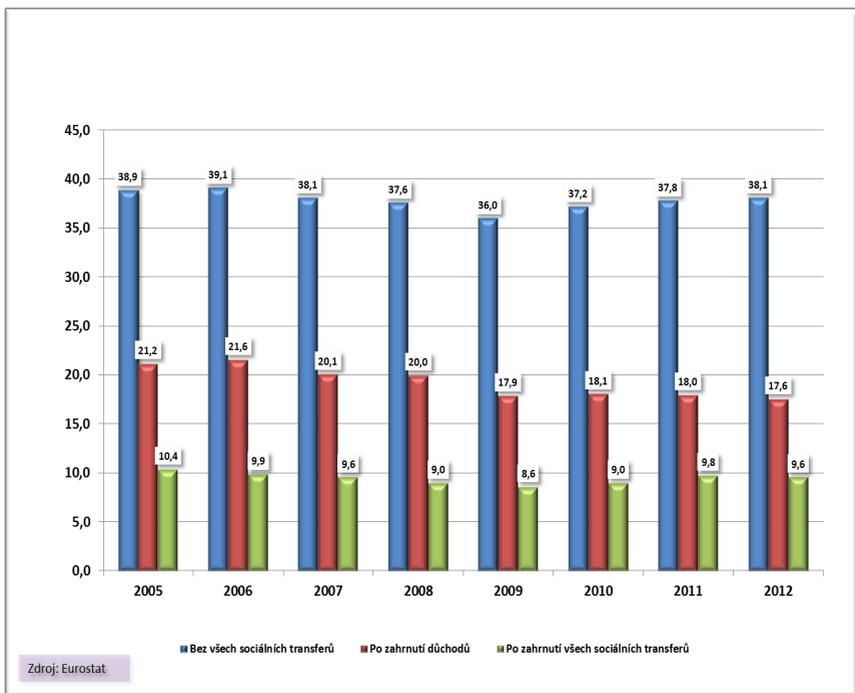
The assessment by economic activity shows **unemployed persons being most at risk of poverty (46.7%** of all the unemployed). **Poverty rate of employed persons stood at 4.6%**, **poverty rate of non-working pensioners stood at 6.4%**.

Single-member households showed above-average poverty rate of 14.9% (11.5% for men, 17.2% for women). **The percentage of households with children** at risk of poverty stood at **11.7%**. The risk of poverty was higher for two-parent families **with three or more children (22.5%)** and especially **single-parent families with children (31.3%)**. For two-parent families with children, the situation has not changed much over time; however, in single-parent families, there has been a significant decrease in the poverty rate by more than 9 percentage points in the last five years.

⁵ According to the EU scale, a consumer unit is defined as follows: first adult in the household = 1.0, each additional adult in the household (aged 13 and over) = 0.5; each child (aged 13 and under) = 0.3.

The **poverty rate** in the Czech Republic is **significantly influenced by social transfers**. In 2012, 38.1% of the population was at risk of poverty prior to the provision of social transfers. After the payment of transfers, the poverty rate fell by 28.5 percentage points (to 17.6% after the payment of pensions and to the final 9.6% after including other social transfers). Although in comparison with other EU countries, the Czech Republic's share of expenditure on social protection relative to the GDP is lower (in 2010: 20.1% in the CR, 29.4% in the EU), it has the lowest poverty rate of all the EU countries, which indicates a very good efficiency of social transfers.

Chart 1 Population in the Czech Republic living below the poverty line before and after social transfers (2005–2012)



Clue: without social transfers/with pensions/with all social transfers

Material deprivation

"Material deprivation rate" is another internationally comparable indicator expressing the proportion of people living in households that have insufficient or unsatisfactory situation of at least four or more items out of nine selected items (currently, these include the ownership of durable goods, such as colour TV, washing machine, car or phone, and also the

ability to pay regular payments – rent, loans, mortgage, utilities, payments of an unexpected expense of several thousand crowns from their own funds, pay at least one week holiday away from home for all household members, sufficiently heat the apartment and buy meat or its vegetarian equivalent at least every second day).

Material deprivation rate slightly increased in connection with the economic crisis by 0.5 percentage points. In 2012, it stood at **6.6%** (6.0% for men, 7.2% for women), representing in absolute terms about **682,700 persons**. In the case of persons with income below the poverty line, material deprivation rate was 29.4%. In contrast, in the case of persons with income above the poverty line, the rate of material deprivation was 4.2%, i.e. seven times lower.

The average material deprivation rate in the EU-28 (preliminary data for 2012) was not significantly higher than in the Czech Republic and stood at 9.9%. However, some Member States showed values several times higher, because compared to the rate of risk of income poverty, material deprivation is much more sensitive to overall economic development and the particular economic situation of the country.

Materially deprived households in the Czech Republic struggled most to pay an unexpected expense of CZK 9,300 (99.2%), pay an annual week-long vacation away from home for all household members (97.8%) and buy meat or vegetarian equivalent at least every second day (82.0%). Conversely, there were no financial problems with having a colour television, washing machine or telephone (5.0%).

Statistical data for 2012 show that those most affected by material deprivation are the **unemployed (24.0%)**, **single-parent families** with at least one dependent child (**17.7%**), two-parent households with **three or more children** (13.0%), persons living in rented accommodation (17.4%) and single-member households (11.6%).

Work intensity

The "work intensity rate" is an internationally comparable indicator expressed as a share of persons aged under 60 years in households with people of working age (18-59) who worked less than 20% of the working time over the past year.

In the context of the economic crisis in the Czech Republic, the **low work intensity rate** increased by 0.8 percentage points to **6.8%** in 2012 (10.6% in EU-28 according to preliminary data for 2012), while the increase in the share of **men** living in this category of households was more significant than in the case of women – an increase by 1.2 percentage points to **6.1%** in 2012. The share of **women** in this category increased by 0.3 percentage points to **7.5%** in 2012. There was a significant decrease in the share of **single-parent families with children** by 9.9 percentage points from 26% in 2009 to 16.1% in 2012.

Approximately 55% of persons living in households with low work intensity are also at risk of income poverty. For this reason, their situation is very similar to the one in which people at risk of poverty live. The results are as follows: 82.0% cannot afford to pay an annual week-long holiday away from home for all members of the household, 81.7% cannot afford to pay

an unexpected expense of several thousand crowns from their own funds, 35.2% cannot afford to eat meat, poultry, fish or their vegetarian equivalent every second day and 17.6% cannot afford to sufficiently heat their home.

In terms of the survey's methodology, it should be noted that on the basis of EU-SILC survey, the **indicators of poverty and social exclusion only include persons living in apartments. Homeless**, as well as those living in emergency shelters, hostels, institutes and institutions **are not included in these indicators**. As part of the 2011 Population and Housing Census, the CSO tried to map the life of homeless people who use the services of welfare facilities. A total of about 11,500 homeless people were found in shelters, halfway houses and other welfare facilities. According to the CSO estimates at that time, this represented about one-third of all homeless people. If the summary indicator included all these people, the number of people at risk of poverty or social exclusion would increase by 0.3% to 15.6%.

Conclusions

Partial poverty rate and the number of people at risk of income poverty in the different groups of the population are of fundamental importance for setting the parameters of social policy and social inclusion and poverty prevention programmes.

The most vulnerable group of the population of about 128,500 persons is made up of people who are simultaneously at risk of income poverty, material deprivation and at the same time live in households with low work intensity.

In this context it is primarily the long-term unemployed and those living in single-parent families who need special attention.

The creation of new high-quality jobs is a prerequisite for addressing the adverse situation, as well as the interaction between job creation policies and policies aimed at reducing income poverty. This is consistent with the *Europe 2020* strategy, which is aimed at increasing employment, while reducing the number of people living in poverty and social exclusion.

1. 2 Economic development

The slump of the Czech economy – typical for most of 2012 – **further deepened in the 1st half of 2013**. The annual **fall in GDP** at constant prices **reached 1.8%** and was thus more than three times higher compared to the first half of 2012 (-0.6%). This development necessarily impacted the incomes and expenditures of the population. Despite the decline in their incomes, households were spending prudently, mostly also when purchasing the necessary

goods⁶. **The pace of borrowing further declined, while savings grew.** Czech household continued use cash loans to cover their spending needs; however, their use decreased, with housing credits being dominant. **Household income of a social nature** – the second most important component of aggregate household income after income from wages – **increased in total by 0.3%**; pension benefits decreased (which was primarily due to an increased advance provided in December 2012 for the payment of pension benefits in January 2013). **Citizens' income from other kinds of social benefits increased**, of which the benefits conditional on health status and benefits in material need increased the most (by 40.0%).

One of the main reasons of internal economic downturn is the continuing **low household consumption**; the recovery of the Czech economy is currently positively affected only by the growing trade surplus. **As a result, major economic recovery** and stronger consumer demand **cannot be expected in the rest of this year**. Generally, it is assumed that real GDP will see stronger growth only in 2014.⁷

1.3 Demographic situation

The current demographic situation in the Czech Republic is similar to situation in most European countries – the population gradually ages, i.e. the share of the youngest age groups in the overall age structure of the population decreases and the share of the retired post-war baby boomers grows. This is primarily due to **the growing number of senior citizens as a result of increasing life expectancy of the population**.

The structure of Czech households reflects the above demographics. In the long term, **household size has been decreasing**. A typical household is now a smaller household with a small number of children or without children, while multigenerational housing is not so common. According to the results of the census and housing, the most common household in 2011 were single-member households (32.5% of all households) and complete families without dependent children (28.3%). The demographic statistics data (as of 30 June 2013) show that the population of the Czech Republic is 10,512,922. Demographic projections of the Organisation for Economic Cooperation and Development (OECD)⁸ estimate the total population to reach about 10.8 million in 2020, of which about 5.3 million will be men and 5.5 million women. **OECD estimates 2.2 million persons to be over 65 in 2020, which represents approximately 20.4% of the total population.**⁹ More recent number from the CSO projection (2013) is almost 300 thousand lower: 10,528,000 inhabitants are projected to live in the Czech Republic in 2020, of which 21% will be people over 65 years.

⁶ One member of the set of household budget surveys spent a monthly average of CZK 10,854 (in real terms by 1.7% less than a year ago). See *Analysis of income and expenditure of Czech households in the first half and an outlook for the next period* (MLSA, October 2013, p. 32).

⁷ *Analysis of income and expenditure of Czech households in the first half and an outlook for the next period* (MLSA, October 2013, p. 37).

⁸ Source: OECD, 2010.

⁹ Numbers are rounded and are therefore only indicative.

1. 4 Situation on the labour market

The number of **economically active persons, both employed and unemployed**, increased in 2012 by 34 thousand to 5,256 million, which was due to an increase in the number of the employed (by 17.6 thousand) and the unemployed (by 16.3 thousand). The increase in the number of economically active persons resulted in an **increase in the overall level of economic activity of the population aged 15 and over** by 0.3 percentage points to **58.6%**. The share of these persons aged **15-64** in the population of the same age category **increased on a year-on-year basis** (by 1.1 pp) to **71.6%**.¹⁰

1. 4. 1 Employment

The results of the CSO's Labour Force Survey show that **in 2012**, the average **number of employees** in all sectors of the Czech economy totalled **4,890.1 thousand**. The number **grew by 17.6 thousand** (0.4%) **on a year-on-year basis**. The increase in employment was mainly due to **women**, whose number increased by 16.4 thousand to 2,111.5 thousand, while the number of employed men increased by only 1.2 thousand to 2,778.6 thousand. Consequently, the share of men in the employed population has decreased (from 57.0%) to 56.8% and the share of women in the employed population has increased (from 43.0%) to 43.2%. The absolute increase in employment **was also accompanied by rising employment rate**. The overall **employment rate** of persons aged **15 and over increased in 2012** (by 0.1 pp) to **54.5%**, while the overall **employment rate** of persons aged **15-64 increased** (by 0.8 pp) to **66.5%**.¹¹

The largest increase in employment was recorded in the Central Bohemian region (13.3 thousand) and the Capital City of Prague (12.4 thousand persons). **However, employment fell year-on-year in six regions**, the biggest decrease being **in the regions of Ústí** (by 8.8 thousand), **South Bohemia** (4.8 thousand) and **Liberec** (by 4.2 thousand).¹²

In the first quarter of 2013, the average gross monthly nominal wage per full-time equivalent in the Czech economy reached **CZK 24,061**, representing **an annual nominal decrease by 0.4%** (i.e. by CZK 85). This is the **first ever decrease in average nominal salaries**, both in the **Czech economy in general**, as well as **in the business sector**¹³. A comparison of

¹⁰ *Analysis of trends in employment and unemployment in 2012*. MLSA, April 2013, p. 3.

¹¹ As regards key *Europe 2020 indicators*, there was a year-on-year increase in the employment rate of the population aged 20–64 by a total of 0.6 pp to 71.5% (women by 0.8 pp to 62.5%, men by 0.3 pp to 80.2%) and the employment rate of persons aged 55–64 increased by 1.7 pp to 49.4%.

¹² *Analysis of trends in employment and unemployment in 2012*. MLSA, April 2013, p. 2.

¹³ The median wage – the middle value of wage distribution – is an important quantity which also characterizes the development of earnings in the Czech economy, which the CSO began to regularly publish, together with the average wage, based on the results from the MLSA's Information System on Average Earnings. In the first quarter of this year, the median wage **stood at CZK 20,051, having decreased by 0.4%** compared to the same period of the previous year. **In the reference period, the**

income inequality between men and women showed that women's earnings were lower than men's.¹⁴

Although the largest decline in average wages was **in the Capital City of Prague** (nominally by 2.1%, and in real terms by 3.8%), it still had the highest average gross wage of **CZK 32,602**¹⁵ **CZK** (almost 133% of the national average). On the other hand, the most significant relative increase in average nominal wages was reported in the Liberec Region (by 1.1%), South Moravian Region and Vysočina Region (both by 0.7%). **The lowest average wage of CZK 20,447** was reported **in the Karlovy Vary Region**. At the same time, there was a reduction of differentiation, i.e. the reduction of extreme wage levels (Prague vs Karlovy Vary Region).¹⁶

1.4.2 Unemployment

The general unemployment rate (as measured by the CSO's Labour Force Survey) **reached 7.0%** in 2012 and was 0.3 percentage points higher than in 2011. **The average rate of registered unemployment in 2012** (as reported by MLSA on the basis of the registry of job seekers registered at the Czech Labour Office) was **8.6% and has not changed on year-on-year basis** (due to annual decline in the first half and despite an increase in the second half). The average **number of job seekers** in 2012 **fell slightly** (by 3.4 thousand) to 504.4 thousand. As of 31 August 2013, the Labour Office records showed 551,731 persons, which is about 65,038 persons more than in the same period last year. From January 2013, the registered unemployment rate was replaced by the share of unemployed persons, which indicates the number of available job seekers aged 15–64 in the population of the same age. This new indicator showed a year-on-year increase in the number of unemployed in 2012 by one percentage point.

Table 1 Development of the share of the unemployed in the Czech Republic (2005–2012)¹⁷

Year	2005	2006	2007	2008	2009	2010	2011	2012
Average share of unemployed persons (in %)	6.6	6.1	5.0	4.1	6.1	7.0	6.7	6.8

median wage was CZK 4,010 lower than the average wage. As the median wage, unlike the average wage, is not influenced by extreme values, it is not distorted by these data and describes the distribution of wages more accurately as a result.

¹⁴ *Strategic Social Reporting 2013 – CZECH REPUBLIC - 2. Complementary questionnaire*. April 2013.

¹⁵ Data for the 2nd quarter of 2013, Czech Statistical Office.

¹⁶ *Report on basic trends in income and expenditure situation of households in the Czech Republic in the 1st quarter of 2013* (MLSA, July 2013, pp. 6–8).

¹⁷ [http://portal.mpsv.cz/sz/stat/nz/casove_rady]

The number of men registered with the Labour Office at the end of 2012 increased by 20.6 thousand to 278.7 thousand, while the number of women increased by 16.3 thousand to 266.6 thousand. **The share of women among job seekers dropped (from 49.2%) to 48.9%.**

As of 31 December 2012, the records of the Labour Office of the Czech Republic (the "Labour Office") reported 62.0 thousand job seekers – **persons with disabilities, i.e. 1.1 thousand less than a year ago.** The number of job seekers **aged 50 and over grew year-on-year by a total of 12.3 thousand** due to an increase in the 55–59 (by 6.9 thousand) and 60–64 (by 5.4 thousand) categories. The share of persons aged 50 and over in the total number of job seekers stood at 26.5%. As of 31 December 2012, the Labour Office reported 98.7 thousand registered **young people under 25 years**, which is about 6.8 thousand more than a year ago. Their share in the total number of the unemployed of 18.1% **remained unchanged on year-on-year basis. At the end of the year, the number of graduates** at all levels of education and youth after finishing elementary school (the "graduates") stood at 36.1 thousand, which is 2.9 thousand more than a year ago. Their share in the total number of job seekers **remained unchanged on year-on-year basis and stood at 6.6%. Persons who have learned a trade and persons with basic education** represent the largest group of job seekers, with a share in unemployment of 41.0% and 27.0%, respectively.

The number of job seekers registered **for more than 12 months** increased year-on-year to 192.2 thousand (i.e. by 4.4%); their share in total unemployment fell from 36.2% to **35.3%**. The increase in this category was due to **persons unemployed for more than 24 months**, who currently constitute 57.3% of the long-term unemployed. Their number increased by 8.8 thousand to 110.2 thousand and their share increased from 20% to **20.2%**.

The average amount of unemployment benefits increased by 7.2% to **CZK 6,065** per month.¹⁸ The total funds paid out **as unemployment benefits** totalled **CZK 2.8 billion**, which **was a 7.0%** (CZK 0.2 billion) year-on-year increase. The year-on-year increase in the average level of unemployment benefits was reported in all regions of the Czech Republic. The lowest average benefits were reported for the Zlín Region (CZK 5,722), the highest being in the Capital City of Prague (CZK 7,457)¹⁹.

As of 31 December 2012, the unemployment rate equal to, or higher than, the national average (8.6%) was reported for 8 regions, the highest being in the Ústí, Moravian-Silesian, Olomouc and Karlovy Vary Regions. The largest year-on-year increase in unemployment was reported for the Moravian-Silesian Region (by 6,080), Prague (by 4,191), Central Bohemia Region (by 3,857) and South Moravian Region (by 3,713).

Due to the year-on-year decline in vacancies and rise in job seekers, **the imbalance between supply and demand in the labour market increased.** The number of job seekers per 1 vacancy increased in December from 14.2 to 15.6²⁰.

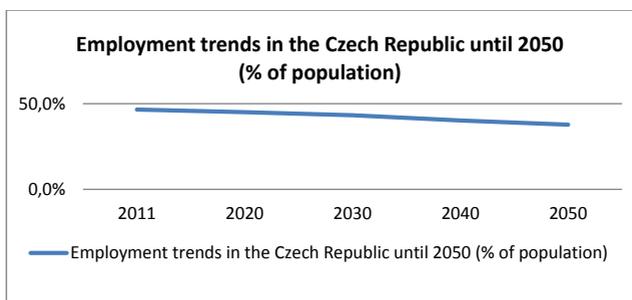
¹⁸ *Report on the basic tendencies regarding the income and expenditure situation of households in the Czech Republic in the 1st quarter of 2013* (MLSA, July 2013).

¹⁹ *ibid.*

²⁰ *Analysis of trends in employment and unemployment in 2012*. MLSA, April 2013, p. 3.

In the absence of any unforeseen changes in demographic trends by 2020, the share of the population in post-productive age can be expected to continue to increase, while the number of employed persons will decrease. The future situation on the labour market will therefore be significantly affected by reducing the number of working-age people, i.e. those aged 15–64. Although the Czech Republic already faces the problem at present, it is currently not serious thanks to the productivity of the baby boomers. However, expert analyses²¹ point to the long-term unsustainability of this practice. *Employment Policy Strategy (2013–2020)*, which refers to the round tables organized by the CSO and CERGE–EI, identifies five groups of population which may increase their scope of engagement in the work process in the future. These are women, young people under 30 years of age, older people, especially those before retirement, migrants and persons culturally or socially disadvantaged on the labour market.²²

Figure 2 Employment Projections to 2050²³



In a European comparison, the Czech Republic's **expenditures on the active employment policy, education, health care and social protection from public and private sources are below average**. For example, in 2011, the allocation from the public budget chapters intended to address the specific situation equalled CZK 3,815,885,000 for active and preventive measures and CZK 10,349,149,000 for passive measures addressing the negative and problematic consequences. The table below shows the development in the expenditure on employment policy.

²¹http://www.czso.cz/csu/tz.nsf/i/modely_predpokladaneho_vyvoje_trhu_prace_v_cr_do_roku_2050_20121115

²²MLSA: *Employment Policy Strategy (2013–2020)*, pp. 4–5.

²³

www.czso.cz/csu/tz.nsf/i/modely_predpokladaneho_vyvoje_trhu_prace_v_cr_do_roku_2050_20121115

Tab. 2 Expenditure on employment policy in the Czech Republic²⁴

(CZK '000)	2007	2008	2009	2010	2011
state employment policy	15,072,541	15,680,608	23,132,685	22,736,413	17,836,581
passive employment policy	7,015,755	7,114,895	15,077,723	13,354,778	10,349,149
active employment policy	5,673,321	6,131,729	4,953,467	6,171,493	3,815,885

According to a 2011 Unicorn College study for the Thematic Network for the Social Economy (TESSEA),²⁵ the costs expended from public budgets on a "mean unemployed"²⁶ in 2009 stood at CZK 108,130 for five months, i.e. the period during which the "mean unemployed" was out of work. **The total expenditure on the unemployed from public budgets in 2009, primarily due to loss of taxation and social security and health insurance, equalled to approximately CZK 76.3 billion, i.e. 6.5% of the state budget.**

In terms of public budgets, the state can benefit from fostering job creation for the long-term unemployed persons and people with disabilities or social disadvantage. When these people are out of the labour market, no values are created and the costs of tackling unemployment rise, burdening public budgets. These costs significantly outweigh the expenses associated with supporting job creation.

²⁴ <http://portal.mpsv.cz/sz/stat/vydaje>

²⁵ Bednářiková, D., Francová, P. *Study of the social economy infrastructure in the Czech Republic, full version*. First edition. Prague: Nová ekonomika, o. p. s., 2011.

²⁶ The definition of an "average" unemployed person in the Czech economy according to own methodology, as set out in Čadil, J. *Analysis of public budget costs per mean unemployed person*. Unicorn College, 2011. Available at

[http://server.universium.cz/publikace/10_analyza_nakladu_ver_rozpoctu_stredni_nezamestnany.pdf]

2 SOCIAL WORK AS A FUNDAMENTAL TOOL FOR SOCIAL INCLUSION

Social work is a professional activity focused on assisting individuals, groups or communities improve or restore their capacity for social functioning in their natural environment. Social work is also aimed at creating favourable social conditions so as to achieve the defined goal. It promotes social change, problem solving in human relationships and strengthening and liberation of people in order to allow them to fulfil their personal well-being. It acts where people come into conflict with their social environment. Social work is based on the key principles of human rights and social justice and solidarity.

Social work is an essential tool for social inclusion of socially excluded persons or those at risk of social exclusion. All areas that promote social inclusion (Chapter 3) are therefore also conceived in terms of how social work can contribute to making the measures of the coordinators work in each area.

Legislative framework for social work is determined by the following regulations and their provisions:

- i. Act No. 108/2006 Coll., on social services, as amended: Sections 92–96;
- ii. Act No. 129/2000 Coll. on regions, as amended: Sections 1–2, Section 67;
- iii. Act No. 128/2000 Coll., on municipalities, as amended: Sections 2 and 35;
- iv. Act No. 359/1999 Coll., on social and legal protection of children, as amended: Section 4 – social and legal protection of children falls under the competence of the MLSA, regional authorities and municipalities;²⁷
- v. Act No. 111/2006 Coll., on assistance in material need, as amended: Sections 7, 63–65 – provision ensuring social work in co-operation with the authorities responsible for the assistance in material need and employees of municipalities;
- vi. Act No. 73/2011 Coll., on the Labour Office of the Czech Republic and amending related acts.

Practical form of social work at the municipal level was not directly defined in legislation; however, in 2012, the MLSA issued a *Recommended practice for the implementation of social work*²⁸ for regional and municipal authorities (of municipalities with delegated

²⁷ Act No. 108/2006 (and its implementing decree) and Act No. 359/1999 define the performance of social work in dozens of other sections, e.g. in the quality standards of social services; also Act No. 257/2000 Coll., on the probation and mediation service, Decree No. 424/2004 Coll., laying down the activities of health care workers and other professionals, and others.

²⁸ For the needs of the MLSA, regional authorities, type II. and III. municipal authorities and military district authorities, on 4 July 2012 the MLSA issued *the Recommended Practice No. 1/2012* in accordance with Sections 92, 93, 93a of the Social Services Act, the provisions of Sections 7, 63, 64

competence and municipalities with extended competence, and military district authorities)²⁹ in social work practice in order to unify the particular procedures and methods of work of social workers, and point out potential problems which may jeopardize their implementation. However, in the aftermath of the Social reform I³⁰, it has become clear that the ability of municipalities and regional authorities to carry out social work in their territory is very limited without further intervention in terms of the legislative and methodology. **The implementation and the actual extent of social work in municipalities are largely variable and determined by local conditions.**

Local conditions at a given time and place are especially subject to the following:

1. **approach of the municipal leadership** to social work and its importance, which is often based on political opinion on social issues, which is reflected by varying degrees of willingness to promote preventive solutions to the adverse social phenomena and by the creation of conditions for social workers.
2. **personnel capacities of social workers** limiting the volume of their work both in terms of client work (e.g. the proportion of screening activities which allow them to search and reach out to people in difficult social situations and prevent the development of these situations) and in terms of maintaining network of services and identifying the needs of citizens. If the number of social workers is insufficient, they will not cover all the necessary activities which belong to a functional, professional model of social work.
3. **level of multidisciplinary cooperation on the site** at the case level and in terms of planning a service network with direct impact on community planning – although a municipality is required to deal with meeting the needs of its citizens, it is under no obligation to prepare for this purpose medium-term plans for the development of social services, as opposed to regional authorities, which in practice often leads to this activity being abandoned, despite its potential beneficial effects in terms of cooperation with regional authorities which should lead to providing an optimal service network in the administrative district of the municipality with extended competence.

Risks and barriers:

1. **Insufficient personnel** – lack of social worker jobs, which may be associated with inadequate operational and material resources, necessarily leads to deficits:

and 65 of the Act on Assistance in Material Need and the provisions of Section 4 of the Act on the Labour Office of Czech Republic and Implementing Decree No. 424/2011 Coll.

²⁹ Unless the MLSA further specifies this Recommended Practice, the term "obecní úřad" (municipal authority) relates to the municipal authorities of municipalities with extended competence, municipal authorities of municipalities with delegated competence, military district authorities, city districts and city authorities.

³⁰ <http://socialnireforma.mpsv.cz/cs/>

- a) in the extent and quality of professional agendas – limited screening activities, lack of capacity to create social service networks, minimum support for professional development (on-site methodology guidance, supervision);
 - b) in social service networking and multi-disciplinary cooperation – the absence of a guarantor of systematic work in this area leads to the randomness of processes, while lack of support for this activity from the municipality leadership leads to lack of motivation and underestimation of the agenda;
- 2. Lack of clarity and unity of the objectives of social work** – this risk can be one of the practical consequences of the **still non-existent legislative anchoring of social work** profession and the related practical impact of the absence of the professional law. Especially after Social Reform I, when the municipal authorities stopped administering social benefits, the issue of defining precise objectives of social work in the administrative districts of municipalities with extended competence and municipalities with delegated competence **is important**;
- 3. Insufficient offer of social services** – as a result of deficits in social work in relation to community planning of municipalities.

It can show in the following manners:

- a) **lack of capacities of certain types of social services** – insufficient response to the demand for a particular type of service in the locality, overload of a particular type of service due to deficiency in the capacities of follow-up social and other services
- b) **deficits in the functioning of the actual services** – they are unable to address the needs of its users, there is a lack of follow-up and cooperation with other kinds of services within the local network

These deficiencies lead to the accumulation of unaddressed needs of citizens, which may also be related to the possible escalation of socially pathological phenomena in a given locality, the solution of which ultimately requires greater effort and higher financial costs borne by the municipal budget (e.g. crime, maintaining public order and the protection of citizens, ensuring additional preventive and emergency services);

- 4. Lack of cooperation and coordination of key public administration actors** and other bodies in carrying out social work and addressing problems;
- 5. Low social prestige of social work as a profession, low salaries** of social workers;
- 6. Insufficient funds** from the state budget **allocated to social work.**

Objective: Set up and development of social work

Measures:

2.a Ensure and promote **mutual co-operation between** public authorities and other bodies in carrying out social work;

Coordinator: MLSA in cooperation with the Ministry of Interior (MI), regions and municipalities

Deadline: Ongoing

2.b Ensure that social work receive adequate **methodological and financial support**;

Coordinator: MLSA

Deadline: From 2014

2.c **Submit legislation regulating social work**, including the role of actors, methodologies of activities, definitions of actors, activities, acts according to the needs identified in the various sectors of social protection (including the use of case management);

Coordinator: MLSA

Deadline: By the end of 2016

2.d **Submit legislation regulating the profession and lifelong education of social workers** – professional law in order to ensure guaranteed expertise and quality of social work

Coordinator: MLSA

Deadline: By the end of 2016

2.e Ensure **funding earmarked for social work in public administration**

Coordinator: MLSA in cooperation with the Ministry of Finance

Deadline: By the end of 2016

2.f Support **social work in municipalities**, harmonization of methods of social work and cooperation with the Labour Office, NGOs and social services

Coordinator: MLSA

Deadline: Ongoing

2.g Support the care provided **in the client's natural environment to the maximum possible extent (community care)**

Coordinator: MLSA

Deadline: Ongoing

2.h Support **alternative approaches** to social work

Coordinator: MLSA

Deadline: Ongoing

2.ch Raise **the prestige** of social work through education and awareness raising

Coordinator: MLSA

Deadline: Ongoing

3 AREAS SUPPORTING SOCIAL INCLUSION

3. 1 Promoting access to, and remaining in, employment

Poverty and social exclusion are very closely related to unemployment, in particular its long-term kind. **Almost half (46.7% in 2012) of unemployed persons are at risk of poverty.** Ensuring equal access to employment for all groups of the Czech population is a prerequisite for combating social exclusion, especially in the productive part of the population. Promoting employment of disadvantaged groups is important both in order to **ensure adequate income and prevent the risk of poverty** for socially excluded persons or persons at risk of social exclusion, and also to facilitate **social integration** of this group of the Czech population, as having a job is not only an essential source of income, but also an important social value.

Conversely, **long-term or repeated unemployment contributes to an increase in material and social deprivation and increased risk of social** exclusion, trapping the socially excluded individuals in **welfare benefit dependency**. Long-term or repeated unemployment makes it difficult to participate in social relations, may lead to social isolation, exclusion from social relationships, loss of support from the community and thus a lack of opportunities for education and employment. Long-term and repeated unemployment in the CR is primarily associated with **low qualifications, disability and discrimination by employers** – in particular against ethnic groups, women with small children and persons aged 50 and over. The long-term unemployed lose their working habits, which leads to a further decrease in their chance to succeed in the labour market. There is an increased risk of intergenerational transmission of these negative aspects of unemployment and other negative social phenomena.

The expected problems of the Czech labour market follow in particular from:

- **demographic trends** in the society and its ageing, reduction of the working-age group of the population and the growing number of seniors,
- **lack of performance of the Czech economy** unable to generate sufficient vacancies,
- **growing imbalance between the skills required by the labour market** and the skills of the workforce, **and lack of professional (and regional) labour mobility.**

The predictions made by MLSA in its Employment Policy Strategy indicate that until 2020 it is necessary to continue to focus **attention on vulnerable groups on the labour market, especially older persons (55 +), young persons and graduates (25/30), parents with young children, especially those in preschool age, and especially women**, which constitute the largest pool of labour in relation to the loss of the working-age part of the population, **low-**

skilled persons and those at risk of social exclusion, or those disadvantaged in the labour market for other serious reasons (disability, ethnicity or nationality, previous imprisonment, etc.). There is an increasing **specific group of adolescents and young people** who do not continue their studies at secondary schools, register with the Labour Office after completing compulsory school attendance and do not develop any working habits. **In the case of the above groups, it appears that in the absence of major changes, the Czech Republic will not be able to meet the national employment policy objectives by 2020.**

Especially in times when insufficient performance of the economy creates pressure on the supply side of the labour, the above disadvantages further deepen. These groups often **accumulate the factors which disadvantage them on the labour market** (however multiple disadvantages are not yet monitored) – for example, the elderly begin to suffer from health problems and there is a higher share of persons with low or inadequate skills; persons at risk of social exclusion, in particular those from socially excluded localities, also show low or no education, etc.

Maximum possible rate of employment can be achieved through **active employment policy tools**. These include tools aimed at supporting the creation of new jobs for the disadvantaged (socially useful jobs, community work, material support under investment incentives, protected jobs, etc.), as well as tools and measures aimed at enhancing the employability of disadvantaged persons (retraining, counselling services). However, a combination of these tools and measures seems to be the most effective (e.g. permeable employment), on the basis of individual characteristics of Labour Office clients. Tools aimed at activating unemployed persons are also important; in this field it is currently necessary to find an alternative solution to perform public service, more specifically resolving its parametric settings and legislative enactment.

Risks and barriers:

1. Lack of interconnection of initial education with labour market needs:

In relation to the above, dysfunction is especially evident in the case of interconnection of initial education with labour market needs and there is inadequate support for professional mobility of the workforce (of further education), not only in relation to support provided by the state or local authorities, but by all relevant actors on the labour market, including the workforce itself. However, maintaining professional mobility is important for a flexible labour market, not only to ensure dynamic development of the economy and production processes, but also to extend the professional life of individuals and their ability to respond to the labour market developments and the development of their own careers and job skills (especially with increasing age) in order to stay on the labour market.

2. Lack of cooperation of relevant actors:

Cooperation of all actors on the labour market is low, both on a national, and regional level. Cooperation between public authorities and private entities, including the non-profit organizations in providing effective and synergistic tools with beneficial effects on increasing employment, is not effective.

3. Interconnection between the provision of social benefits and income from employment is low:

Defects are evident in the interconnection between the provision of social benefits and income from employment; the current system does not quite motivate to seek employment, not only for subjective reasons, i.e. the unwillingness to work or failure to develop adequate working habits and to understand work as a social and psychological means of self-realization and contribution to society, but also for economic reasons, where there is a clear-cut line between income from work and income from social benefits, or in cases where income from employment is insufficient to cover all family costs associated with taking up employment (child care, commuting). High indebtedness also plays an important role, especially in the case of socially excluded localities, where after taking up legal employment, the amount of the earnings which these persons have left only amounts to the unseizable minimum (de-motivating factor).

4. In the case of **work-life balance**, there is a continuing lack of available services in the field of education and care for preschool children. Also evident is the deficiency in the work-life balance, especially in mothers with children, but also in people who care for others, e.g. relatives (e.g. children caring for parents). **The use of flexible forms of employment relationships** and the organization of work (quality part-time work, flexible working hours etc.) is among the lowest in the EU and prevents reaching higher employment rate, which primarily applies to certain demographic groups (women with children, older people, disabled and otherwise disadvantaged persons).³¹
5. **Understaffed employment services** and low degree of coordination and cooperation between the material need department and employment department of the Labour Office: Although the establishment of a single Labour Office in 2011 involved a gradual downsizing of its workforce by about 2,000 persons, as from 1 January 2012 the Labour Office assumed the administration of agendas in the area of non-insurance social benefits and material need. However, the extension of the Labour Office's agenda was only partially offset by the transfer of certain employees from the municipal governments to the Labour Office. This resulted in a significant understaffing of employment services and the de facto prevention of individual approach to clients in employment mediation, labour market counselling and effective implementation of active employment policy.

³¹ Card of the thematic group 1 "Labour Market and Education", Ministry of Regional Development (MRD), November 2011.

6. **There are growing regional disparities on the labour market, territorial remoteness and poor transport access to employment**, which constitute other elements disadvantaging certain groups of job seekers.
7. Given that even persons without disadvantages have trouble finding work with regard to the current low number of vacancies, a significant opportunity for the integration of people at risk of social exclusion or those socially excluded back into the labour market consists in **promotion of entrepreneurship and self-employment**, such as **development of social entrepreneurship³², social enterprises and the integration of social enterprises³³ or the promotion of self-employment by the establishment of a small business**. Despite some successful projects, the development of social entrepreneurship in the Czech Republic is still insufficient and its full potential has not yet been fully exploited. This situation is largely due to little awareness of the general public about the benefits and form of social entrepreneurship, to the absence of legislative enactment of social entrepreneurship and also a lack of awareness of the principles and benefits of social entrepreneurship among potential founders of social enterprises.³⁴ Support for small businesses with low initial costs, or "start-ups", in the Czech Republic is hindered by the absence of systemic financial support instruments (examples from other EU countries include European Progress Microfinance Facility³⁵) and support for the training of potential and newly established entrepreneurs, including social entrepreneurs.
8. There is space for improvement in the system of **further education of the workforce** in general, including the use of tool for the **certification of competences acquired outside the formal education system**.³⁶
9. **Rising long-term unemployment and unemployability of certain groups**.

³² **Social entrepreneurship** through independent business activities and participation in the free market solves the issues of employment, social cohesion and local development, and its activities provide support for solidarity, social inclusion and growth of social capital, especially at the local level with respect to sustainable development. In *Comparative analysis of social economy models in the EU and the possibility of their application in the Czech Republic in the ESF programming period 2007–2013*. Prague: GLE. 2008.

³³ **A social enterprise** is the entity of social entrepreneurship; it is a legal entity founded under private law (or its part), or a natural person who fulfils a publicly beneficial objective, which is laid down in the founding documents. A social enterprise is created and develops on the basis of the triple bottom line concept – economic, social and environmental. Under this concept, profit is just as important as increasing public benefit. **Integration social enterprise** fulfils a publicly beneficial objective consisting in employment and increasing employability in the context of social inclusion of disadvantaged persons in the labour market. In Bednářiková, D., Francová, P. *Study of the social economy infrastructure in the Czech Republic, full version*. First edition. Prague: Nová ekonomika, o. p. s., 2011.

³⁴ *Operational Programme Employment 2014–2020*, August 2013 (MLSA).

³⁵ Micro-credit in the EU is available to potential self-employed persons and micro-enterprises through micro-credit providers, which mainly include private or state-owned banks, but also non-bank microfinance institutions and non-profit micro-credit providers. Microenterprise means a company with fewer than 10 employees. For more information, see <http://www.ec.europa.eu/empf>

³⁶ *Card of the thematic group 1 "Labour Market and Education"*, Ministry of Regional Development (MRD), November 2011.

Objective (in terms of social inclusion): Create the conditions for socially excluded persons or persons at risk of social exclusion to enter and remain on the labour market

Measures:

3.1.a Provide appropriate **counselling, motivation and support services to enter and remain in the labour market, including the creation of individual action plans** (programmes for personnel, technical, methodological and motivational support), as well as through the involvement of NGOs in providing comprehensive counselling services;

Coordinator: MLSA, Labour Office

Deadline: Ongoing

3.1.b Ensure **adequate staffing of the Labour Office** in the field of employment, both in employment mediation, and in counselling activities;

Coordinator: Labour Office

Deadline: By the end of 2015

3.1.c Enhance **direct communication and cooperation of the Labour Office with the employers** on the basis of corporate social responsibility (CSR) in the practical application of active employment policy tools (the effect of the tool rapidly increases in the case of direct assistance to the job seeker in cooperation with a potential employer);

Coordinator: MLSA

Deadline: By the end of 2015

3.1.d Provide adequate support for appropriate **vocational rehabilitation** services, support for **social rehabilitation programmes**;

Coordinator: MLSA, Labour Office

Deadline: Ongoing

3.1.e Ensure **coordination activities** that support job seekers to enter and remain on the labour market **at the local level**, the employer – Labour Office – NGOs, increase staffing levels in the case of assistants, employment services – setting methodologies of coordination and mutual cooperation;

Coordinator: MLSA, Labour Office

Deadline: Ongoing

3.1.f In cooperation with other actors (in particular with motivated employers) ensure **regional targeting of employment programmes** with the possibility of their immediate use in **excluded localities**;

Coordinator: MLSA, Labour Office in cooperation with the Agency for Social Inclusion (ASI)

Deadline: By the end of 2014

3.1.g Ensure **incentive programmes to accept employment** through short-term employment opportunities, carefully examine the income and debt situation of job seekers, set the wage and length of support for subsidized jobs in a motivating manner;

Coordinator: MLSA, Labour Office

Deadline: By the end of 2015

3.1.h Introduce **job seeker profiling** based on their distance from the labour market in order to better target active employment policy (AEP) measures;

Coordinator: MLSA, Labour Office

Deadline: By the end of 2014

3.1.i Ensure follow-up of **individual AEP measures in terms of permeable employment**;

Coordinator: MLSA, Labour Office

Deadline: By the end of 2014

3.1.j Support the **creation of local employment networks** (see European Employment Strategy: <http://ec.europa.eu/social/main.jsp?catId=104&langId=cs>) involving all relevant actors, i.e. employers, local government and non-profit sector;

Coordinator: MLSA, Labour Office

Deadline: Ongoing

3.1.k Enhance the promotion of **the principle of socially responsible procurement / motivate enterprises with state participation in the creation of jobs for the disadvantaged persons in the labour market** (*such as Czech Railways, Forests of the Czech Republic, river basin administrators, etc.*), familiarize the public contracting authorities with the methodology of socially responsible procurement;

Coordinator: Agency for Social Inclusion in cooperation with MRD, MLSA and other ministries

Deadline: From 2014

3.1.l Due to demographic predictions regarding the ageing of the population, further develop the concept of **Age management** to promote employment of older persons;³⁷

Coordinator: MLSA

Deadline: Ongoing

3.1.m Support the development of **social entrepreneurship** in the form of education, consultancy, financial support and after care, including consideration of the need to adopt specific legal regulation on social entrepreneurship;

Coordinator: MLSA, Ministry of Industry and Trade (MIT), Ministry of Environment (ME)

Deadline: Ongoing

3.1.n Introduce system support for people's access to **microfinance**;

Coordinator: MLSA in cooperation with MIT and other relevant actors

Deadline: By the end of 2014

3.2.o Supporting the development of **social activation** services to support persons to enter and remain on the labour market;

Coordinator: MLSA

Deadline: From 2014

³⁷ see *National Action Plan to Support Positive Ageing for the period 2013–2017*;

3.2.p Support **the development of social work in employment services** (e.g. using case management, etc.);

Coordinator: MLSA, Labour Office

Deadline: From 2014

3.2.q Support the development of **social therapy workshops**, mutually permeable with integration social entrepreneurship and employment of disadvantaged persons, match the activities of social therapy workshops with the needs of municipalities, cities and regions.

Coordinator: MLSA

Deadline: From 2014

3. 2 Social services

Pursuant to Act No. 108/2006 Coll., on social services, as amended, social services constitute a means to provide assistance and support to individuals in difficult social situations in order to achieve social integration or prevent social exclusion. The provision of social services responds to the needs of socially excluded persons or those at risk of social exclusion, as well as to negative social phenomena that occur in the localities where these services are provided.

The aspects of quality, availability, permeability and complexity of the social services system play a fundamental role. Some of the projects undertaken by the Ministry of Labour and Social Affairs at the national level focus on the design of appropriate solutions or practices in these areas.³⁸ The provision of social services responds to the needs of socially excluded persons or target groups, or those at risk of social exclusion, as well as to negative social phenomena that occur in the localities where these services are provided. The social services should be adjusted so as to respond more fully to the phenomena in society, the needs of society and users of socially adverse situations/events. It is also necessary to streamline the system for the end users, set up multi-disciplinary collaboration and distribution and monitoring of funds from public sources.³⁹ The condition for this outlook is the modernisation of the system for monitoring the quality of social services, support for the social worker profession and job, and for other jobs in the system of social services, as well as supporting the creation of evaluation models of social inclusion services in terms of both process and impact, with respect to quality and quantity. It also includes the creation of a new funding model.

³⁸ *Strategic Social Reporting 2013 – CZECH REPUBLIC - 2. Complementary questionnaire*. April 2013.

³⁹ *The draft "National Strategy for the Development of Social Services for the period 2014 - 2020*

Obstacles and risks

1. There are 2,158 social service providers in the Czech Republic who have registered 5,836 types of social services⁴⁰. Nevertheless, the capacity and availability of social services is still inadequate. The **unavailability** results from a **lack of local social service planning which does not respond to adverse social events identified in the relevant territory**. Also, the coverage of social services in the Czech Republic does not sufficiently reflect the level of risk of social exclusion, which is due, *inter alia*, to insufficient tools for ascertaining the level of risk. It is desirable to configure the system of financing social services so that it does not encourage societal concerns about the preferences for certain legal and ownership forms of organizations over others.
2. **Significant differences in quality** of social services in a locality for the purpose of social inclusion or prevention of social exclusion.
3. **Unsustainable system of financing** social services: With regard to demographics, the demands of the users and the ever-increasing costs of providers, the current system of financing social services is unsustainable. The problem is the fragmentation of resources and unclear funding constraints.
4. **Personnel "inconsistencies"** of social services:
 - accumulation of jobs (social worker / worker in social services, social worker / administrative aide, social worker / medical staff, social worker / psychologist, social worker / educator);
 - unclear competencies of jobs in social services (e.g. social worker does shopping, worker in social services does individual planning, etc. ...);
 - lack of career structure in social services;
 - fragmented and unsystematic education of social services workers.
5. **Insufficient communication between theory and practice**: The issue of social inclusion and prevention of social exclusion is widely thematized academically, but its results are rarely taken up in the practical provision of social services due to the lack of communication between the "theorists" and "practitioners" (including public administration).

Objective: Ensure a sufficiently developed system of social services for the needs of socially excluded persons or those at risk of social exclusion which would be capable of responding to their individual needs within the context of the social contract

⁴⁰ Data as of July 2013

Measures:

3.2.a Ensure support for the development of **accessibility, permeability and complexity of the system of social services** within the network of social services responsive to regional needs, support for **cooperation** of social services for the purpose of social inclusion at the local level;

Coordinator: MLSA

Deadline: By the end of 2015

3.2.b Ensure support for the **availability, quality and cooperation** of inclusive services in **socially excluded localities**;

Coordinator: MLSA

Deadline: By the end of 2015

3.2.c Ensure support for **the collaboration of educators and social service providers** to streamline social inclusion at the local level;

Coordinator: MLSA

Deadline: By the end of 2015

3.2.d Encourage the **creation of tools for the detection of social phenomena in socially excluded localities and the needs of the socially excluded** persons or those at risk of social exclusion;

Coordinator: MLSA

Deadline: By the end of 2015

3.2.e Encourage the creation of **models measuring the effectiveness** of social prevention, motivating and integrating services, including social counselling with an emphasis on social inclusion activities;

Coordinator: MLSA

Deadline: By the end of 2014

3.2.f **Optimize the system for financing social services**, which will reflect the demographics, demands of the users and the increasing costs of providers;

Coordinator: MLSA

Deadline: From 2014

3.2.g Propose **the inclusion of community social work** into social service activities;

Coordinator: MLSA

Deadline: By the end of 2015

3.2.h Propose **new types of social services and their content that would be more responsive to the needs of** socially excluded **persons**, or those at risk of social exclusion, **and also to the phenomena and needs occurring in the society**;

Coordinator: MLSA

Deadline: By the end of 2015

3.2.ch Propose a **personal standard of social prevention services, motivating and integrating services, including social counselling services**, with an emphasis on social inclusion activities;

Coordinator: MLSA

Deadline: By the end of 2015

3.2.i Raise **the prestige** of social services and social work through education and awareness raising.

Coordinator: MLSA

Deadline: Ongoing

3. 3 Family support

Family support is part of the investment in human capital, which is also produced in the family; as a result, in terms of social inclusion, the family is essential for cohesion and further development of the society. As mentioned in the introduction, **children and families in the Czech Republic represent a substantial group significantly at risk of poverty and social exclusion.**⁴¹ Although international comparison show that the Czech Republic leads the EU in general indicators of poverty and social exclusion, it placed only eleventh in terms of social exclusion and child poverty in 2011, despite still being below the EU average.⁴² In the case of families with children, the effectiveness of social transfers is low, ranging from 27% in single-parent families with children to 63.7% in two-parent families with one child (the average efficiency of social transfers in poverty elimination is at 74%, and even over 90 % in the case of pensioners⁴³). This represents an unsatisfactory situation, as children present a significant risk for Czech families in terms of income poverty and material deprivation.

In recent decades, family life has also undergone many changes, which are documented by a number of research programmes and projects.⁴⁴ The most important changes include the increasing variability in cohabitation, increasing life expectancy, declining fertility, increasing maternal age at birth of first child, growing number of childless women, increase in women's

⁴¹ Among households with children, the families most at risk of poverty in 2012 in the Czech Republic were single-parent families (the risk of poverty stood at 31.3%) and households with two adults and three or more children (22.4%).

⁴² At the EU level, 27% of children were at risk of poverty or social exclusion in 2011, compared to 24.3% in the population as a whole. In the same year, 20.0% of children were at risk of poverty or social exclusion in the Czech Republic (compared to 15.3% in the population as a whole). At the same time, however, both values of the aggregate indicator were converging until 2010, as well as in the last year of 2012.

⁴³ Sirovátka T. eds. *Income poverty and material deprivation in the Czech Republic according to EU indicators – development as a result of the crisis, fiscal consolidation and social reform*. Prague: RILSA, 2012.

⁴⁴ For example Gender and Generation Survey, Family and Fertility Survey.

employment, decreasing household sizes and longer duration of children's education. All family functions must be supported. Due to changes in the structure of population and households, mainly due to the expected increase in single-member and single-parent households, we can also expect a sharp increase in the risk of poverty for the EU population.

The Czech Republic reports a high employment rate of women without children aged 20-49 years, but the same does not apply to the category of women caring for children under 12 years of age. The problem is the low employment of parents, especially that of mothers with young children. The unstable position of young mothers in the labour market and higher risk of unemployment may be caused by a high rate of unemployment among graduates as well as by motherhood. At the same time, Czech women have limited options to work part-time and must therefore choose between full-time employment and personal full-time care of a child within the maternity leave. Many women consider the very long parental leave to be an alternative to low-paid part-time work⁴⁵. The related overall setting of benefits for families with small children motivates parents to stay longer outside the labour market.⁴⁶ The lack of high-quality, locally available and affordable childcare services, especially for children aged three to four, significantly contributes to this situation. The research data of the Research Institute for Labour and Social Affairs (RILSA) shows that the average age of a child when mothers go back to work is four years.

Given the current birth rates which, for the eighth consecutive year, have exceeded 100,000 children a year, the key issue consists in the insufficient capacity of childcare service facilities, despite the fact that the number of live births in the Czech Republic has been continuously decreasing since 2009. In the entire Czech Republic in 2010, there were only 46 crèche-type facilities, with an estimated 1-2% of children of the given age being placed in them. Also, pre-school, kindergarten-type facilities lack sufficient capacity. In recent years, placing a child aged 3 to a kindergarten has become difficult, especially on the outskirts of large cities.

In this context, in its Recommendation No. 4, the European Commission recommends the Czech Republic to "Increase significantly the availability of inclusive childcare facilities with a focus on children up to three years old, and the participation of Roma children, in particular by adopting and implementing the law on provision of childcare services and strengthening the capacities of both public and private childcare services." In response to the recommendations of the Commission, the CR prepared a draft law on the provision of childcare services through children's groups, which proposed the introduction of a new type of service consisting in baby-sitting and child care through children's groups, which basically responded to the current situation in the field of child care services, namely to the provision of child care services on non-commercial basis which are now provided outside the Education Act and the Licensed Trades Act, in accordance with applicable legal regulations.

⁴⁵ Matějková, B., Palonciová, J. *Family policy in selected European countries*. RILSA, Prague, 2003.

⁴⁶ OECD. *Policy Brief – Economic Survey of the Czech Republic*, 2010.

On 22 May 2013, the draft was approved by the Government⁴⁷, but has not yet been discussed by the Parliament of the Czech Republic.

Protecting the rights of the child

An effective system of **social protection of children** based on a **multidisciplinary collaboration of professionals**, child and family members, and in particular the shift in service provision **from inpatient to outpatient and field care**, forms an integral part of the concept of social inclusion of vulnerable families.

In the Czech Republic, **a large number of children lives in facilities for institutional care in comparison with other EU countries**: In 2012, there were 9107 children growing up in institutional facilities, e.g. infant homes, children's homes, children's homes with schools, educational institutes, diagnostic institutes and homes for persons with disabilities. In its final recommendations in 2011, the Committee on the Rights of the Child (CRC) called on the Czech Republic to urgently formulate a comprehensive national policy of de-institutionalization of child care, particularly to develop a comprehensive assessment of the family situation, preventive services, acceptance criteria and strategies to reduce the number of children living in institutional care, and to ensure that the placement of children in institutions is to be used only as a last resort, and in such cases its use will be regularly monitored and reviewed; to develop family-type community services and foster care; to establish standards of care for vulnerable children, to take steps to increase the number of social workers and establish criteria for the selection and training of child care workers; ensure timely creation of individual child care plans from the time they enter the institution, and facilitate the expeditious return of a child to a family-type environment and to promote and facilitate contact between the child in institutional care and the child's family, as well as introduce mechanisms of expansion and stimulation for reintegration of children into their families.

The Government responded to the above by adopting key strategic documents in the field of care for vulnerable children and families, namely *the National Strategy for the Protection of Children's Rights*, approved by Government Resolution No. 4 of 4 January 2012 and the *Action Plan Implementing the National Strategy for the Protection of Children's Rights for the period 2012–2015*, approved by Government Resolution No. 258 of 11 April 2012. National strategy is based on the rights of the child and defines the basic principles of the protection of the rights of children and care for vulnerable children. It includes specific plans, objectives and activities, including a schedule, determining the responsibilities of the various ministries and ways of monitoring and evaluation. Implementing the various tasks assumes intense

⁴⁷ The new legislation aims to add other options to the range of childcare services for pre-school children, to increase territorial availability and affordability of childcare services, to set the conditions for the legal field of childcare services for children aged 1 till the age of compulsory school attendance which has so far been unregulated, and to allow parents to balance their work, family and personal life. Specific conditions have been proposed to provide quality care while being available to a wide range of providers.

cooperation of key ministries as well as close cooperation with regional and municipal governments and civil society. National Strategy for the Protection of Children's Rights as a functional system ensuring consistent protection of all the rights of children and meeting their needs assumes the fulfilment of its primary goals by the end of 2018.

Risks and barriers:

- 1. Fragmentation of the system of care for vulnerable children and families.** In the Czech Republic, **a large number of children live in facilities for institutional care in comparison with other EU countries:** Inconsistencies of the system and different responsibility for different types of care are the biggest obstacles to set up an effective and efficient system. In the area of justice, the agenda of social and legal protection of children is understaffed, which is reflected in the excessive length of judicial proceedings.
- 2. Problems of persons leaving institutional or protective care and persons, including minors, leaving prisons.** In the Czech Republic there is no adequate system of care for these persons, there is absence of available specialized social services for families with children and sufficient support for foster care. **The procedures which are to prepare people leaving institutional care for life outside the institution are classified as non-systemic.**⁴⁸
- 3. Insufficient cooperation of self-government in creating a system of care for vulnerable children and families.** To effectively implement measures that will enable high quality implementation of the agenda of social and legal protection of children and the development of services in this area, it is essential to set up support mechanisms at the level of self-government.
- 4. Significantly lower employment among women compared to men**⁴⁹ (limited availability of quality childcare facilities, lack of flexible jobs and insufficient support by employers when employing parents after maternity and parental leave).
- 5. The demand for affordable childcare services** still remains high, especially in the case of children under four years of age. As a result, there is an ongoing problem with the return / entry of parents to the labour market, with maintaining contact with their employment during maternity and parental leave, and with the need to balance their professional, family and personal life.
- 6. Child care services for children of preschool age can only be provided through kindergartens or some child care trades under the Licensed Trades Act.** The legislation concerning crèches was repealed by law on health services and requirements for their provision as medical facilities. **If the childcare provider decides not to provide the care in educational facilities such as kindergartens, and his activity contains no elements of entrepreneurship, there is not currently no available legislation governing this type of child care services.** The absence of specific principles and of their legislative enactment

⁴⁸ National Strategy for the Protection of Children's Rights, MLSA, 2012.

⁴⁹ The CSO data show that in 2012 , employment among men was 17.7 percentage points higher.

in the legal order ultimately hinders the development and use of alternative childcare services, especially in an environment with bad local availability of child care services.

7. Inconsistent **quality of implementing the agenda of social and legal protection of children in** municipal authorities of municipalities with extended competence and regional authorities. Different approaches to the implementation of the agenda of social and legal protection of children – from the use of preventive tools to purely repressive approach to the agenda.
8. Inadequate funding of **preventive and intervention** social services (e.g. early care);
9. The system **lacks a number of services to support families at risk of social exclusion with low-threshold characteristics**, whose impact is particularly effective in terms of preventing institutionalization and the deepening of the extent of the problems encountered by vulnerable families. This includes, *inter alia*, mothers' clubs, maternity centres, pre-school clubs and parent groups, based on the principle of self-help.
10. **Absence of system tools to support families who are at risk of losing their housing – although** the removal of a child on social and housing grounds is prohibited under the Family Act, (as well as under the New Civil Code after it comes into effect), there is a lack of efficient use of the existing tools of the active social and housing policy and a lack of legislative regulation of rights and responsibilities of the individual actors of social housing.

Objective (in terms of social inclusion): Ensure accessible, interconnected and high-quality services for families, children and youth. Strengthening the economic stability of families and their independence with an emphasis on freedom of choice of family strategy, especially in balancing professional, family and personal life.

Measures:

3.3.a. Draft a new law on family support, foster care and system of the protection of children's rights and an amendment of related legislation;

Coordinator: MLSA

Deadline: 1 January 2016

3.3.b. Ensure systemic changes in foster family care;

Coordinator: MLSA

Deadline: ongoing

3.3.c Provide system support to families in raising children with special needs;

Coordinator: MLSA

Deadline: ongoing

3.3.d Provide a wide range of services for families, children and youth in appropriate quality guaranteed by standards;

Coordinator: MLSA

Deadline: ongoing

3.3.e Deinstitutionalise foster care, support for outpatient, field and low-capacity residency services of foster care;

Coordinator: MLSA

Deadline: ongoing until 2018

3.3.f Implement measures for **the promotion of flexible forms of work** and other measures in balancing professional, family and personal life (encourage employers to implement pro-family measures, including flexible forms of work);

Coordinator: MLSA

Deadline: ongoing

3.3.g Develop child care services, their capacity-building and ensuring their local availability;

Coordinator: MLSA

Deadline: ongoing until 2020

3.3.h Develop **low-threshold services** to support families at risk of social exclusion, such as mothers' clubs, maternity centres, pre-school clubs and parent groups based on the principle of self-help;

Coordinator: MEYS in cooperation with the MLSA

Deadline: ongoing

3.3.ch Provide subsidies to pro-family organizations providing services for families, including families with specific needs;

Coordinator: MLSA

Deadline: ongoing

3.3.i Ensure **and support communication with all actors in the field of family policy** (develop cooperation with local self-governing units to ensure regional family policy);

Coordinator: MLSA

Deadline: ongoing

3.3.j Ensure effective mechanisms for **cooperation among all actors in the social and legal protection of children**, support mechanisms for **continuous and long-term evaluation of the situation** of vulnerable families and children, and **the creation of individual plans** and their implementation;

Coordinator: MLSA

Deadline: ongoing, evaluation in 2016

3.3.k Implement programmes and measures in **the care of children as victims or perpetrators of crime**;

Coordinator: Ministry of Justice (MJ) in cooperation with MI

Deadline: ongoing

3.3.l Ongoing **training of, and professional support for, all actors of social and legal protection of children**;

Coordinator: MLSA

Deadline: ongoing; the main wave will take place in 2014 and 2015

3.3.m Education in the field of family policy measures and its development;

Coordinator: MLSA

Deadline: ongoing; Right to Childhood campaign (2014/2015)

3.3.n Support improvements in **the quality of the activities of authorities for social and legal protection of children in relation to vulnerable children and families**, including children and families in socially excluded localities or families at risk of exclusion from housing.

Coordinator: MLSA

Deadline: Ongoing

3. 4 Promoting equal access to education

The quality of pre-school and primary education is an important determinant of a person's educability in later life and an essential factor for social integration. **It helps to reduce social gaps** and represents an effective measure to substantially reduce the costs of future social policies. Investing in quality and widely accessible initial education constitutes huge savings of future social spending. However, compared to other countries, Czech education is underfunded (low expenditure per pupil / student relative to GDP per capita in purchasing power parity).⁵⁰

Educational structure in the Czech Republic is characterized by a high proportion of people with secondary education. In 2010, they accounted for 69.6% in the 25–64 age group, while the **share of persons with tertiary education is below the EU average**, which is confirmed by the 2010 OECD report. According to the report, only one in eight Czechs has completed tertiary education, while the average share of university-educated people in OECD countries was 25 %. There are less female than male university graduates (12.7% vs. 14.8%); however, women dominate among university graduates in the youngest generation.⁵¹

The time spent by young people in the Czech Republic in the educational system has significantly prolonged, which has its negative and positive aspects. The Czech Republic also shows a **record-low rate of early school leavers** (the share of people aged 18-24 who have only lower secondary education and do not continue in further education or training).⁵²

⁵⁰ *Card of the thematic group 1 "Labour Market and Education"*, Ministry of Regional Development (MRD), November 2011.

⁵¹ *PISA 2009 Results: What Makes a School Successful? – Resources, Policies and Practices (Volume IV)*. [<http://dx.doi.org/10.1787/9789264091559-en>], OECD, 2010.

⁵² Eurostat [<http://epp.eurostat.ec.europa.eu>]

However, **little attention is paid to the education path of the group of children and young people with special educational needs** (both those with disabilities and handicaps, as well as those who are disadvantaged socially). Unlike the general population` where early leaving from education is monitored through a representative survey, this vulnerable group is not systematically statistically monitored.⁵³

Czech education system is not able to adequately compensate handicaps of disadvantaged pupils⁵⁴ and develop individual potential of each pupil. Problems persist not only in the case of children from socially excluded or vulnerable groups – **low ability to diversify education and individualize** affects every pupil, including gifted and talented ones.⁵⁵

In many cases, however, there is unjustified and premature selection **of children**, where its negative impact is likely to outweigh the positive. This selection is due to limited availability of childcare facilities, dividing children upon commencing elementary schools widely varying in quality, or commencing grammar schools. According to international comparisons, differences among children in different schools in terms of their study dispositions are very high in the Czech Republic⁵⁶. **A high proportion of Roma pupils are educated in practical elementary schools** (former special schools), indicating a high degree of selection of children based on their ethnicity.⁵⁷ **The share of Roma pupils reported in the curriculum for basic education with a supplement on the education of pupils with mild mental disability has decreased by 8.6% since 2009/2010 in the surveyed schools, which indicates a positive trend initiated by the amendment to Decree No. 72/2005 Coll.,** on the provision of counselling services in schools and school counselling facilities, as amended by Decree No. 116/2011 Coll., and No. 73/2005 Coll., on the education of children, pupils and students with special educational needs, and exceptionally gifted children, pupils and students, as amended by Decree No. 147/2011 Coll. The Czech Republic adopted measures seeking to set conditions which ensure respect for the needs of socially disadvantaged pupils and pupils with a diagnosis of mild mental disability. **However, a number of basic mainstream schools still lack adequate conditions for the education** of these children in mainstream classes.⁵⁸

⁵³ *Card of the thematic group 1 "Labour Market and Education"*, Ministry of Regional Development (MRD), November 2011.

⁵⁴ Groups that are disadvantaged in access to education are immigrants, persons from socially and culturally disadvantaged background, especially the Roma population, and people with disabilities.

⁵⁵ *Equity and Quality in Education Supporting Disadvantaged Students and Schools*. OECD Publishing, 2012. [http://www.oecd-ilibrary.org/education/equity-and-quality-in-education_9789264130852-en]; *Education paths and educational chances of Roma pupils at primary schools in the area of excluded Roma localities*. GAC, Prague, January 2009; *Analysis of individual approach of teachers to pupils with special educational needs*. People in Need, 2009.

⁵⁶ *School autonomy and accountability: Are they related to student performance?* OECD, 2011/9.

⁵⁷ *CSI Annual Report for the School Year 2008/2009 and the CSI Annual Report for the School Year 2010/2011*. Czech School Inspectorate, Prague 2010 and 2012, respectively; A survey of the Ombudsman on the issue of ethnic composition of pupils of former special schools. The Ombudsman, Brno 2012.

⁵⁸ *ibid.*

Inclusive education was still not a mainstream concept in the Czech Republic in 2012. Despite criticism of the current situation in the field of education by many Czech and international organizations,⁵⁹ **only a minimum number of Czech schools applied the principle of inclusive education.**⁶⁰ One of the necessary conditions for the education of children in regular classes is to create an environment of "equal access" in Czech primary schools. The fulfilment of this condition was supported by the amendments to Decree No. 72/2005 Coll., on the provision of counselling services in schools and school counselling facilities, as amended by Decree No. 116/2011 Coll. and No. 73/2005 Coll., on the education of children, pupils and students with special educational needs and exceptionally gifted children, pupils and students, as amended by Decree No. 147/2011 Coll., as they, *inter alia*, do not allow the long-term inclusion of children without mild mental disability in schools for pupils with learning disabilities, enact the obligation of regular annual reviews, shorten the length of diagnostic stay and provide detailed rules for informing parents and the granting of informed consent. Currently, other partial amendments to the above Decrees are being prepared, which completely cancel the Institute of diagnostic stay and prevent the inclusion of children with social and health disadvantages into schools for pupils with disabilities. However, providing for the legislative conditions is not and cannot be the only prerequisite for the creation of equal opportunities for education. It is necessary to provide for appropriate physical, financial and human conditions.

The forthcoming national strategy document "*Strategy for the Development of Education in 2020*," is the key strategic document in the field of education whose basis lies in the strategies of European cooperation and existing documents of the Czech Republic (especially White Paper 2001, Strategy for Lifelong Learning). The material will elaborate on the existing national strategic documents (National Reform Programme, International Competitiveness Strategy) to the level of specific measures and tools.

Risks and barriers:

1. Insufficient scope and quality of preschool care for children from socially excluded backgrounds within some regions. Low motivation of parents to place children in one of the forms of organized pre-school education, lack of motivation tools;

2. Insufficient readiness of schools and individual teachers to implement the principles of equal access in education and to work with students with different levels of need for support measures:

⁵⁹ *PISA 2009 Results: What Makes a School Successful? – Resources, Policies and Practices (Volume IV)*. <http://dx.doi.org/10.1787/9789264091559-en> OECD 2012; also UN 2011, Step by Step, etc.

⁶⁰ *Long-term vision of the Ministry of Labour and Social Affairs for Social Inclusion*. MLSA, May 2012, p. 14.

- Insufficient **methodological preparedness** of some educators and advisers in schools in working with socially excluded or culturally different children, children with disabilities or handicaps or children with special talents (especially lack of knowledge of teaching methods enabling differentiation and individualization, educational diagnostics, methods for monitoring the progress of individual pupils, assessment systems supporting learning competency, methods of forming a positive classroom climate), low motivation of some educators to use teaching strategies effective in educating heterogeneous class groups;
- **Lack of teaching assistants; unsystematic, and lack of, funding of teaching assistants, school psychologists and school special education teachers and other support services** to enable implementation of inclusive education in **practice**. Lack of schools' own funds for **further education of educators**;
- **Excessive workload of teachers**, especially in smaller schools (e.g. **accumulation of functions** within the school's counselling workplace, mostly concurrent performance of educational counsellor and prevention specialist);
- Insufficient **methodological support for teachers**, insufficiently developed chapters for working with pupils with special educational needs or gifted pupils or cooperation with parents (minimum preventive programs), e.g. taking into account pupils from socially disadvantaged backgrounds or focus on procedures for addressing risk behaviour at school, relation to non-profit organizations;

3. Insufficient communication and cooperation between the school and the external environment:

- The not-so-common concept of **community school**, prevailing low willingness of schools to open collaboration with partners in the community;
- Limited degree of **cooperation between schools and parents**, frequent use of the least effective ways to communicate with parents of pupils;
- Low **availability of services of the school counselling facilities** (educational and psychological counselling and special educational centres), insufficient follow-up availability of services of educational care centres;

4. Unjustified segregation of children, ethnic segregation:

- **Segregation of pupils by aptitude and socio-economic status of the family in the period of compulsory schooling – on the one hand, concentration of children of low socio-economic status**, or from socially excluded localities in schools where pupils from socially and culturally disadvantaged backgrounds make up the majority of pupils; on the other hand, the tendency of some schools to select students with higher aptitude or from families with higher socio-economic status (selective or

specifically focused schools or classes); attendance to these schools is often associated with increased expenditure of parents.

5. Insufficient cooperation between schools, authorities for social and legal protection of children, NGOs, families and other entities:

- In **terms of cooperation between schools and authorities for the social and legal protection of children**, and in terms of cooperation between schools with **non-profit sector entities** (insufficient cooperation with existing NGOs active in the locality);

Insufficient **cooperation between schools and the authorities for social and legal protection of children**, school staff's insufficient knowledge of legislation in the field of social and legal protection of children

6. Preference for attendance of children in practical elementary schools where they completed preparatory classes to attending mainstream education facilities;

7. Inadequate funding for education, especially spending per student relative to GDP per capita in purchasing power parity.

Objective (in terms of social inclusion): Ensure equal access to education for all.

Measures:

3.4.a Ensure **conditions (material, technical, financial, personnel) for education in mainstream schools for all children, pupils and students;**

Coordinator: Ministry of Education, Youth and Sports (MEYS)

Deadline: ongoing

3.4.b Improve and develop a **counselling system** to ensure equal access in education (from pre-schools to universities, incl. prevention of risk behaviour);

Coordinator: Ministry of Education, Youth and Sports

Deadline: ongoing

3.4.c Provide support for equal access in education through **extra-curricular activities** (support for effective interest and non-formal education);

Coordinator: MEYS

Deadline: ongoing

3.4.d **Minimize the risks associated** with risk behaviour in children, pupils and students with special educational needs through the promotion of standardized and certified services in the primary prevention of risk behaviour in education, in collaboration with the family and social services;

Coordinator: MEYS

Deadline: ongoing

3.4.e Support the development and creation of local strategies for the development of the education system and systematic social and educational intervention in households at risk of social exclusion;

Coordinator: MEYS in cooperation with the MLSA and ASI

Deadline: ongoing

3.4.f Support counselling, intervention and motivation services in the activities of educational institutions;

Coordinator: MEYS in cooperation with the MLSA

Deadline: ongoing

3.4.g Support services to obtain and complete the education for people from socially disadvantaged backgrounds, supporting both the actual pupils and students in their studies, and their parents in supporting their studying children;

Coordinator: MLSA in cooperation with the MEYS

Deadline: ongoing

3.4.h Interconnection and cooperation between schools, families, social services and authorities for social and legal protection of children.

Coordinator: MLSA in cooperation with the MEYS

Deadline: ongoing

3. 5 Access to housing

Access to housing is a basic condition for the social inclusion of individuals and families; homelessness is seen as extreme social exclusion⁶¹ making it hard or even impossible for people to access other resources. In every society there are people who, for various (objective or subjective) reasons, do not have the skills or resources to provide for or retain their housing themselves. The State is required to help these people, under the application of the principle of solidarity, **through various legislative and non-legislative measures** (from social work to social benefits). Partial aspects of the provision of assistance to citizens in the field of housing are laid down mainly in the following laws: Act No. 111/2006 Coll., on assistance in material need, as amended (the persons in material need are provided **with assistance in material need, incl. housing supplement**) and Act No. 110/2006 Coll., on living and subsistence minimum levels, as amended, Act No. 128/2000 Coll., on municipalities, as amended (**the municipalities' duty to care for the housing needs of its citizens**), Act No. 117/1995 Coll., on **state social support**, as amended (**housing allowance**) and Act No. 108/2006 Coll., on **social services**, as amended (especially shelters, half-way houses, sheltered housing, social counselling, outreach programmes and socially motivational services for families with children). In the field of investment promotion of housing, this

⁶¹ Hradecký I. *Homelessness as an extreme exclusion.*

especially includes Act No. 218/2000 Coll., on budgetary rules and amending certain related acts (**budgetary rules**) and Act No. 211/2000 Coll., on the **State Housing Development Fund** and amending Act No. 171 / 1991 Coll., on the competence of the Czech Republic authorities in matters concerning the transfer of state property to other persons and on the National Property Fund of the Czech Republic.⁶²

On 28 August 2013, in its Resolution No. 666 the Government adopted a *Strategy for Preventing and Addressing Homelessness in the Czech Republic until 2020*, which approved the **ETHOS functional definition** (European Typology of Homelessness and Housing Exclusion) as a **basic starting point to deal with the homeless and people at risk of losing their housing**. According to this definition, it is a collective term for a heterogeneous population group comprising both the apparent homeless, i.e. people who sleep outdoors (roofless), and persons who, due to the inability to provide for other housing, live in (mainly) commercial accommodation establishments and some residential social services (shelters or halfway houses) for the homeless, and also people whose living is uncertain, and people who live in conditions that do not meet the minimum standards of living in a given cultural and social environment. **Homelessness is no longer perceived as "living rough", but as a complex, dynamic and differentiated process from being at risk of losing home to the return to normal, permanent, unsegregated housing**. Therefore, when creating all the policies related to social inclusion of homeless people and people at risk of homelessness, it is necessary to consider the phenomenon of homelessness in the full scope of its definition.

According to experts who primarily relied on the above ETHOS definition, **the estimated number of homeless people in the Czech Republic is approximately 30,000**⁶³. However, according to the same methodology, there are many more people living in insecure or inadequate housing. These are households stuck with unpaid balance for housing and utilities, having insufficient income to pay, having other debts and at least one long-term unemployed person, not being able to change the existing housing, and also people returning from institutional care. According to the analytical part of the *Housing Policy Concept of the Czech Republic until 2020*, the groups most at risk of homelessness include families of a single senior aged 65 and over, single-adult households with children or

⁶² Other tools to support housing include *Government Regulation No. 284/2011 Coll., on the conditions governing the granting and use of financial resources from the State Housing Development Fund as a loan to support the construction of rental apartments in the Czech Republic, as amended*, and grant programme of the Ministry of Regional Development *Support for the construction of subsidized apartments*, and also the Civil Code and the new Civil Code, i.e. a law regulating lease of apartments and specific provisions regarding the protection of lessees.

⁶³ Hradecký et al. *Summary Material for Creating the Concept of Working With Homeless People in the Czech Republic until 2020*. Prague: 2012.

households with a long-term unemployed person⁶⁴. **The potential number of homeless people living in the Czech Republic in 2012 is estimated at up to 100 thousand people.**⁶⁵

Risks and barriers:

- 1. Unaffordable housing.** Expenditure on housing represents the greatest burden on low-income households; particularly vulnerable are households with a single income (single-parent families, families with unemployed members) and single-member households, especially the seniors. The highest burden is placed households that live in big cities with higher rents. The high burden of expenditure on housing placed on household includes energy-intensive operation of the housing stock; energy and operation account for about half the total expenditure on housing. Unaffordability of housing for persons or families is often associated with the need to **repay debt**, long-term unemployment, deteriorating health or reduced income after retirement. Housing allowance and housing supplement are provided to households that already have a home, which does not reduce unaffordability of housing for people excluded from housing. **Housing supplement cannot address** financial assistance to individuals or families with insufficient income and high housing costs (or it can address it only partially), financial assistance for persons or families whose income is subject to enforcement and they do not have enough money left for housing costs, financial assistance for individuals and families without proper apartment lease contracts, or finding a home for persons/families who have lost a home or have no place to live⁶⁶.
- 2. Risk of social and spatial exclusion** particularly affects people at the beginning and the end of their professional careers, people who are disadvantaged in the housing market because of their nationality, race or religion, seniors, people with disabilities, the homeless and low-income households. The needs of people who have difficult access to housing because of age or health condition are reflected in the specific requirements for construction and technical parameters of the apartment.⁶⁷ There is a group **of households that are disadvantaged in the housing market because "in the eyes" of the lessor they pose a great risk** – such as homeless people, people living in shelters and crisis forms of housing, households living in socially excluded localities, households with a larger number of children, single-parent households, households with an uncertain income from employment or business, households of some ethnic minorities (e.g. Roma) and foreign immigrants. Nevertheless, **the tools that would make available free market with standard housing** to disadvantaged households are not yet used in the Czech Republic(e.g. guarantee mechanisms, social rental real estate agencies, etc.). **High**

⁶⁴ In: Kuda, F., Lux, M. (Eds.): *Living in the Regions*. Příbram: 2010.

⁶⁵ In *The Concept of Prevention and Addressing Homelessness in the Czech Republic until 2020* (Government Resolution No. 666 of 28 August 2013).

⁶⁶ *Proposal for a Comprehensive solution to social housing*, analytical part, June 2013.

⁶⁷ *The Concept of Housing in the Czech Republic until 2020*, approved by Government Resolution No. 524/2011.

quality field social work with the community along with the application of housing policy tools, including the consistent application of anti-discrimination policy is not accessible everywhere.

3. Non-discriminatory housing policy also means avoiding **spatial exclusion** of socially disadvantaged persons⁶⁸. Risk also lie in the insufficient application of the priorities of the 2008 Policy of Territorial Development of the Czech Republic (Government Resolution No. 929/2009) in the field of preventing spatial segregation. Social segregation negatively affects not only residents of segregated localities, but also **residents of the neighbourhood. The concentration of socially excluded persons in developed countries has led in the past to the strengthening of the social and spatial segregation processes.**⁶⁹
4. **The number and share of municipal and state housing decreases.** In the census of the Czech Statistical Office in 1991, there were almost 214,000 municipal and state residential houses, accounting for 13.4% of all occupied residential buildings. In 2001 the number dropped to 79 thousand and a share of 4.8%. In 2011, **the state or municipality owned 48,146 occupied apartment buildings, which was 2.7% of all occupied apartment buildings in the Czech Republic. Municipal and state housing are more common in large cities.** Of the total number of municipal and state apartment buildings in 2011, 21.4% were in cities of over 100,000 inhabitants, 13.6% in municipalities with 2–5 thousand inhabitants and less than 2% in municipalities with up to 200 inhabitants. Most cities and municipalities planned further privatization of their housing stock. **Overall, the share of rented apartments is falling**⁷⁰ despite the fact that home ownership is almost inaccessible for low-income individuals and households. With regard to new construction, family houses dominate over apartment buildings; in the case of newly built apartment buildings, there is a dominant part of larger and more expensive apartments⁷¹.
5. **Low utilization of existing support tools.** The state motivates municipalities through its tools; however, it may not oblige them to use these tools. Grant programmes only provide an economic stimulus, the amount of which is limited by the EU rules laid down

⁶⁸ *Recommendations for municipalities and cities to prevent the creation and expansion of socially excluded localities with emphasis on ensuring housing needs.* Brno: Office of the Ombudsman, 4/2009. ISBN 978-80-254-4383-5. Available at [http://www.ochrance.cz/uploads/tx_odlistdocument/Doporuceni_socialni_vyloucení.pdf].

⁶⁹ Lux M., Mikeszová M., Sunega P. *Support for the Availability of Housing for People Acutely at Risk of Social Exclusion – an International Perspective and Proposals for Action in the Czech Republic.* Prague: Institute of Sociology, ASCR ISBN 978-80-7330-176-7.

⁷⁰ However, the *Concept of Housing of the Czech Republic until 2020* (MRD) refers to **the need to support rental housing** in order to make housing available to those groups of people who cannot afford their own housing.

⁷¹ Drápal, S. *Facts on the Evolution of Home Ownership in the Czech Republic for the Last 10 Years* (a paper for a conference *Services for Homeless People and Their Future*). Czech Statistical Office, Prague, 18 September 2012.

for public support.⁷² The Czech Republic is one of the most decentralized countries in the EU, which is reflected both in the large number of small and financially weak self-governments, and in the absence of a comprehensive central strategy of social housing. Although the legislation obliges municipalities to ensure the needs of its citizens, including housing, many municipalities believe that social transfers (including social housing) are the responsibility of the state and should thus be financed from the state budget.⁷³ On the other hand, however, the provision of any support for investment in rental housing is limited **by the rules on state aid** (especially the *de minimis* rule). As a result, the amount of current support may not be very interesting for applicants.

6. **Lack of housing loss prevention tools.** The perception of homelessness as a process demonstrates the weaknesses of the current system, with almost no housing loss prevention tools, such as, in particular, the **eviction prevention and debt counselling** (for example there are not enough debt counselling centres). In the social work practice, the application of the method of **"housing with support" is still insufficiently used**; the method consists in the social worker supporting the person or family to keep their housing, and also in collaboration with a team of relevant actors as to the needs of the client (nurse, a representative of the local social department, the owner of the apartment or a peer, i.e. a person with a similar experience, etc.).⁷⁴ Problems are also caused by the fact that social services, social work, benefits and housing capacities **do not follow-up on each other and** do not synergically impact the recipient, so it is difficult to bring together the objectives of intervention tools to address the situation of their user. The effective implementation of prevention in the form of field social work is negatively affected by **understaffing** (or inefficient use of the recommended types of employment) of **social workers** in municipalities, of the workers of authorities for social and legal protection of children and those of the Labour Office⁷⁵.
7. **Absent legislation, tools, and insufficient funding to address social housing.** In terms of improving people's access to affordable rental housing, **the future direction of policies aimed at the creation of social housing system** will have a significant impact; in addition to various forms of social housing (in response to different needs and barriers mentioned above) these policies would clearly regulate the position of the state, municipalities and other actors.
The absence of these tools has a **negative effect on the increase in the number of people living in sub-standard housing or remaining in social service facilities which are**

⁷² Proposal for a *Comprehensive Solution to Social Housing*, analytical part, June 2013. The task of preparing a Complex Solution of Social Housing by the end of 2013 results from the document Concept of Housing of the Czech Republic until 2020, its preparation falling under the responsibility of the Ministry of Regional Development, with the cooperation of the Ministry of Labour and Social Affairs.

⁷³ Lux, M. (2012): *The Czech Republic: Locked between Municipal and Social Housing*. In: J. Hegedüs, M. Lux, N. Teller (eds.): *Social Housing in Transition Countries*. New York: Routledge.

⁷⁴ See *The Concept of Prevention and Addressing Homelessness in the Czech Republic until 2020*, approved by Government Resolution No. 666 of 28 August 2013.

⁷⁵ *ibid.*

not primarily intended for long-term accommodation (shelters)⁷⁶. In turn, this brings increased costs for social systems, as well as health care, judiciary, prison systems, etc. High quality housing strategy and policy also constitute an important condition for **the use of funding for social inclusion from EU funds after 2014**, which will allow financial support for both the tools to prevent loss of housing or "housing with support" as a method of social work, and investment support for the construction, acquisition or reconstruction of housing for social housing purposes. **The Government instructed the MRD to prepare, in cooperation with the MLSA, the "Comprehensive Solution for Social Housing" by 31 December 2013.**

8. **Applying the principle of the so-called "housing as a reward":** An approach, which is characteristic for the setting of unrealistically stringent conditions to obtain a standard lease contract in a municipal or state apartment, which secondarily excludes some already socially excluded persons or families. The phenomenon of "cherry - picking" occurs, also on the part of non-profit organizations. This term denotes a situation where people who have the greatest chance of success are chosen for programmes aimed at returning to housing; the most vulnerable and weakest ones are once again left without help. This is notwithstanding the experience from abroad which shows that with proper support most of the former homeless people (including those with complex problems – various addictions combined with mental illness) are able to keep standard housing in the long-run without any problems.

Objective: Increasing the availability of housing for people at risk of exclusion from housing or those having lost it.

Measures⁷⁷:

- 3.5.a Ensure **local availability of standard non-segregated housing** (in apartments) for people at risk of exclusion from housing or those having lost it (by legislatively defining the roles of the state and municipalities and ensuring the follow-up financing of the acquisition, renovation and operation of social housing). On the one hand, it should ensure the **use of the existing housing stock** (through renovation or the possibility to re-purchase by municipalities or NGOs) and tools increasing the availability of housing on the open market to disadvantaged individuals and families (e.g. through guarantees or social rental agencies), on the other hand it should **ensure support for the construction of standard rental apartments**, especially where there are no vacant apartments, but there is a need for such housing.

⁷⁶ This is in contradiction with the principle of de-institutionalization, see e.g. Government Resolution No. 127/2007 *Concept of support for the transformation of residential social services to other types of social services provided in a natural community and promoting social inclusion of users.*

⁷⁷ The measures are based on, and supplement, the *Concept of Prevention and Addressing Homelessness in the Czech Republic until 2020* (Government Resolution No. 666 of 28 August 2013).

Coordinator: MRD

Deadline: Ongoing

3.5.b Create **motivational tools** (including guarantee mechanisms) for a greater **involvement of private owners of housing stock** in social housing;

Coordinator: MRD in cooperation with the MLSA

Deadline: By the end of 2016

3.5.c Support **housing loss prevention programmes** (prevention of exclusion from housing), such as anti-debt counselling programmes supporting the alignment of interventions and tools, staffing, etc.;

Coordinator: Ministry of Labour and Social Affairs in cooperation with the Ministry of Justice

Deadline: Ongoing

3.5.d Support **coordination of activities at the local level** in order to maintain or arrange appropriate forms of social housing for people excluded from housing or those having lost housing;

Coordinator: Ministry of Labour and Social Affairs in cooperation with the Ministry of Regional Development

Deadline: Ongoing

3.5.e **Legislative regulation of the access of persons** (according to the government-approved ETHOS definition) **to housing**;

Coordinator: MLSA in cooperation with the MRD and the MJ

Deadline: By the end of 2015

3.5.f Take into account the **principle of rejection of the spatial segregation of disadvantaged people**;

Coordinator: MRD, MLSA

Deadline: Ongoing

3.5.g Develop and support **social work as a tool for mediating access to, and the keeping of, adequate housing**;

Coordinator: MLSA

Deadline: From 2014

3.5.h **Pilot verification of the Housing First model** in the Czech Republic.

Coordinator: MLSA in cooperation with MRD, ASI and other relevant actors

Deadline: From 2015

3.5.ch Based on the pilot study, **evaluate and propose concrete implementation models to introduce the Housing First model in the Czech Republic**, with a proposal for funding.

Coordinator: MLSA in cooperation with MRD, ASI and other relevant actors

Deadline: By the end of 2020

3. 6 Promoting access to health care

Generally, the Czech Republic is not among the countries with critical levels of the health status of the population; in some indicators we have made significant progress over the last twenty years – the average life expectancy surpassed even some developed countries of Western Europe. However, a high prevalence of risk factors in the population has a significant impact on the quality and sustainability of the health care system. In 2012, the national economic losses (cost of disease treatment and GDP loss due to incapacity) arising from chronic non-transmittable diseases reached CZK 520 billion . However, 80% of these diseases would be well-preventable by lifestyle changes. However, in terms of the prevalence of risk factors for the most common diseases, the Czech population so far occupies leading positions in Europe (smoking – 3rd, consumption of alcohol – 1st, obesity – 2nd to 4th), where the population of structurally affected regions show a higher than average incidence of these risk factors.⁷⁸

According to the World Health Organization (WHO), poverty is the single largest determinant of poor health. Living in poverty, and therefore in social exclusion, is linked with higher consumption of substances such as tobacco, cheap alcohol and drugs. It is characteristic for a higher incidence of depression, mental disorders, suicide, violence and a higher risk of eating unhealthy food. **The problem of social exclusion and poverty is compounded by the higher health risks for persons concerned, by the overall neglecting of prevention of serious diseases and lack of local availability of appropriate care.**

Equal access to health care in the Czech Republic is ensured by valid legislation (372/2011⁷⁹ and 373/2011⁸⁰, 48/1997⁸¹), which is based on the Constitution of the Czech Republic, i.e. the Charter of Fundamental Rights and Freedoms and the Convention on Human Rights and Biomedicine (96/2001 Coll. Int. Tr.), and strongly supports the rights of the insured in the public health insurance system. The public health insurance system is an open system based on solidarity where each insured person has the same rights and obligations. Persons at risk of social exclusion are therefore insured under public health insurance like any other person who meets the statutory requirements for participating in this system, in which the state pays insurance for the unemployed, children, pensioners and mothers on maternity leave. Any discrimination is unacceptable and in direct conflict with the principle of solidarity.

In terms of access of socially excluded persons or persons at risk of social exclusion to health care, many problems are connected with scant or very low level of awareness of their rights

⁷⁸ see National Health Institute <<http://www.szu.cz/zit-zdrave-se-vyplati>>

⁷⁹ Act No. 372/2011 Coll., on health services and conditions for their provision, as amended (the Health Services Act)

⁸⁰ Act No. 373/2011 Coll., on specific health services, as amended

⁸¹ Act No. 48/1997 Coll., on public health insurance and amending and supplementing certain related acts, as amended

and obligations as an insured person or patient.⁸² The Ministry of Health plans and implements projects aimed at preventive care and awareness in the field of health promotion, such as prevention of cancer, etc. As part of its grant programmes, the Ministry also provides relevant organizations with financial support in the field of disease prevention and health promotion. Despite these existing activities, it would be appropriate to increase the awareness of the population, with a focus on socially excluded persons or persons at risk of social exclusion.

Psychiatric care, standing between the social and health systems, is highly centralized, institutionalized and does not meet the current requirements for optimal treatment. In a situation where, in terms of health, psychiatric disorders form the highest socioeconomic burden (22%), the mentally ill are forced to use the obsolete system of care which increases their social exclusion and complicates job-seeking in the labour market.

Mental illness still presents a stigma in the Czech Republic. The awareness of the public about mental health issues and mental illnesses is inadequate. Although there are some drug prevention programmes, there are few programmes for mental health promotion, prevention of stress and mental disorders. Primary care is only partially connected to the field of care for mental health – mental disorders. Primary care workers are not always fully informed of early diagnostics and modern approaches to prevention, treatment and rehabilitation of mental disorders. The number of community facilities and services (crisis centres, day care centres, sheltered workshops and sheltered housing, etc.), which have been developing only in the last few years, are completely insufficient.

The issue of **competence and cooperation between the Ministry of Health and the Ministry of Labour and Social Affairs** remains unresolved, especially in long-term care or care for persons with long-term mental health disorders. Very important is the individual non-specific primary prevention.

Objective: Improve access to health care for persons who are socially excluded or at risk of social exclusion

Risks and barriers

1. **Poor communication between providers of health and social services;**
2. **Ignorance of the rights and obligations of the insured** on the part of persons who are socially excluded or at risk of social exclusion;
3. Unwillingness of the insured **to comply with the regime** set within the provision of health services;

⁸² The Ministry of Health is taking action in this respect to improve the situation. In 2009, for instance, a brochure entitled "A patient's guide, improving patient safety," was published, followed by a second revised edition in 2010. A clear web presentation was made in 2012 which, although primarily intended for foreigners, is generally applicable to all those insured under public health insurance.

4. **Discriminatory approach** often leads to restricted access to health care and the health care providers' lack of knowledge of multicultural communication.

Measures:

3.6.a. Support **awareness, prevention and information programmes to promote healthy lifestyle of** persons who are socially excluded or at risk of social exclusion;

Coordinator: Ministry of Health (MH) in cooperation with the MLSA

Deadline: Ongoing

3.6.b **Deinstitutionalize psychiatric care in accordance with the principles of the approved Psychiatric Care Reform Strategy;**⁸³

Coordinator: MH in cooperation with the MLSA

Deadline: Ongoing

3.6.c Ensure **awareness raising and education of medical and non-medical staff** in terms of access to persons who are socially excluded or at risk of social exclusion, and in terms of compliance with legal regulations governing the access of these persons to health services, including non-discrimination;

Coordinator: MH in cooperation with the MLSA

Deadline: Ongoing

3.6.d Increase awareness of entities involved in working with people who are socially excluded or at risk of social exclusion concerning the use of MH programmes aimed at disease prevention and health promotion;

Coordinator: MH

Deadline: Ongoing

3.6.e Support **outreach social work** (seeking and working with vulnerable persons in the field) to ensure the provision of information, counselling, and facilitate the search for the necessary and appropriate medical and social services;

Coordinator: MLSA

Deadline: Ongoing

3.6.f Support services on the boundary between **social and health fields** to ensure the availability of these services.

Coordinator: MLSA, MH

Deadline: Ongoing

⁸³ Psychiatric Care Reform Strategy, Ministry of Health, 2013. Available at: http://www.reformapsychiatrie.cz/wp-content/uploads/2013/10/SRPP_publikace_web_9-10-2013.pdf

3. 7 Ensuring decent living conditions

In terms of comprehensive and coherent efforts in the fight against social exclusion, every person has the right to the resources and social assistance sufficient to lead a **dignified life**.⁸⁴ Support for adequate income⁸⁵ guaranteeing a decent standard of living of man and his family is one of the fundamental pillars of active inclusion. The right to sufficient resources should be combined with an active readiness of a person to work or participate in professional training⁸⁶, with national policies necessary for economic and social integration of persons, and with the determination of resources necessary to lead a dignified life.

The primary factor which, in accordance with the European concept of active inclusion, is to contribute to the integration of people at risk of poverty or social exclusion and ensure a dignified life, is the participation in the labour market and **adequate remuneration for work**. In official documents,⁸⁷ the Czech Republic considers functional, flexible and open labour market and increasing employment to be the best contribution to the eradication of poverty and social exclusion in the society.

Minimum wage

In terms of ensuring a decent income from employment, **minimum wage** is the key tool to ensure a decent income and to reduce the risk of (income) poverty and social exclusion; **minimum wage** is the lowest permissible level of pay in an employment relationship. Its basic legal regulation is laid down in the Labour Code (Act No. 262/2006 Coll., as amended). The basic minimum wage level, other minimum wage levels in the case of employees with limited career opportunities and the conditions for the provision of minimum wage are stipulated by a Government Regulation.⁸⁸ Generally, minimum wage should be around 40 per cent of the average wage⁸⁹ or be at least 15% above the level of social benefits. From 1 August 2013, the **basic minimum wage** in the Czech Republic for a working week of 40 hours has increased to **CZK 8,500 per month**, i.e. CZK 50.60 per hour.⁹⁰

⁸⁴ *Commission Recommendation of 3 October 2008 on the active inclusion of people excluded from the labour market* (2008/867/EC).

⁸⁵ Resources required to lead dignified life.

⁸⁶ See Chapter 3.1 *Promoting access to, and maintaining of, employment*

⁸⁷ *National Reform Programme of the Czech Republic*

⁸⁸ The increase was stipulated by Government Regulation No. 567/2006 Coll., on minimum wage, on the minimum guaranteed wage levels, on the definition of unfavourable working environment and on the amount of wage supplement for working in unfavourable working environment, as amended.

⁸⁹ In the 1st half of 2013, the average gross monthly nominal wage per full-time equivalent in the national economy equalled CZK 24,503.

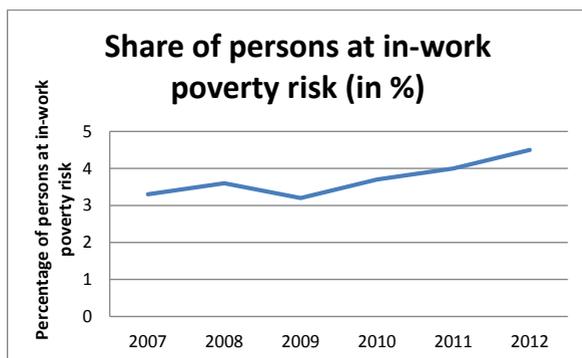
⁹⁰ If a wage, salary or remuneration under a labour-law agreement per calendar month fails to reach the minimum wage, the employer is obliged to provide the employee with a supplement, regardless of his lower performance (whether or not due to the employee being at fault), which also applies to piecework labour. Source: [<http://www.mpsv.cz/cs/13833>]

In-work poverty

Existing studies and materials of the European Commission emphasize the fact that although providing a job (or access to work and employment) is the most effective means of preventing and eliminating poverty, it is not in itself sufficient unless accompanied by efficient tools guaranteeing adequate income.⁹¹ This conclusion is evidenced on the one hand by the existing and, moreover, **increasing risk of in-work poverty** (work itself does not help some people to eliminate the risk of poverty), as well as extremely high risk of poverty for the unemployed and those living in household of the unemployed (if the compensation of income is insufficient, a large number of these persons is exposed to the risk of poverty). In addition to providing access to work and employment, care must also be taken to ensure adequate remuneration for their work. In the first quarter of 2013, the Czech Republic recorded its first year-on-year nominal decrease in the average monthly gross wages by 0.4%. If this trend is to continue, there is a risk of poverty for an increasing number of people. Every government should aim to maintain appropriate levels of income of its citizens.

The Czech Republic has traditionally reported low levels of risk of in-work poverty due to the relatively small earnings inequalities and a favourable tax credits for workers with the lowest incomes.⁹² A CSO survey shows that in 2011, the risk of in-work poverty in the Czech Republic stood at 4.0%, i.e. the second lowest in the EU-28 (3.9% in Finland), the EU-28 average being 8.9%. In 2012, the share increased to 4.5% in the Czech Republic.⁹³ A growing trend in the number of working poor is reflected in the following chart.

Chart 3 Share of persons at in-work poverty risk



Source: EU - SILC survey

⁹¹ The appropriate level usually refers, on the one hand, to a certain prevailing standard in society, and on the other hand, in addition to incomes, it takes into account the costs necessary to ensure such a standard.

⁹² Sirovátka T. eds. *Income poverty and material deprivation in the Czech Republic according to EU indicators - development as a result of the crisis, fiscal consolidation and social reform*. Prague: RILSA, 2012.

⁹³ http://www.czso.cz/csu/tz.nsf/i/zivotni_podminky_ceskych_domacnosti_20130626

In-work poverty manifests itself by **low wages as well as inadequate or poor-quality working conditions**, such as non-compliance with occupational safety standards, limitations of the social protection system or difficult access to health care for employees. Another factor is low-security employment – **the share of working poor is double among employees with definite-period employment compared to employees with indefinite-period employment.**⁹⁴ People with low education are most at risk of poverty. In the Czech Republic, there are only 2% of working poor with tertiary education compared to 41% of workers with primary education being at risk of poverty.

A certain part of the unemployed, in particular the long-term unemployed, may find a situation where the minimum wage does not guarantee an adequate income (with regard to the risk of poverty) demotivating in terms of its impact on their efforts to seek employment.⁹⁵

Benefits systems

Complementary to employment policy, **benefits systems** constitute other elements of social protection in those fields of poverty and social exclusion which for various reasons cannot be addressed or completely resolved by labour market integration. Low-income persons and households in the Czech Republic are supported through social benefits paid from insurance and non-insurance systems. **The system of state social support improves** the financial situation of families with children and helps to reduce the economic risk of parenting.

The main system explicitly aimed at those who are poor and at risk of social exclusion is the **system of assistance in material need**, providing the benefits and basic social counselling in situations where a person or family lacks sufficient income and their overall social and financial situation does not allow them to meet the basic necessities of life at a level acceptable for the society.⁹⁶

When **assessing material need**, the living minimum plays crucial role, also as a **social and protective variable.**⁹⁷ In the Czech Republic, living and subsistence minimum are legislatively regulated by Act No. 110/2006 Coll., on living and subsistence minimum levels, as amended. The living minimum is defined as the minimum level of financial income to provide for

⁹⁴ Holý, Dalibor: *The problem of in-work poverty in the Czech Republic is deteriorating*. In *Statistics and us 2013:3*, p. 38.

⁹⁵ It is important to realize that the people who get precarious jobs expect that the difference between the wages and social benefits will also compensate to some extent the higher expected risk of losing the job and the resulting temporary income insecurity due to the delay until they arrange unemployment or other social benefits.

⁹⁶ Living allowance and housing supplement are paid repeatedly, while immediate emergency assistance helps to address one-off life situations. Social work is an integral part of assistance in material need.

⁹⁷ In addition to Act No. 111/2006 Coll., on assistance in material need, as amended, living and subsistence minimums are also used in Act No. 117/1995 Coll., on state social support, as amended, **in determining the entitlement to the benefits that provide targeted assistance to families with children in specified social situations** (especially in the case of child and maternity benefits).

subsistence and other basic personal needs. The subsistence minimum is defined as the minimum level of income to permit survival. Necessary housing costs are not included. The Government may increase the amounts of living and subsistence minimums by a Government regulation if the consumer price index increases by at least 5%.

Tab. 3 Living minimum from 1 January 2012 (CZK per month)⁹⁸:

for individuals	3,410
for the first person in the household	3,140
for the second and other person in the household who is not a dependent child	2,830
for a dependent child aged:	
under 6 years	1,740
6–15 years	2,140
15–26 years (dependent)	2,450
Subsistence minimum	2,200

Adequate income support also includes help to persons to gain access to it. In addition to the above, the cultivation of the system of assistance in material need, which addresses the individual circumstances of people who, for various reasons, cannot provide for their basic needs without help of the society, also aims to **emphasize the importance of social work** with clients in material need in the prevention of adverse social situations. Trouble-free system administration is also important.

In connection with the deteriorating economic situation due to the global economic crisis, with changes in non-insurance benefits systems implemented under the 2011 welfare reform (e.g. the abolition of social allowance under the system of state social support), with the high number of job seekers without entitlement to unemployment benefits, with the overall income situation of households (especially in combination with the growth of housing costs) as well as the above increasing amounts of living and subsistence minimum, the risk of poverty and material deprivation has slightly increased. Also, **the number of**

⁹⁸ The living minimum is the sum of all the subsistence minimum amounts of each household member.

beneficiaries of assistance in material need has significantly increased (for example, in September 2012 the living allowance was paid to 110 thousand beneficiaries while in September 2013 there were 143.9 thousand beneficiaries). **The share of people living in absolute poverty⁹⁹ indicated by the number of living allowance beneficiaries between the years 2008 – 2011 has almost doubled; in 42% of the cases the beneficiaries were households with children.** Also, 13.8% of households being living allowance beneficiaries were roofless, which is an alarming number, if we take into consideration that these are people registered in the social protection system, while many people living "rough" are not. In addition, 3% of these households consisted of households with dependent children.

The share of assistance in material need to total social income of households has also increased. From the first to the third quarter of 2013, they represented 2.2% of these incomes, while total use reached CZK 7.7 billion .¹⁰⁰ The amount of housing supplement paid reached CZK 2.0 billion (26.0% of the total assistance in material need), i.e. 51.1% more than in the first to third quarter of 2012. Payments of **extraordinary immediate assistance** (the last of the benefits under this system) also increased compared to the same period. In the first to third quarter of 2013, they reached CZK 191.1 million i.e. a year-on-year increase by 51.1% (by CZK 64.6 billion). The failure to use social benefits by eligible applicants may also impact the risk of poverty; available data indicate a significant proportion of people not using the benefits to which they are entitled. **The number of people that have not used their entitlement to benefits in material need constituted the bulk of all categories of persons with incomes up to living minimum, which, at the same time, are categories at increased risk of poverty.¹⁰¹**

Over-indebtedness

Over-indebtedness constitutes a significant barrier to access resources such as standard or non-segregated housing or high-quality and legal employment. Similarly, high rates of unemployment, poverty and social exclusion cause **over-indebtedness of the population** who often find themselves in intractable social and personal situations. Statistics show that the indebtedness of the population grows proportionally with decreasing education and social status. A survey commissioned by the Ministry of Finance in 2010 shows that financial literacy of the Czech population is very low.

⁹⁹ We use the term "absolute poverty" because the income of these households is below the statutory living or subsistence minimum, and level of income recognized by the society as insufficient is compensated by benefits in material need, i.e. living allowance or housing supplement whose purpose is to provide basic household needs.

¹⁰⁰ In comparison with the amount of funds provided in this form in the first to third quarter of 2012, the payment of benefits in material need significantly increased (by 38.7%, or CZK 2.2 billion) .

¹⁰¹ Sirovátka T. eds. *Income poverty and material deprivation in the Czech Republic according to EU indicators - development as a result of the crisis, fiscal consolidation and social reform*. Prague: RILSA, 2012.

The consequences of over-indebtedness are terrible – for people with clean criminal record they often mean **high social risk**, loss of family, home, mental stress and in some cases may even lead to the breach of law and committing the first criminal offence. For previously convicted persons, these risks are much higher. Repeated committing of criminal offences is reflected in the high number of incarcerated persons whose perspective to reintegrate into society is very low. The aforementioned situation is also problematic for the state, which is burdened with high cost of the social system as a result of problems associated with over-indebtedness.

Under current legislation, the only legitimate instrument to relieve debt is **debt relief** under the Insolvency Act. Under the "review amendment", which came into effect from 1 January 2014, this tool underwent several changes to reflect the detected shortcomings of the Insolvency Act in relation to the assessment of the current practice. In 2014, the Ministry of Justice will thoroughly evaluate the existing debt relief, including the changes made. Subsequently, the need for any further changes in debt relief or introducing other relevant measures etc. will be considered.

Risks and barriers:

- 1. Increasing the number of persons in material need**, increasing the pressure on people who have for a long time been dependent on benefits which constitute their only source of income. The negative consequences of the economic crisis and the effects of the 2012 social reform measures (benefits systems increased the selectivity in providing benefits, there has been a narrowing of beneficiaries and tighter conditions for entitlement);
- 2. Continuation of the policy of fiscal consolidation, including savings in expenditures on active employment policies and the implementation of austerity measures in non-insurance benefits systems** (including pension adjustment scheme);
- 3. Relatively low** (although the minimum wage in the Czech Republic is among the highest in the "new" EU member states), **and thus discouraging, level of the minimum wage** (even having regard to the optimal settings from the employers' perspective) **in relation to the cost of living;**
- 4. The high level of household indebtedness**, which significantly weakens the motivation of a part of the unemployed / inactive persons to seek formal employment;
- 5. Low financial literacy** and legal awareness of citizens;
- 6. Insufficient enforcement of consumer rights. The value of the dispute is often low and consumers do not enforce their rights in courts.** Court proceedings are lengthy and initial costs are high. The biggest problem with enforcement of consumer rights lies at the level of "petty disputes" where the amount of the dispute does not exceed CZK 10,000.

Objective: Ensure adequate income and prevent loss of income for people who are socially excluded or at risk of social exclusion

Measures:

3.7.a Accompany **fiscal consolidation policies by appropriate pro-growth measures and by strengthening** employment, which will provide appropriate support to vulnerable groups, their participation in the labour market and the creation of available resources sufficient for passive social protection;

Coordinator: MLSA, MIT, Ministry of Finance (MF)

Deadline: ongoing

3.7.b **Raise awareness of the possibilities and limits of assistance available from social benefits** systems;

Coordinator: MLSA, Labour Office

Deadline: ongoing

3.7.c **Improve information on the benefits paid and their beneficiaries so that they can be used to early identify concentration of social problems and to formulate proposals for action and carry out impact** assessments;

Coordinator: MLSA, Labour Office

Deadline: ongoing

3.7.d **Maintain and cultivate the system of state social support** and increase the availability of child care services in line with the strategic objectives in the field of employment;

Coordinator: MLSA

Deadline: ongoing

3.7.e Try to find ways to enhance, in the provision of benefits, the effects of **motivational elements** and contribute to the integration into the labour market;

Coordinator: MLSA, Labour Office

Deadline: ongoing

3.7.f Promote **participation of job seekers** in activities aimed at increasing **financial literacy**;

Coordinator: Labour Office

Deadline: ongoing

3.7.g Support for a system of **financial education** – primary and secondary school pupils, teachers, professionals, general public;

Coordinator: Ministry of Education, Youth and Sports

Deadline: Ongoing

3.7.h **Prepare an analysis of the current system of the "free legal aid"** in relation to persons who are in a difficult social situation and propose a correction for the identified deficiencies;

Coordinator: MJ, MLSA

Deadline: By the end of 2016

3.7.ch Evaluate and analyse the changes in the new legislation concerning **consumer protection** after 1 January 2014, debt relief after 1 January 2014, and debt recovery after 1 January 2013 evaluate their efficiency and propose measures to eliminate the identified deficiencies or to make the measures already in place more efficient;

Coordinator: MJ

Deadline: By the end of 2014

3.7.i **Implement the Directive 2013/11/EU on alternative dispute resolution for consumer disputes**, which envisions that Member States will incorporate into their national legislations non-judicial mechanisms for resolving consumer disputes, which will be cheap or free for the consumer;

Coordinator: MIT

Deadline: By the end of 2014

3.7.j Consistently focus on the detection, screening and investigation of criminal offences in the field **of usury**;

Coordinator: MI

Deadline: Ongoing

3.7.k Develop and support **material assistance** programmes for people who are socially excluded or at risk of social exclusion;

Coordinator: MLSA

Deadline: Ongoing

3.7.l Support **counselling and legal activities to address indebtedness, including free legal advice** at the local level;

Coordinator: MLSA, MJ

Deadline: Ongoing

3.7.m Support **training programmes for workers** working with socially excluded and indebted persons.

Coordinator: Labour Office

Deadline: Ongoing

3. 8 Support for other inclusive public services

Crime prevention¹⁰²

Effective crime prevention is a key factor in promoting sustainable development. Reducing crime and increasing safety improves business conditions and employment, allowing targeting resources in socio-economic development rather than crime control.

From the ethical, financial and practical perspective **it is not desirable or feasible to respond to crime only by deterrence or judicial resources**. It is especially **social prevention programmes** that promote social inclusion of marginalized groups and facilitate their reintegration. **Some programmes help victims or other vulnerable groups, which is another aspect of social inclusion**.

In the Czech Republic, crime prevention is organized at three levels¹⁰³:

- At the inter-ministerial level – cooperation between the ministries is based on creating Government prevention policy and also **coordination of, and initiating new, preventive activities of individual ministries** represented in the State Committee on Crime Prevention. Situational crime prevention falls under the responsibility of the Advisory Board for Situational Crime Prevention.
- At the ministerial level – preventive programmes are based within the competence of individual ministries, supplement their ongoing activities by **crime prevention programmes**, and have influence on the formation of relevant legislation through new elements and approaches.
- At the local level – involvement of public authorities, the Police, NGOs and other institutions having activities at municipal level. The system of crime prevention at the local level is based on the optimal distribution of competence in the areas of **social and situational prevention with regard to the local situation, needs and possibilities**.

The key strategic document in this area is *the Strategy of crime prevention in the Czech Republic for the years 2012–2015*. According to the Ministry of the Interior, **the most effective crime prevention programmes in terms of efficiency are those at the local level**. These include a system of methodological, conceptual and financial support from the central state and local authorities and a system of support for the development of crime prevention programmes in regions, cities and municipalities burdened by high rates of crime and other crime-related phenomena. These programmes are based on the **cooperation of the state and local authorities, police and NGOs**. The scope of each programme is conditional upon the local situation in terms of the development of socio-pathological phenomena, the needs,

¹⁰² Strategy for Crime Prevention in the Czech Republic for the years 2012–2015; Prague: MI, 2011 p. 24

¹⁰³ <http://www.mvcr.cz/clanek/web-o-nas-prevence-prevence-kriminality.aspx?q=Y2hudW09NA%3d%3d>

interests and abilities of people, and available funds. The implementation of crime prevention programmes fall under the responsibility of municipal councils.

One of the main priorities of crime prevention in the coming years includes the implementation of "Úsvit" (*Dawn*), a crime and extremism prevention programme which is aimed at improving public order and security in socially excluded localities and which combines proven and successful preventive measures, such as crime prevention assistants, caretaker of the third millennium, Roma mentor, prevention of indebtedness and increasing financial literacy, education of municipal police officers and State police officers in the performance of service in socially excluded localities and ethnically diverse communities, technical measures to increase the safety of people living in socially excluded localities, surveys on the perception of safety, and many others.

A higher degree of cooperation between the Police of the Czech Republic, especially local bodies and territorial departments or specialists from the Unit for the Detection of Organized Crime (see *Strategy to combat social exclusion for the period 2011–2015*), including the Agency for Social Inclusion of the Office of the Government.

Persons released from prison

One of the basic conditions for integration of a person into society **after being released from prison** is to arrange housing, resolve indebtedness, addictions and **find employment**, i.e. ensure legal income to meet basic needs. In doing so, low skills and motivation, indebtedness, prejudice of the society or requiring a clean criminal record present are among the obstacles to finding a job. The prevention of these problems is addressed through **"treatment programmes"¹⁰⁴ in which the prisoners already participate while in prison.** These treatment programmes are individually prepared after commencing the sentence on the basis of educational, psychological and social characteristics of each prisoner. It aims, *inter alia*, to prepare the convict for independent life after returning from prison.

In addition to the treatment programmes implemented while in prison, **"halfway houses"** represent another important tool. These facilities provide social services, legal and psychological counselling, counselling related to managing debts and addictions, to finding a job, housing, etc. to persons released early from prison under the supervision of the Probation and Mediation Service of the Czech Republic.

Persons released from prison can also take advantage **of social entrepreneurship¹⁰⁵**. Social entrepreneurship programmes focus on increasing the competencies of convicts and other vulnerable groups in finding job opportunities through a temporary job in a social enterprise and the gradual acquisition of working habits, and possibly also through continuous work before and after release.

¹⁰⁴ <http://www.vscr.cz/veznice-pankrac-26/o-nas-1615/vykon-vezenstvi-652/programy-zachazeni-5752>

¹⁰⁵ In the Czech Republic, entities specialising in working with people released from prison and in finding employment for these people include e.g. "Projekt Šance" or "RUBIKON Centrum".

In relation to the situation of persons released from prison, the document entitled **Concept of the Development of the Czech Prison System until 2015**¹⁰⁶ defines the following objectives:

- update and adapt programmes according to individual areas (work, special educational and leisure activities, and the development of external relations) so that they logically follow up on the system of risk and needs assessment;
- expand the existing structure of programmes by adding a group of standardized programs focused on eliminating specific risks associated with the commission of certain types of crime (e.g. the prevention of xenophobia, national or ethnic intolerance, programme on the issue of domestic violence), as well as other programmes such as those focused on the first days after release, etc.;
- together with the Probation and Mediation Service of the Czech Republic, create standardized programmes covering the period before and after release from prison.

Inclusive services for people who are addicted or at risk of addiction

Substance abuse, pathological gambling and other addictions are one of the factors which are directly involved in the social exclusion of individuals or entire specific groups affected by complex living situations. The social context of drug use includes low education, unemployment, relationship and family problems, poor and unstable housing or even homelessness, etc. These problems often occur simultaneously and can lead to social exclusion. They increasingly manifest in certain population groups, such as ethnic and national minorities, the homeless, migrants or immigrants¹⁰⁷. Services intended for a target group of people who are addicted or at risk of addiction specifically help to eliminate such social exclusion; however, their approach is **comprehensive** and also focuses **on the protection of public health or on minimizing the risks** associated with substance use.

The key strategic document in this area is the *National Drug Policy Strategy for the period 2010–2018*. It is a key strategic inter-ministerial document of the Government expressing its programme objectives and procedures to address the issue of drug use and substance addiction in society. It builds on the principles of balance and decision-making based on verified facts. It was approved by Government Resolution No. 340 of 10 May 2010, and it is consistent with the valid EU Drugs Strategy. This strategy is built on four pillars (reducing the availability of drugs, primary prevention, treatment and social inclusion, risk reduction). The Treatment and social inclusion pillar is further developed through other objectives:

¹⁰⁶ http://www.vscr.cz/client_data/1/user_files/19/file/PDF/koncepce_do%20roku_2015.pdf

¹⁰⁷ Annual report on the state of the drugs problem in the Czech Republic, 2011

Objective IV. Reduce the potential risks of using of all types of drugs and the economic, health and social impacts of drug use on individuals and society;

Goal V. Improve the quality of life for users of all types of drugs, their parents and close persons by providing high-quality services.

Tasks, pillars and objectives are described in more detail in the three-year Action plans, which are regularly evaluated and whose evaluation is approved by the Government.

Volunteer service

Volunteer service is **an important tool for effective assistance to all groups of socially excluded people** in the form of flexible volunteer projects. An important prerequisite for effective assistance is the preparation and qualified coordination of volunteers in accordance with the type of the volunteer service they perform. Another goal is to support persons who are disadvantaged or at risk of being socially disadvantaged **by involving them in volunteering**; however, this may happen exclusively of their own volition and without external financial support. Volunteer activities will contribute to obtaining, maintaining and developing their social and work skills.

Social innovation

Social innovations, i.e. innovations which are social in terms of their purpose and means of achieving them, represent in their current concept **"new solutions and, compared to available alternatives, better solutions** (i.e. more effective, more efficient, more sustainable, fairer) **that meet pressing social needs, while also creating new social relations or cooperation.** Social innovations can include new products, processes, services, organizational arrangements, technologies, ideas, regulations, institutional forms, functions and roles, social movements and other forms of addressing social needs.¹⁰⁸ An example may be the introduction of "housing with support" of social work or engaging people with the experience of homelessness (peers) in addressing the adverse situation of a person or family associated with housing.

At the beginning of May 2013, the Ministry of Labour and Social Affairs announced a new call entitled *Social Innovation*¹⁰⁹ under the *Operational Programme Human Resources and Employment*. The call aims to promote social innovation for the integration of target groups into society and the labour market. Emphasis is placed on creating innovative tools to ensure multi-source funding of social services.

¹⁰⁸ Kadeřábková, Saman: *Guide for the development and implementation of innovative projects*. Prague: MLSA, 2012 p. 4

¹⁰⁹ Available at [<http://www.esfcr.cz/vyzva-b7>]

Obstacles and risks

1. **System fragmentation of measure** at individual levels of public administration and other actors, different legislative and conceptual approach to services;
2. **Unsystematically set tools for the prevention of socially pathological phenomena related to youth crime** – absence of tools to identify systemic and policy needs of the regions and localities, such as, e.g. teams for children and youth, system of early intervention, probation programmes to promote integration of juvenile offenders;
3. **High administrative burden, low level of application of modern methods of social work** in services directly or indirectly aimed at the target group of people that are addicted or at risk of addiction, and the resulting lower efficiency with regard to the issue of social exclusion, **lack of interconnection with other social services and activities.**

Objective: Support for other inclusive services (outside the social services sector): An integrated system of high-quality and accessible services for people that are addicted or at risk of addiction built on a stable system of funding; ensuring the interconnection between those services and other inclusive services and institutions; application of modern methods of social work, means tests, quality assurance, administration and management.

Measures:

3.8.a Provide support for organizational changes leading to an integrated system of services;

Coordinator: Office of the Government in direct cooperation with the MLSA

Deadline: Ongoing

3.8.b Provide support for the application of modern methods of financing, means tests and quality assurance, availability and interconnection as system measures at all levels;

Coordinator: Office of the Government in direct cooperation with the MLSA

Deadline: From 2014

3.8.c Ensure support for the application of modern methods of social work with clients such as case/care management, the introduction of alternative or innovative methods of social and therapeutic work with clients such as those aiming to compensate for the lack of social skills, self-management, maintain family ties during the treatment of an individual;

Coordinator: MLSA

Deadline: From 2014

3.8.d Ensure **support for the introduction of methods of social work with this target group into services that are not primarily focused on the issue of addiction**, e.g. shelters;

Coordinator: MLSA

Deadline: By 2015

3.8.e Support **networking and ensure cooperation with follow-up services and institutions** at the local level;

Coordinator: MLSA in cooperation with the Office of the Government and MI

Deadline: Ongoing

3.8.f **Ensure support for services for people who are addicted or at risk of addiction;**

Coordinator: Office of the Government in direct cooperation with the MLSA and MH

Deadline: Ongoing

3.8.g **Ensure support for inclusive services for people released from prison;**

Coordinator: MJ (Probation and Mediation Service) in collaboration with the MLSA, MI, MH and the Office of the Government

Deadline: Ongoing

3.8.h Provide support for **crime prevention services** and risk phenomena;

Coordinator: MI

Deadline: Ongoing

4 APPLICATION OF BASIC PRINCIPLES

4.1 Equal opportunities

Promoting and supporting social inclusion, or preventing or reducing social exclusion of various vulnerable groups of people plays an irreplaceable role in the modern approach to solving the problems of these groups.

Right to equal treatment

The general objectives of social inclusion also include **ensuring equal access to all resources, rights, goods and services. The principle of equal treatment, or equalization of opportunities and non-discrimination** must be integral to social inclusion, which leads to improved conditions for active participation of the persons concerned and their integration into society.

The right to equal treatment and protection against discrimination must be conceptually considered as a **fundamental human right** which is inherent, inalienable, imprescriptible and irrevocable, and which is provided statutory protection. At the same time, ensuring equal opportunities must also be integral to ensuring the right to equal treatment. For this purpose, it may sometimes be necessary to provide a different approach for a particular group, as the group can be in a different situation and encounter specific obstacles in the access to its rights. Different treatment will be aimed at ensuring equal access to all resources, rights, goods and services for these groups. The form of this differential treatment is such that it only serves to ensure equal access; the results of this differential treatment will be carefully monitored and the differential treatment will last only for the duration of the disadvantage of that group in terms of its access to those goods.

Application of the principle of equal rights means that the **needs of every individual are of equal importance**, that **respect for the diversity of individuals must be the basis for the planning of the society** and that all available resources should be utilized so as to ensure that each individual receives an equal share in the improvements in living conditions resulting from economic and social development.

The process of making available various areas of the society and economic systems (e.g. employment, social protection, services and information) on the basis of equal and equally valid conditions has been termed "**equalization of opportunities**".

Discrimination

By its very nature, **discrimination** constitutes any act or omission, regardless of its particular form, which means differentiation (discrimination), exclusion, restriction or preference, and the result or purpose of such a differentiation is violation, withdrawal of recognition of equality or application of inequality.

Expressions of discrimination is characterized by such elements as disrespect for human rights, general lack of information, lack of legal knowledge, prejudices and tendencies to silently tolerate these expressions. Having regard to the social context, the main causes of discrimination can be seen in three areas:

- situation and circumstances in the society related to **adverse economic developments** in recent years, **limited conditions for the functioning of civil society**, etc.,
- **lack of preparedness of individuals to live in an open society** (passivity, intolerance, prejudice, lack of good practice supported and disseminated in communities, etc.)
- inadequate or problematic activities **of the media**.

Employment and the labour market represent the areas of life where acts of discrimination occur most frequently in the Czech Republic. All socially weaker groups are at risk at the labour market. **Prejudices** are often a source of discrimination in the labour market. Discrimination in employment usually takes on a **hidden form**, which is difficult to detect and prove, and which benefits from the lack of knowledge of rights on the part of employers as well as the victims.

Effective **defence against acts of discrimination** is difficult. Theoretically it is possible, as legal and institutional preconditions are in place; however, in practice, victims of discrimination can enforce their rights very rarely and with great effort. In doing so, they are prevented by the following obstacles:

- **complexity of legislation**, the ambiguity of its interpretation,
- **lengthy** process of presenting evidence or court proceedings,
- **hidden** forms of discrimination are difficult to prove,
- **indifference** of the society and people concerned to cases of discrimination and
- **low self-confidence, lack of information, inexperience**, resignation, fear **of discrimination victims**.

Victims of discrimination can more easily enforce their rights if they have **backing of any civic association or another NGOs**, which may help them in defending their rights, if the discrimination of the particular group of people is frequently published in the media.

Another important tool for an effective fight against discrimination is the support for the integration of groups that are socially excluded or at risk of social exclusion. There is no doubt that **one of the key elements affecting the provision of equal opportunities for all persons is employment and occupation** (job opportunity), which also contribute to the full involvement of these persons in the economic, cultural and social life, and to their personal development. **However, some specific needs and living conditions of these people require that situations where the difference in treatment is deemed lawful be regulated.** These are "positive measures", i.e. differential treatment in order to eliminate the effects of discrimination, prevent or compensate for disadvantages (as regards exemptions in order to achieve effective protection against discrimination, i.e. true equality). Legislation can regulate special conditions of positive measures in different areas of their applicability.

Objective: Equal access to society resources for persons who are socially excluded or at risk of social exclusion

Measures:

4.1.a Application of the principle **of equal access to all resources, rights, goods and services** in all policies relating to people who are socially excluded or at risk of social exclusion (distinguishing whether or not a person is at fault, of the degree of fault, for purposes of providing support is to be rejected as unlawful);

Coordinator: Office of the Government and all the ministries in proposing measures under the above policies

Deadline: Ongoing

4. 2 Promoting social inclusion at local level

Social differences in the population increase in the Czech, which leads to the forming of socially disadvantaged and excluded groups. Due to the economic recession, this group of the population in recent years has grown or its presence is higher, particularly in regions with long-term serious socio-economic problems (unemployment, number of benefits paid, negative migration balance, low level of the economy).¹¹⁰ Too large social differences in the society are linked not only to inefficient allocation of available human resources, but also to the fragility of the internal territorial integrity. Failure to address the issues related to social exclusion stimulates voluntary separation processes of the wealthier part of the population

¹¹⁰ The factors that contribute to the quality of life of the inhabitants of different regions in the Czech Republic include the availability of basic services and employment opportunities, infrastructure facilities, accessibility, as well as environmental conditions and social cohesion in the community.

and involuntary segregation processes of the poorer part of the population. As a result, the **regional disparities increase**, both at regional and local level. This creates **socially troubled regions and socially troubled localities** characterized by long-term unemployment, over-indebtedness, low education and skills of its inhabitants, accompanied by poor health of the population and increased crime levels.¹¹¹ Their presence is higher in economically troubled regions; however, socially excluded localities in regions with good socio-economic indicators have also been identified.

A 2006 analysis conducted by GAC spol. s r.o. for MLSA identified over three hundred **socially excluded localities** in 167 municipalities.¹¹² The dynamics of social and spatial exclusion is evident, for example given that 90% of surveyed localities have either originated or have been substantially strengthened through migration in the last 15 years. In 80% of these localities an absolute majority of the Roma population was estimated; the Roma population exceeded 90% in more than 40% of the localities. Most of the socially excluded localities are integrated into the surrounding development; only less than a quarter of these localities are spatially excluded. People living in these localities are mostly unemployed, often having low levels of education and no or minimal qualifications. These localities are characteristic for a greater occurrence of risk phenomena, lack of social skills and impaired health status of the population. According to qualified estimates, the number of these localities has continued to grow since 2006.¹¹³

In some regions and municipalities the escalation of social tensions is already evident; these tensions focus on socially excluded persons or persons living in poverty, especially the Roma. **Socially excluded Roma in the Czech Republic are currently estimated at 80 to 100 thousand, which represents about a third of the total number of Roma living in the Czech Republic.**¹¹⁴ However, the phenomenon of social exclusion in the Czech society is narrowed down to socially excluded localities, and the poverty and social exclusion is seen as a result of collectively shared ethnic characteristics of the Roma. The public, media and many political representatives refer to the Roma as socially inadapted, and as those who abuse the welfare system and refuse to integrate into society.¹¹⁵ The Czech society attributes the cause of, and responsibility for, social exclusion, creation and existence of excluded localities mainly to the Roma. However, social inclusion policies of the Czech Republic are not based

¹¹¹ *Partnership Agreement*, Ministry of Regional Development, October 2013, p. 66.

¹¹² GAC spol. s r.o.: *"Analysis of socially excluded Roma localities and communities and the absorption capacity of entities active in this field"*. Prague 2006.

¹¹³ In the mid-2013, the MLSA announced a tender for the preparation of a current analysis of socially excluded localities. The growing number of localities is evident from a regionally focused analysis of socially excluded localities or *the Report on the Status of the Roma Minority (2012)*.

¹¹⁴ Exact data are not available. For more information see Deloitte: *"Economic aspects of the existence of socially excluded communities"* Prague: 2008.

¹¹⁵ According to a survey conducted by STEM, about two-thirds to three-quarters of the population of the Czech Republic show slightly or completely negative attitude to Roma (the "anti-gypsy tendencies"), and this share has been stable for a long time. See the surveys *Trends 2006/4* (1,690 respondents) or Public opinion research center – Relationship to other nationalities I. (2007 – 1,119 respondents).

on ethnic principles, i.e. they do not address the problems of the Roma as an ethnic minority, but as those of socially excluded groups, including the socially excluded Roma. The problems associated with social exclusion are therefore not seen as a problem of Roma ethnicity (they do not have ethnic basis), but as a result of historical development and life in excluded localities, and as a result of the intergenerational transmission of poverty, low education, isolation, etc.¹¹⁶

Local actors and coordination of social inclusion at local level

To promote its interests and fulfil its commitments, the state uses a variety of tools, some of which are imposed on other public entities such as especially municipalities and regions. It is especially municipalities which are key actors due to the fact that they are the coordinators of entities operating in different areas (social services, housing, etc.), property owners and spatial planning authorities, providers of, and supervisors over, the distribution of grants to non-profit organizations, etc. Currently, Act on Municipalities (Section 35(2) of Act No. 128/2000 Coll., on municipalities, as amended) stipulates that **within their territory, municipalities are responsible for "creating the conditions for the development of social care and meeting the needs of their citizens in accordance with local conditions and practices.** This primarily regards the meeting of the needs of housing, protection and development of health, transport and communications, the need for information, education and training, overall cultural development and the protection of public order." Current legislative definition is formulated in general and does not impose specific obligations on municipalities concerning the manner in which they have to act in meeting the needs of their citizens. This situation has reflected in the municipalities having very different approaches to this issue. In meeting the needs of their citizens most at risk of social exclusion, the municipalities often fail to fulfil their role with reference to their economic limitations.

The outlined general competence to create conditions for the development of social care is further complemented by Act No. 108/2006 Coll., **on social services**, as amended. In terms of their autonomous competence, regions have been imposed with the duty to prepare a medium-term plan for the development of social services, also in cooperation with municipalities in the territory of the region [Section 95(d)].¹¹⁷ For municipalities, the preparation of a medium-term plan is only optional [Section 94 (d)]. **Municipal authorities of municipalities with extended competence coordinate in their administrative area the provision of social services and carries out social work activities intended to address difficult social situation and social integration of persons; in doing so, they cooperate with the regional branches of the Labour Office and with the Regional Office** [Section 92(d)] of above Social Services Act. Exercising delegated competence of municipalities also includes **social and legal protection of children.**

¹¹⁶ Gabal, I., Víšek, P. *Basis for the strategy to combat social exclusion*. Prague: 2009. Also see Deloitte: *"Economic aspects of the existence of socially excluded communities"*. Prague: 2008.

¹¹⁷ In 2014, funding of social services will be transferred to regions.

As part of the above coordination, municipalities should engage both social services providers (mostly NGOs) as well as relevant departments of the city, the Labour Office of the Czech Republic, schools and educational facilities, and the police (city and state); it is appropriate to also engage important employers, Probation and Mediation Service and other local actors.¹¹⁸ However, there are large regional differences in the level of support and therefore in the extent and quality of social work, which is dependent on local conditions and the approach of the municipalities' leadership to creating conditions for social work. The practice of mutual **interconnection and functional local interaction of local** actors is only regulated on the basis of recommendations, e.g. *Recommended Practice No 1/2012 on the implementation of activities of social work in type II. and type III municipal authorities, military district authorities and regional authorities*. The above Recommended Practice partially clarified the issue of cooperation between municipalities and the Labour Office of the Czech Republic; however, it is only at the discretion of individual workers how much they will take advantage of this cooperation. Likewise, given the factual **understaffing** (or inefficient use of the recommended employment relationships) of social workers in municipalities, workers of authorities for social and legal protection of children and the Labour Office of the Czech Republic, their ability to address difficult social situations of the clients is limited. As a result, social workers of these authorities do not have the capacity to carry out field surveys and communicate with local social service providers. As a result, the primary purpose of social work is lost, i.e. work with the clients in their natural environment, as well as the potential to motivate the clients to good cooperation.

Objective: Active access of local actors to preventing and addressing social exclusion

Measures:

- 4.2.a** Provide appropriate **support to regions to create socially inclusive policies** – methodological, personal and financial. Measures in promoting social inclusion must be focused on **those areas of the Czech Republic which face significant risks of increased unemployment, lack of social services, high concentrations of groups at risk of poverty and other phenomena which constitute environment of social exclusion**, as well as on places where there is a need to further develop the existing infrastructure of social services in order to increase competitiveness and social status of the population;¹¹⁹

¹¹⁸ Šimáček M. *Social inclusion in municipalities*. Prague, December 2012 Available at [www.skolainiciativy.cz]. The "Public school initiative" educational programme was established as part of the "System of further education in the field of active citizenship" project, co-financed by the European Social Fund and the state budget of the Czech Republic under the Operational Programme Education for Competitiveness.

¹¹⁹ "The framework of integration programmes must be based on a comprehensive plan for the development of those structurally underdeveloped regions whose administration saw the largest concentration of socially excluded localities with regard to the structurally obsolete condition of the housing stock, infrastructure, long-term degraded quality of life, environment, public health, quality of health care, quality and accessibility of education, but also the quality and transparency of public

Coordinator: MLSA, MRD, ME, MIT, MI

Deadline: 2014–2020

4.2.b Encourage cooperation between social workers of social services, services for families, children and youth, social workers of municipalities, social and legal protection of children, the Labour Office of the Czech Republic, Probation and Mediation Service, educational and other institutions in order to ensure prevention and comprehensive solution to the adverse social situation of persons;

Coordinator: MLSA, Labour Office, MH, MI, MEYS, ME, municipalities, in cooperation with the MRD

Deadline: Ongoing

4.2.c Support **specific programmes and projects addressing the escalation of** social tensions at the local level.

Coordinator: MLSA, ASI, MI, MRD, MIT, MJ and other ministries

Deadline: Ongoing

4. 3 Strengthening social cohesion

Social exclusion always affects the entire society; one of its negative features is the adverse erosion of **social cohesion**. Social cohesion refers to the status of shared identity, loyalty and solidarity in society. It expresses the society's ability to provide for good and suitable living conditions for all its members.¹²⁰ Cohesion is not a simple product of civic, spatial or territorial belonging, but rather that of participation in the socio-economic dynamics and governance.¹²¹

The concept of social cohesion includes:

- the aspect of **social harmony** (low level of social conflicts in society, low level of social exclusion)
- the aspect of **reciprocity and solidarity** (collaboration, participation in resources)
- the principle of **balance in society** (a dignified life for all, equality of opportunities to have access to resources)
- the aspect of **trust** (the social climate).¹²²

administration, law enforcement, promotion of the rule of law, incidence of corruption and cronyism, above-average crime rates, property manipulation, and low level of protection of citizens' rights." In Gabal I., Čada, K., Snopek, J.: "The key to strengthening the municipal integration policy." Prague 2008.

¹²⁰ Council of Europe: "New Strategy for Social Cohesion", 2001.

¹²¹ Long-term vision of the Ministry of Labour and Social Affairs for Social Inclusion. MLSA, May 2012

¹²² Prudký, L. *Experts on the issue of mechanisms for the development of social cohesion in our society*. Prague: UK FSV CESES, 2005, ISSN: 1801-1519, pp. 21–22.

The Treaty establishing the European Community considers **the "economic and social cohesion"** as essential for the "harmonious development of the Community as a whole", reducing "disparities between the level of development of the various regions", i.e. reducing "the backwardness of the least favoured regions or islands, including rural areas"(Article 158 of the Treaty). The objectives and principles of economic, social and territorial cohesion are being pursued in practice through the European Structural and Investment Funds (ESIF) and other instruments.

Negative perceptions of socially excluded persons

Social cohesion has a strong link to the **appropriate redistribution of resources**. Just as it is impossible to give everyone the same part of the "common cake" (such an attempt would necessarily reduce the volume of what is being divided), it is also very undesirable to have too high a degree of inequality, which may result in the disruption of social cohesion. At the same time, **the lower the social cohesion, the greater the public (mainly social) costs**. **Social inclusion** therefore has an ambivalent position in the social reproduction process: **on the one hand, it requires considerable public funds, on the other hand, it is a source itself – it is a major source of social and political stability and a precondition for sustainable economic development**¹²³.

A significant part of the Czech society find themselves just above the poverty line (at-risk-of-poverty rate is calculated as the proportion of people living in households with income below 60% of median household income in the Czech Republic; if this limit increased to 70%, in 2012 there would be 16.6% of people living in poverty, which is about 7 percentage points more than in the case of the 60% limit; see chapter 1.2). **Reflection on social problems of people who are at real risk of poverty was limited in past years, which negatively contributed to the spreading of simplifying and populist opinions. People who are faced with a decline in living standards, risk of unemployment or over-indebtedness live out of the generally positively looking numbers of the general poverty and social exclusion indicator**, while the people with higher standards of living (including policy makers) tend to trivialise their life situation.

Despite the fact that some people may be sympathetic to similarly situated groups, others may have strong prejudices against these groups. Groups of people at risk of or living in poverty and social exclusion is faced with the phenomenon of "loss of voice". The above processes result in a situation where the **person who receives social benefits is simply perceived as living at the expense of others, as being detrimental or a burden to the society**. In the Czech Republic, for example, there are opinions saying that the lack of money in public budgets is due to the generous social policy¹²⁴ which, for an unspecified reason, is

¹²³ Potůček, M., *European and national social inclusion strategies – theory and practice. A paper for the conference "Social exclusion and social policy"*. Brno: FSS MU, 26 May 2006, p. 6.

¹²⁴ Direct social transfers are directed to the needy groups of the population. Cf. Chapter "Ensuring decent living conditions."

biased in favour of the Roma. Such claims, though obviously untrue¹²⁵, give **the impression of an existential conflict**, which significantly contributes to the development and maintenance of prejudices and to an increase in social unrest¹²⁶.

Intergenerational solidarity

Social cohesion of a society is also directly affected by the issue of an optimal level of **intergenerational solidarity**, especially with respect to demographic trends towards an **ageing population**. According to the mean demographic projections prepared by the Czech Statistical Office, people aged 65 and over should form 23.9% of the population in 2030, and 32.2% in 2050, which represents approximately 3 million people. The number of the oldest persons will be relatively fastest to increase. According to demographic projections prepared by the Czech Statistical Office¹²⁷, in 2050 there will be more than 612,000 citizens aged 85 and over in the Czech Republic (compared to 168,000 in 2012). Life expectancy at birth in 2050 will be 83.0 years for men and 88.0 for women (compared to 75.0 years for men and 80.9 years for women in 2012).

The current **pay-as-you-go state benefit system based on the principle of intergenerational solidarity (the "first pillar")**, which provides the vast majority of pension incomes with the total expenditure from the system of about 9% of GDP, has so far performed well in terms of preventing the risk of poverty for pensioners.¹²⁸ However, the amount of levies is relatively high and the prevention of poverty is largely carried out through income redistribution, resulting, in the case of a worker who receives half of the average wage, in the net replacement rate of around 90%, while people receiving average wage can expect the replacement rate of only about 60%. Creating a suitable **pension savings system** should, in the long term, contribute to **strengthening the diversification of pensioners' income**. An important prerequisite is a good long-term functioning of the relevant sector of the financial market. Establishing the II. pillar of the pension system should provide the option of voluntary pension savings, which should ensure that an appropriate and financially sustainable income for its members is increased after retiring.¹²⁹

To ensure the functionality of the state pay-as-you-go pension pillar in the future, it has been decided to make parametric changes to this system, the most important being increasing the statutory retirement age, which will greatly moderate the growth in the number of people entitled to old-age pension. Most people in retirement age can be expected in the early fifties, when the number may reach up to 2.8 million people, i.e. about

¹²⁵ see, e.g. Press Release, DG Labour Office *Social benefits are only for the needy*. Prague 31 July 2013. Available at

[http://portal.mpsv.cz/upcr/gr/aktuality/2013/2013_07_31_tz_socialni_davky_jen_potrebnym.pdf]

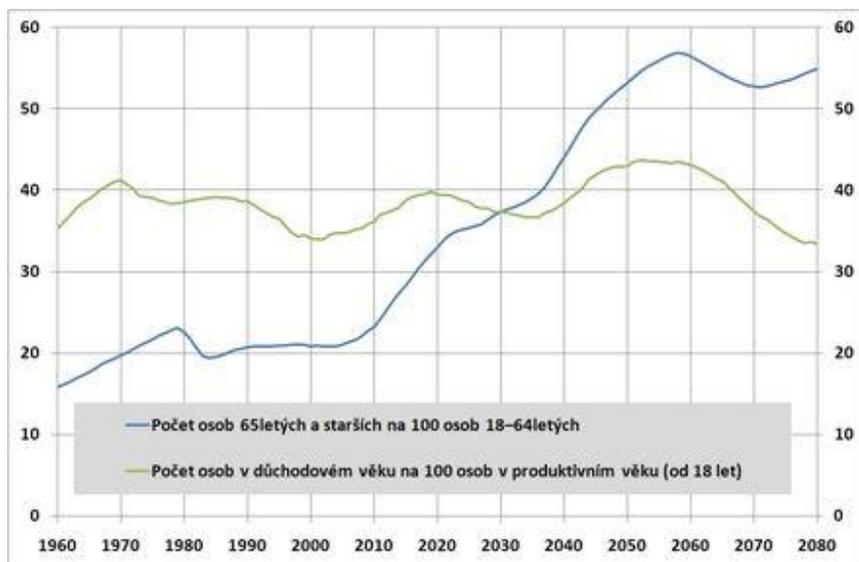
¹²⁶ acc. to Šerek J., *Issue: Anti-gypsy sentiments* In *Nový prostor*, Prague: 2013. ISSN 1213-1911, p. 15. CSO, 2013.

¹²⁸ Source: OECD, *Pensions at a Glance*, 2011. In: *OECD Economic Survey of the Czech Republic*. November 2011.

¹²⁹ *Long-term vision of the Ministry of Labour and Social Affairs for Social Inclusion*. MLSA, May 2012

half a million more than in comparison with 1 January 2013 (2.23 million). However, the following expected losses of these people, mostly during the sixties and seventies, can decrease the number of persons entitled to pension down to 1.6 million¹³⁰.

Chart 4: Number of people of retirement age per 100 persons of working age – comparison of the state after a parametric change and a potential state without the parametric change (fixed retirement age of 65)



blue line – number of people aged 65 and older compared to 100 persons aged 18 - 64

green line – number of people in retirement age compared to 100 people in productive age (18 and more)

Source: RNDr. Tomáš Fiala, MD., Department of Demography FIS, VSE, 2011, using data from Age composition of the population of the Czech Republic, Czech Statistical Office, [<http://www.czso.cz>] and Prognosis of population development in the Czech Republic, the medium variant, RNDr. Boris Burcin, Ph.D., RNDr. Tomáš Kučera, CSc., MLSA, [<http://www.mpsv.cz/cs/8838>].

Due to **the increasing education and improving health of the population**, an increasing number of old-age pensioners **can participate in the labour market even after reaching the retirement age**. If there are sufficient suitable job opportunities for seniors and solutions are found for professions where raising the approved retirement age is not realistic, the future demographic development should not significantly threaten the stability of the pension system. It is important to adapt the employment, pension and other policies and services to the current social and demographic changes. Current findings show that the proportion of

¹³⁰ CSO projection, 2013.

working pensioners increases with the level of education attained. There are also significant regional differences in the involvement of pensioners in work (most in Prague, least in Moravian-Silesian region), which are determined by a number of factors, such as sectoral and occupational structure of employment, level of formal education, the character of the former occupation and the closely related health of the population.¹³¹

A growing number of older people ultimately represents a **potential for social and economic development**. The policy of preparation for ageing must respond to two major challenges: **integrate older persons into economic and social development and create age-inclusive society**. The main principles of the policy of preparation for ageing include an emphasis on human rights, respect for gender aspects of ageing, lifelong approach **to ageing and health (services on the border between social and health areas, incl. long-term care)** or support for **lifelong learning**. Essential focus is placed on family and intergenerational relationships, creation of measures on research-based knowledge and relevant statistical data, special attention is paid to minorities (disabled seniors, seniors suffering from dementia, the mentally ill, seniors from ethnic minorities, etc.) and respecting the differences between rural and urban areas. One of the most important issues in preparing the society for ageing and creation of an age-inclusive society is to prevent **discrimination on grounds of age and ageist stereotypes** in society. One of the challenges is therefore to highlight the potential benefits and the role of older people in the family, economy and society and to further develop and support them.

Involvement of persons that are socially excluded or at risk of social exclusion¹³²

In 2013, the public no longer wonders that people with disabilities have their own organizations that lobby in favour of their target group, that people with disabilities participate in decision-making processes and that they have the ear of politicians at all levels. The situation is quite different for people with social disabilities, especially people who have low levels of education, they are undergoing long-term unemployment, live in socially excluded neighbourhoods, experiencing poverty and social exclusion. People living in poverty suffer most from loneliness, prejudice, lack of communication with others, misunderstanding, lack of information and discriminatory approach. They wish to be useful to their communities, they want to learn, find and keep a good paying job, they want to have a home and family together and wish a social policy that would give them a chance to get out of a difficult situation.

Participation means to support democratic processes and principles. This is especially important during periods when the atmosphere in society is not favourable towards diversity, plurality and openness. Public debate on participation may result in raising the awareness of protection and support for human rights. Participation of people with experience of poverty also provides an **effective feedback**, which is essential for good governance.

¹³¹ Source: *Pensioners and their activity in the labour market*. CSO 2010–2012. [<http://www.czso.cz>]

¹³² Prepared using the material by MUDr. Milena Černá, President of EAPN ČR, o.s.

The practice of non-profit organizations that are engaged in social work for people in difficult situations and that encounter poverty every day shows that in such cases the following has been proven to work:

- meeting within the community,
- sharing difficulties,
- exchange of knowledge and experience,
- the possibility to express and articulate one's views and suggestions,
- together learn, and teach each other, new things
- become enthusiastic for a common work,
- be able to communicate one's experiences to those who have no direct experience.

The strongest aspect of participation of people with experience of poverty is the belief that the experience of local policies is transferable to the "big" ones.

Weaknesses lie mainly in the distrust and fear of an uncertain outcome. Prejudices and a feeling that it is a very complicated thing, or that the whole concept is pointless, play its role. In the case of absence of preparation and weak will, there are growing requirements for training of officials and building the capacity of field workers.

Lack of awareness and professionalism when trying to engage people with experience of poverty in the political or strategic planning is reflected in the usual **stereotypes**: Protectionist approach, accentuated superiority and inferiority, to which both sides are used. Another threat is the **failure and subsequent decline of confidence**, which may lead to entirely blocking further communication.

Involvement of the private and civil sectors

The state's role is to ensure and distribute public goods¹³³. In areas where the public sector (state and local government) is not able to or cannot administer, the private (businesses) and civil, the so-called third, sectors play a vital role. **The civil sector** is an area of human activity positioned between the family, market and the state. It consists of private societies of citizens, such as **associations, churches or foundations** (private pooling of property which serves publicly beneficial activities by providing resources). The sphere outside the family, market and the state in its modern form has been developing for more than two centuries, and is closely linked with the **development of democracy, individual liberties and respect for fundamental and universal human rights**.¹³⁴

¹³³ Public goods are those goods or services that do not pass through the market; in the case of these goods we refer to the so-called "market failure", i.e. in most cases these are "non-market goods". They are consumed collectively; they are more or less useful to the whole society, and therefore there is a **public interest** in their provision; it is often effective if they are provided by public administration. In Peková J., Pilný J. and Jetmar, M. *Public administration and public sector finance*. Prague: ASPI, 2008, 3rd revised edition.

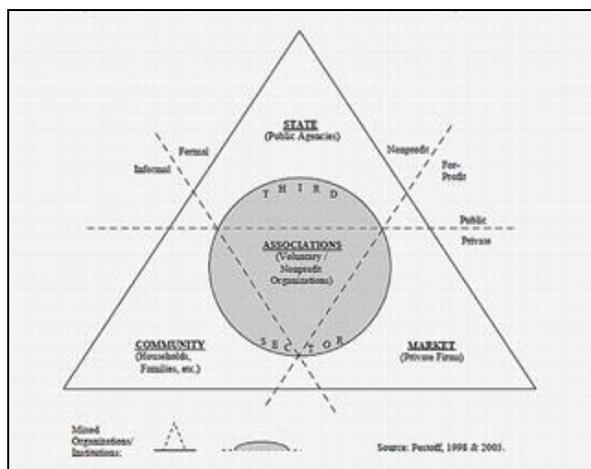
¹³⁴ Dohnalová, M. *Financing of organized civil society in the Czech Republic* In Skovjasa, M. *Civic sector*. Prague: Portál, 2010. ISBN 978-70-7367-681-0.

Worldwide, the organized civil society is characteristic for an apparent **trend of "separation from the state"**, including looking for other sources outside the state aid or subsidies. **Multi-source funding** also ensures a greater financial sustainability of an organization.¹³⁵

Private sources of enterprises may constitute a one-off income; however, establishing long-term partnerships, such as shared marketing (connecting the sales of products or services with a publicly beneficial purpose, whereby companies may increase the marketability of their products) is a more conceptual solution in the framework of **corporate social responsibility**.¹³⁶

The social economy sector also includes **employing people from groups disadvantaged in the labour market**¹³⁷ within **work integration social enterprises (WISE)**. In its 2009 *Report on the Social Economy*, the Committee on Employment and Social Affairs of the European Parliament points out that in addition to reducing unemployment, the importance of the social economy also lies in **meeting the objectives of social cohesion and active citizenship**.

Figure 2 The shift from a paternalistic state to organized civil society



Source: Pestoff, V.A. *A Democratic Architecture for the Welfare State*. In Dohnalová, M. *Financing of organized civil society in the Czech Republic* In Skovjasa, M. *Civic sector*. Prague: Portál, 2010. ISBN 978-70-7367-681-0.

¹³⁵ *ibid.*

¹³⁶ Dohnalová, M. *Financing of organized civil society in the Czech Republic* In Skovjasa, M. *Civic sector*. Prague: Portál, 2010. ISBN 978-70-7367-681-0.

¹³⁷ This regards persons under Section 33 of Act No. 435/2004 Coll., on employment: Persons who need extra care in job matching: individuals with disabilities, individuals aged 20 and under, pregnant women; nursing mothers and mothers within nine months after child-birth; individuals caring for a child aged 15 and under; individuals aged 50 and over; individuals recorded in the register of job seekers continuously for more than five months; individuals in need of special assistance – especially individuals who temporarily find themselves, or those who live, in extremely difficult circumstances, socially inadapted individuals, individuals released from prison or from safeguarded detention, and individuals from socially disadvantaged backgrounds.

Social dialogue (tripartite)

Social dialogue is an important tool for the development of industrial relations and collective bargaining in the Czech Republic and in the EU. It helps to align the interests of employees and employers in order to develop business and ensure social harmony.

This is why social dialogue can become an effective tool to address common problems. In addition to the government having tripartite consultation on policy issues with the social partners, there is also the possibility to autonomously prevent a host of potential disputes from the world of work. The tripartite social dialogue option allows trade unions, employers' associations and the government to explain, justify and assume greater responsibility for their actions.

In the Czech Republic there is an ongoing social dialogue through the Council of Economic and Social Agreement, which regularly meets. To ensure the appropriate social climate, it is imperative that social dialogue be conducted on a real basis of tripartite negotiations. This way allows persons in real need and persons that are excluded or at risk of social exclusion to become involved in the system of social protection to the maximum extent.

Objective: Reducing social tension

Measures:

4.3.a Promote **participation** of citizens in governance, including the involvement of persons that are socially excluded or at risk of social exclusion;

Coordinator: MLSA – methodology and dissemination of good practice

Deadline: Ongoing

4.3.b **Involve civil and private sector** in the development and implementation of measures to promote social cohesion, including the strengthening of the social responsibility of employers or of the social economy;

Coordinator: MLSA – methodology and dissemination of good practice

Deadline: Ongoing

4.3.c Have regard for the maintenance of **intergenerational justice** as part of the ongoing pension reform ;

Coordinator: MLSA

Deadline: Ongoing

4.3.d **Develop potential and the role of the elderly** in the family, economy and society.

Coordinator: MLSA

Deadline: Ongoing

4. 4 Mainstreaming Social Inclusion

Mainstreaming social inclusion means the inclusion of this agenda not only in social policy, but also in policies affecting other aspects of human life and the life of society. It translates into strategic decisions in social policy, education, health, regional development, culture, justice, security, crime prevention and finances. Its most distinctive characteristic is the change in attitude that strives for a detached perspective and broader understanding of the problem. **The aim is to find the tools to change the attitude and use them to influence existing approaches in various policies.**¹³⁸

At European level, mainstreaming social inclusion occurs under the Lisbon strategy and in the context of the expansion of the Open method of coordination into the field of social inclusion. At the Lisbon Summit in 2000, in the section devoted to the modernization of the European social model, the Portuguese Presidency concludes that there is a **need to reflect social inclusion at national level into employment, education, health and housing policies.** At Community level, this need should be complemented by activities within the European Structural and Investment Funds (ESIF).

When planning policies targeted at people that are socially excluded and at risk of social exclusion, there is a growing importance of an **evidence-based policy**¹³⁹, and more generally a policy analysis, emphasis on managerial aspect and professional supervision over the implementation of measures and the use of the principles of mainstreaming social inclusion.¹⁴⁰

As defined by the International Labour Organization, mainstreaming leads to better governance by creating a policy creation process based on better information and to greater **transparency** and openness in the policy process, and helps combat the "democratic deficit" by encouraging a broader individual and group participation in the policy process through effective consultation mechanisms. Mainstreaming as a process therefore combats those structures in society that contribute to discrimination and disadvantaging or that maintain these phenomena. **By implementing procedures based on mainstreaming, we can avoid introducing policies and programmes that restore discrimination and exacerbate inequalities.**¹⁴¹

However, white areas remain in related legislative and systemic measures in social housing, social economy, as well as in the actual participation of people that are socially

¹³⁸ Černá M., Košťálová J., Zajarošová Z. *Mainstreaming Social Inclusion* Prague: 2007, SKOK o. s.

¹³⁹ in *International Competitiveness Strategy of the Czech Republic for the period 2012–2020*: "The concept of this strategy is based on the principles of empirical evaluation of government policies (evidence-based policies), a concept without which most of the proposed reform measures cannot be effectively implemented." (p. 9)

¹⁴⁰ *Long-term vision of the Ministry of Labour and Social Affairs for Social Inclusion*. MLSA, May 2012

¹⁴¹ Černá M., Košťálová J., Zajarošová Z. *Mainstreaming Social Inclusion* Prague: 2007, SKOK o. s.

excluded or at risk of social exclusion in developing inclusion policies in the Czech Republic. **As regards legislative measures at government level, there is an absence of the duty to prepare an assessment of the impact of statutes on people at risk of poverty and social exclusion**, and to find and submit appropriate measures in the case of an identified threat. Similarly, **the synergies in relevant policies are disappearing**. In the context of demographic changes, this may include e.g. an alignment of the objectives of the pension system reform and the corresponding steps in the field of active employment policy.

Objective: The use of evidence-based approach to policy making and to strengthening awareness of the issue of social exclusion

Measures:

- 4.4.a** Increase **analytical capacity** in state administration and local government as well as in the non-profit sector, the establishment of permanent **cooperation between the state and local self-government and the academic and research community, realistic information and enhancing awareness** of the issue of social exclusion in state administration and local self-government through **educating public administration workers**;
- 4.4.b** Introduce a systematic **assessment of the potential impacts of** newly adopted measures on people at risk of social exclusion, including risk identification and adoption of appropriate measures;
- 4.4.c** Regularly monitor and evaluate **ties between the adopted strategic documents** in areas related to social inclusion;
- 4.4.d** Support the implementation **and monitoring and evaluation of the effectiveness of measures**;
- 4.4.e** Support the use of **research findings** and experience from abroad, support **long term research activities**, including the prediction of future trends, support research projects pursuing **regional** dimension of social exclusion.

Coordinator: all ministries

Deadline: Ongoing

5 MONITORING

Regular monitoring of performance and evaluating the effectiveness of the measures outlined in the Strategy will be carried out by **the Committee for Social Inclusion** established (not only) for this purpose at MLSA (the "Committee").

The Committee was set up by the Minister of Labour and Social Affairs in accordance with the fulfilment of the task specified under II. The first Government Resolution No. 476 of 19 May 2003 to set up an inter-ministerial Committee for the preparation of a Joint Memorandum on Social Inclusion and the National Action Plan for Social Inclusion. The original name of the Committee changed in 2008.

Since 2008, the Committee is a permanent advisory, initiative and coordination body of the Minister of Labour and Social Affairs in the area of social policy aimed at **combating poverty and social exclusion**. In accordance with Article 2(1) of the Statutes, the Committee's mission is primarily to ensure the implementation of the policies of the Czech Republic and the EU concerning social inclusion by preparing strategic documents of the Czech Republic in this area, and **to monitor and analyse the fulfilment of the objectives** of these strategic documents within the community Open Method of Coordination.

As part of its activities, the Committee shall in particular:

- a) ensure that all represented public authorities and non-governmental institutions and organizations accept shared responsibility for the formulation and subsequent implementation of a comprehensive policy to combat poverty and social exclusion in the Czech Republic,
- b) ensure that all relevant institutions and actors become actively involved,
- c) ensure the integration of the concept of social inclusion into sectoral policies of individual ministries,
- d) manage and coordinate the preparation and development of policies, strategies and plans in the field of social inclusion and combating poverty and social exclusion, which formulate the guidelines and means of implementation of inclusive processes in the Czech Republic, and evaluate their implementation,
- e) initiate activities to support the implementation of the national concept of social inclusion into the relevant strategies of the respective self-governing units,
- f) monitor the state and outputs of the respective agendas being discussed within working bodies of the EU Council, in particular the Social Protection Committee,
- g) cooperate in the preparation and implementation of activities which will take place in the Czech Republic within the thematic years announced by the EU if their focus is related to the mission of the Committee.

In its current form, the Committee has 45 members and its composition fully meets the requirement for the representation of a wide range of stakeholders. It consists of representatives of all major actors in the protection of the interests of people facing poverty and social exclusion, i.e. representatives of the public administration, local self-government, NGOs, academia, and trade unions and employers' organizations.

Through its composition and activities, the Committee constitutes an important part of the social dialogue between the MLSA and various NGOs in drafting important documents in the social sphere, particularly in the area of social inclusion falling within the competence of the MLSA.

In its work, the Committee will adopt proposals to update the existing, or create further, measures and refine or specify different tasks for the coordinators of each area. In order to fulfil the above objectives, the Committee will meet at least bi-annually.

In close cooperation with the Committee, the MLSA shall draw up an annual ***Report on the implementation of measures under the Social Inclusion Strategy (2014–2020)*** and present it to the members of the Government by 30 April of the following calendar year.

6 FINANCING

To implement measures aimed at strengthening the processes of social inclusion, **the state budget of the Czech Republic earmarked funds in the sections of relevant ministries to implement activities within their competence pursuant to the Competences Act.** The budget does not exclusively focus on the area of social inclusion. Amounts such as active employment policy budget, transfers of the benefits in material need and benefits to persons with disabilities, and transfers to social welfare services, social prevention services and social counselling are reported.

In terms of **strengthening social work as a fundamental tool of social inclusion** and of measures referred to in Chapters 2 and 3 it will be necessary to ensure **an increase in the number of social workers in municipalities.** The current number of social workers is considerably below standard in some municipalities. As is clear from the findings of the MLSA in February 2013, **there are 1,617 social workers (including curators and excluding the workers of authorities for social and legal protection of children) in the Czech municipalities with extended competence. Their number gradually decreases** as social departments are closed or merged with others, **while the development of social phenomena requiring professional attention goes in the exactly opposite direction.** See the relevant chapters of this Strategy: The year on year average unemployment rate (as of 31 December of each year) increased by 0.8 percentage points to 9.7%, the highest being in the Ustí Region (14.0%), Moravian-Silesian Region (12.3%) and Olomouc Region (11.9%). The number of payments for mobility allowance and care allowance decrease, but this does not reduce the number of potential clients of social work, quite the contrary. Furthermore, according to the findings of the Czech Statistical Office (CSO) in collaboration with the Association of Shelters in the Czech Republic and the Association of Social Service Providers of the Czech Republic within the *Population and Housing Census*, there are a significant number of people using the services of shelters, halfway houses and other social service facilities. According to experts who have followed the ETHOS methodology, the number of homeless is estimated at about 30,000, while the estimated number of potentially homeless people living in the Czech Republic in 2012 is 100 thousand¹⁴², etc. **Increasing the number of social workers by 50% would meet the target of 2500 of social workers in municipalities with extended competence.** In 2013, there were 205 municipalities with extended competence in the Czech Republic; this means adding an average of more than 4 social workers (specifically 4,3) per municipality, which can be competently estimated to be sufficient. **The cost of all social workers at municipalities with extended competence, i.e. including the aforementioned increase in their number, would total CZK 70,442,460 per month, i.e. CZK 845,309,520 per year.**

¹⁴² In *The Concept of Prevention and Addressing Homelessness in the Czech Republic until 2020* (Government Resolution No. 666 of 28 August 2013).

Based on the foregoing, there is an increasing risk of a situation where the State, through the municipalities with extended competence, will be unable to meet its obligations imposed on it by applicable legal regulations, namely by Act No. 108/2006 on social services, as amended, also in relation to the Constitution and Charter of Fundamental Rights and Freedoms of the Czech Republic.

Overview of the number of municipalities and social workers according to the number of contracts and their full-time equivalents and the ideal number of social workers

Region	Number of third-level municipalities (3LM)	Number of social workers in 3LM	Ideal number of social workers in 3LM*	Number of second-level municipalities (2LM)	Number of social workers in 2LM	Number of second-level and third-level municipalities	Total number of social workers	Qualified social workers	Number of contracts	Number of full-time equivalents	Number of citizens
Praha	22	120	604	0	0	22	120	106	120	112,6	1 288 796
Jihočeský	17	43	325	21	23	38	66	61	65	45,9	628 336
Jihomoravský	21	132	521	13	16	34	148	131	148	130,0	1 163 508
Karlovarský	7	34	150	8	12	15	46	39	46	40,5	295 595
Královéhradecký	15	50	301	20	25	35	75	66	75	54,1	547 916
Liberecký	10	39	229	11	14	21	53	45	51	21,0	432 439
Moravskoslezský	22	242	533	8	13	30	255	217	254	210,5	1 259 843
Olomoucký	13	67	289	8	10	21	77	71	77	66,6	628 427
Středočeský	15	51	295	11	13	26	64	56	61	43,2	511 627
Plzeňský	25	50	271	20	21	45	71	50	71	43,6	570 401
Středočeský	26	72	661	30	38	56	110	92	110	71,1	1 289 211
Ústecký	16	94	416	14	25	30	119	104	119	108,6	808 961
Vysočina	15	42	282	11	13	26	55	49	55	33,2	505 565
Zlínský	14	52	310	12	15	26	67	58	67	52,8	579 944
Czech Republic	238	1088	5187	187	238	425	1326	1145	1319	1033,3	10 436 560

* Mean value of the recommended number of social workers by population according to the Recommended Action No 1/2012

Population in administrative area	Recommended number of social workers
0 – 5,000	2 – 6
5,001 – 15,000	4 – 15
15,001 – 25,000	9 – 18
25,001 – 50,000	13 – 26
50,001 – 100,000	22 – 50
100,001 and more	35 – 55

Source: MLSA, Czech Statistical Office

EU funds constitute a complementary tool to finance national priorities, the "European added value".¹⁴³ The basic objective of the EU's cohesion policy is the balanced economic and social development of all Member States and their regions. The EU spends more than a third of its common budget on cohesion policy. Consequently, it focuses on **the fulfilment of European priorities, notably the Europe 2020 strategy objectives and the following national objectives of individual Member States.** In terms of the competence of the MLSA in the field of social cohesion, the European Social Fund (ESF) and the European Regional Development Fund (ERDF) play the most important role. They will primarily finance social inclusion activities in the upcoming *Operational Programme Employment*, or the *Integrated Regional Operational Programme* (investment to create and maintain sustainable job opportunities, investment in infrastructure, capacity building of social housing etc.) and the Operational Programme Research, Development and Education. In addition to employment, the ESF also helps social integration of people and supports equal opportunities with a focus on the development of the labour market and human resources. It supports the development of social services and other tools that lead to social inclusion and the prevention of social exclusion, such as the transformation of residential services to services provided in the community, improving the quality and accessibility of social services, educational programmes, courses or professional training for socially excluded persons.

Also in the upcoming period 2014+, the EU budget will focus on funding EU priorities, in particular the objectives of Europe 2020. In the programming period 2014-2020, at least 20% of the ESF resources in each Member State must be used for social inclusion and combating poverty. Among the principles of the EU budget is the **focus on the results and the associated measurability** of Europe 2020 objectives. In the following period 2014+, the MLSA wants to strengthen the **use of programmes capable of targeted actions at the local level.** It sees significant potential in **complex projects that have the ability to address the issue as a whole. The territorial dimension** of social exclusion will be significantly accentuated in the next programming period, resulting in a greater possibility to use EU funds for investments in increasing regional cohesion. Activities supported after 2014 should aim **at the involvement of individuals in the labour market as well as in the society.** The definition of the activities and target groups is therefore broader than in the current programming period (2007-2013).

¹⁴³ From 1 May 2004 to 30 June 2013, the Czech Republic paid CZK 326.4 billion to the EU budget and received CZK 591.4 billion. From joining the EU to mid-2013, the net position surplus reached a total of nearly CZK 265 billion.

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