EUROPEAN SOCIAL CHARTER

THE THIRD REPORT ON THE IMPLEMENTATION OF THE EUROPEAN SOCIAL CHARTER

SUBMITTED BY THE GOVERNMENT OF THE CZECH REPUBLIC (for the period from 1 January 2003 to 31 December 2004)

> on all adopted hard core provisions (Articles 1, 5, 6, 12, 13, 16, 19)

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ARTICLE 1: THE RIGHT TO WORK

ARTICLE 1, para. 1

"With a view to ensuring the effective exercise of the right to work, the Contracting Parties undertake:

to accept as one of their primary aims and responsibilities the achievement and maintenance of as high and stable a level of employment as possible, with a view to the attainment of full employment;"

Question A

Please indicate the policy followed by your government in attempting to reach and maintain full employment. Please supplement with details of the measures and programmes implemented to achieve as high and stable a level of employment as possible. Please, indicate, if possible the trend in total employment policy expenditure over the past five years, including the relative shares of "active" (job creation, training, etc.) and "passive"(financial compensation, etc.) measures.

Please indicate the active policy measures taken in order to favour access to employment of groups most exposed to or affected by unemployment (e.g. women, the young, older workers, the long-term unemployed, the disabled, immigrants and/or ethnic minorities). Please give indication on the number of beneficiaries from these measures and information, if possible, on their impact on employment.

Update:

The active employment policy measures taken in order to improve access to employment of groups most exposed to or affected by unemployment:

When determining the government employment policy guidelines the Government takes as the basis the priorities of the Broad Economic Policy Guidelines and OECD recommendations. The European Employment Strategy and the National Action Plan for Employment for the years 2004 – 2006 are considered to be basic documents for the determination of starting points and objectives of the active employment policy.

The instruments of the active employment policy aimed at achieving as high and stable a level of employment as possible are newly defined in Act No. 435/2004 Coll., on Employment. The following instruments are used: retraining, investment incentives, public utility works, public utility jobs, bridging benefit, transport benefit, benefit for familiarising with a new job, benefit for changeover to a new entrepreneurial programme. The active employment policy also includes measures in support of employment of disabled persons, advisory and intermediary services, job training and programmes targeted on the solution of employment that have a regional or nationwide nature. Benefits are provided by job centres to employers for the creation (or maintaining) of jobs.

The Act defines risk groups of persons who are entitled to - while securing the equal treatment principle – enhanced care due to their exposure to social exclusion in the labour market or for reasons associated with unemployment. The main attention in this connection is paid to active and preventive measures for the unemployed and inactive persons and special attention is paid also to people experiencing the most serious difficulties in the labour market. These are especially disabled persons, persons up to 25 years of age, graduates or school-

leavers (for a period of 2 years from the completion of their studies), persons looking after children, persons over 50 years, etc.

The job centres have been instructed to pay special attention to the above defined groups and use all available instruments of the active employment policy with respect to such groups.

The issue of persons exposed to exclusion or unemployment is currently also a part of financial support from the ESF within programmes that are implemented in the territory of the Czech Republic. Such programmes include the Human Resources Development Operational Programme, the Single Programming Document for Objective 3 of the region NUTS 2 - the City of Prague and the EQUAL Community Initiative.

Human Resources Development Operational Programme:

The global objective of the Human Resources Development Operational Programme is to achieve a high and stable level of employment based on skilled and flexible labour force, integration of socially excluded groups of the population and the competitiveness of companies while respecting sustainable development principles.

Within this programme, 16 projects were submitted as at 31 December 2004 (*the status as at 30 April 2005: 1,542 submitted projects*), 11 projects were approved (*the status as at 30 April 2005: 56 approved projects*), of the total programme funds of EUR 422.3 million, the amount of CZK 29,563,558. was drawn as at 31 December 2005 (*as at 30 April 2000, the amount of CZK 53,252,529.- was drawn*).

<u>Single Programming Document for Objective 3 of the region NUTS 2 - the City of</u> <u>Prague:</u>

The main objective of the programme is an effective labour market based on skilled labour force, competitiveness of employers, benefiting from the research and development potential of the region, social integration of exposed groups and equality of opportunities while respecting sustainable development principles.

Within this programme, 5 projects were submitted as at 31 December 2004 (the status as at 30 April 2005: 376 submitted projects), 1 project was approved (the status as at 30 April 2005:73 approved projects), of the total programme funds of EUR 117.6 million, no resources were drawn (as at 30 April 2005 7 projects are already at the implementation stage and the programme funds start to be drawn).

EQUAL Community initiatives:

This initiative supports throughout the entire territory of the EU international cooperation in the field of development and promotion of new instruments aimed at combating all forms of discrimination and inequalities in the labour market. Consequently, the Initiative aims at developing and promoting instruments in support of disadvantaged groups (the long-term unemployed, persons with low qualifications, graduates/school leavers, the elderly, disabled persons, ethnical minorities, women, asylum-seekers, etc.), who are facing discrimination or unequal treatment either directly in their workplace or when seeking a job. The EQUAL Community Initiative is implemented in all Member States in two rounds. The Czech Republic participated in the first round as one of then two candidate countries. The first round was announced in the Czech Republic in 2001 and was financed from Phare funds and from the Czech government budget.

The second round of the Equal Community Initiative was announced in the Czech Republic in August of 2004 and it is already co-financed from the ESF. As part of this call, 130 requests for financial support were submitted. Of this number, 3 projects were submitted after the deadline and therefore 127 projects were admitted to the evaluation process, of which a total of 89 projects were approved to receive a financial support (subsidy) within the second round of the EQUAL Community Initiative. In the reduced programming period 2004-2006, as part of the second round of the EQUAL Community Initiative a total of EUR 43.97 million is to be drawn.

Further information on this issue is given below.

Question **B**

Please indicate the trends in employment covering all sectors of the economy. In connection with this, indicate as far as possible, the activity rate, the rate of employment and the breakdown of employment by region, by sex, by age, by employment status (employed, self-employed), by type of employment (full time and part time, permanent and fixed term, temporary), and by sector of activity.

Please give the trend of the figures and percentages of the unemployed in your country, including the proportion of the unemployed to the total labour force. Please give a breakdown of the unemployed by region, category, sex, age and by length of unemployment.

Employment

From the beginning of the 90's as a result of the economy restructuring and its gradual integration into the global market, the structure of the Czech economy and subsequently also the structure of employment has been radically changed. The total rate of employment in the national economy dropped in comparison with 1993 from 4,873.5 ths. persons to 4,706.6 ths. persons in 2004. A drop represented 166.9 ths. persons (i.e. 3.4 %). The proportion of the tertiary sector (services) increased at the expense of both the primary sector (agriculture and forestry) and the secondary sector (industry, the construction industry). The rate of employment in the Czech Republic. The proportion of employed women to the number of women older than 15 years was 45.5 %.

The rate of employment in the primary sector dropped in comparison with 1993 by 3.4 percentage points (the share in 2004 - 4.3%), in the secondary sector by 3.8 percentage points (the share of 39.2 %). On the contrary, the rate of employment in the tertiary sector grew by 7.1 percentage points (the proportion of 56.5 %).

The rate of economic activity in 2004 according to EU methodology (economically active people in the age category 15-64 years, as the share of all persons aged 15-64 years) was 70.1 %, 78.0 % for men and 62.2 % for women (EU 25 69.3%, or 77.4 %, or 61.2 %). In the long-term, the rate of economic activity tends to decline, reflecting the demographic trend, the population is ageing. In terms of education level, the highest rate of economic activity in 2004 had people with university education and the lowest one people with primary education. The rate of economic activity dropped in the year-on-year terms in particular in categories with the lower level of education.

The rate of employment of the population aged between 15 - 64 years in 2004 was 64.2 % (EU 25 – 63.0 %, year 2003), in the long-term, this figure is constantly decreasing, with a slight increase in 2002. The rate of employment of women was at 56.0 % (EU 25 -55.1 %, year 2003) and the rate of employment of men at 72.4 % (EU 25 - 70.9 %, year 2003). The rate of employment of the elderly (55 - 64 years) was 42.6 % (EU 25 - 40.2 %, year 2003). At the meeting of the European Council in Lisbon (in 2000) and in Stockholm (in 2001) EU set specific quantitative objectives for the rate of employment to be achieved by 2010: the total rate of employment of at least 70 %, women's rate of employment of at least 60 %, the rate of employment of the elderly (55 - 64 years) at least 50 %. From this viewpoint, all the examined rates of employment for the Czech Republic are more favourable than the EU average, despite the fact that the total rate of employment and the rate of employment of women tends to decline. The rate of employment dropped in all age categories, except for the age category 55 - 64 years. A positive trend in the rate of employment of the elderly is likely to further grow in connection with the extending age limit for the retirement. However, it depends on future development of the rate of employment in general.

The rate of employment reflects enormous regional differences that are caused in particular by the quantity and structure of job opportunities in individual regions. The rate of employment (the proportion of the employed people aged 15 - 64 years to the residing people aged 15 - 64 years) was in five regions in 2004 lower than the general rate of employment in the Czech Republic. The lowest rate of employment was in the Moravia-Salesian region, on the other hand the highest one was in Prague.

The spread of the regional rate of employment (variational ratio) of the regions NUTS2 was in the examined period at 5.9 (EU 25 - 13.0, year 2003), at the level of regions (NUTS3) it was at 4.8.

In terms of the employment type, traditionally, most workers are employed in the national economy full-time, at the end of 2004 it was 95.1% of persons. Part-time jobs accounted for less than 5 %.

The rate of employment dropped in all categories of occupational positions. In 2004, the largest group was represented by employees working for a wage, their share was 82.7 %. A general decline in the rate of employment was significantly influenced by a decline in the category of entrepreneurs, both those not having employees (working on their own account) and a decline in the number of entrepreneurs having employees (the total share of 16.2 %).

Rate of unemployment

The rate of unemployment calculated according to the new methodology from the number of available job-seekers was 9.5% in December 2004.

The rate of unemployment of disabled persons as at 30 June 2004 was 43.7 %, (the disabled, women with small children, people over 50 and young people remain to be the groups most threatened in the labour market).

People under 25 account for about a fifth of the total unemployed (in December 2004 it was 21.4 %). Their share in unemployment has been relatively stable in recent years. Their high specific rate of unemployment, 22% as at 30 June 2004, is more than double the total rate of unemployment (note: the specific rate of this group is increased by a high percentage of economically inactive young people owing to their studies or vocational training). It is more difficult for them to find a job because they lack practical skills.

The specific rate of unemployment declines progressively with higher age, going up again from the age category over 50, but does not surpass much the general rate of unemployment (but we can see here a phenomenon contrary to that of young people, where relatively high economic activity lowers the rate of unemployment in this age category). The worsening position of older people is evidenced by their growing share in total unemployment, which reached 22.4% at the end of 2004.

Unemployment of the disabled increased from 20,000 in 1993 to 74.7 ths. at the end of 2004. The numbers of vacancies reported to job centres, suitable for the handicapped, continue to decrease.

The numbers of vacancies reported by employers to job centres were growing in 2004. In the year-on-year comparison, an increase by more than 90,000 jobs was recorded, amounting to 51,203 vacancies (the average monthly number of vacancies in 2004 was 45,595). This was reflected also in the ratio between a job-seeker and a vacancy. Whereas in 2001 job centres in the Czech Republic reported 7.6 job-seekers per a vacancy, in 2003 it was even 12.3 job-seekers per a vacancy, and at the end of 2004 this figure stood at 10.6 job-seekers per a vacancy. Differences between districts with the lowest and highest ratio between a job-seeker and a vacancy are constantly increasing, while in 2001 this ratio stood at 0.9 to 53.1, in 2004 it was already 1.8 to 120.9. Among vacancies, jobs designed for blue-collar professions, especially skilled craftsmen, and unskilled workers and labourers prevail.

Information on the reported vacancies is disclosed at the end of the relevant period and does not reflect intensity of the job creation and filling.

The share of the long-term unemployed has levelled off lately at around 40.0 % of the total number of job-seekers, but the average time they are registered is longer, to rise at the end of 2004 to 18.9 months. From the average time of registration of job-seekers removed from job-seeker records, which is 9.2 months, it is obvious that opportunities for the unemployed with increasing length of registration are insignificant.

The share of unplaced female job-seekers has ranged in the last months around 50% (the share of employment in 2003 was at 43.2 %).

In comparison with men women have a higher rate of unemployment (end of 2004: men 8.3 %, women 10.9 %), especially in the lower age categories. At an age when men are characterised by the highest economic activity women are frequently economically inactive as they look after children. Long-term unemployment of women is a little higher than men's, standing at 60.5 % (over six months) and 43.0 % (over 12 months).

Regional unemployment

The impact on unemployment was still most strongly felt in the districts of the Moravia-Salesian region and in North-West Bohemia, especially in the region of Ústí nad Labem, i.e. in regions marked by the reductions in coal mining, metallurgy, heavy

engineering and chemistry. The highest rate of unemployment in these areas was at the end of 2004 in the district of Most (22.7%) and Karviná (19.6%).

For statistical data, see also the table files below:

Structure of vacancies

| Structure of vacancies | 31.12.00 | 31.12.01 | 31.12.02 | 31.12.03 | 31.12.04 |
|---|----------|----------|----------|----------|----------|
| Total vacancies | 52,060 | 52,084 | 40,651 | 40,188 | 51,203 |
| including: | | | | | |
| according to KZAM* total | 52,060 | 52,084 | 40,651 | 40,188 | 51,203 |
| Class 1 | 561 | 823 | 790 | 747 | 854 |
| Class 2 | 3,075 | 3,234 | 3,093 | 2,757 | 2,899 |
| Class 3 | 5,455 | 5,423 | 5,174 | 5,091 | 5,625 |
| Class 4 | 1,369 | 1,371 | 1,104 | 1,236 | 1,961 |
| Class 5 | 6,215 | 5,439 | 4,296 | 3,663 | 4,175 |
| Class 6 | 1,038 | 1,433 | 781 | 1,212 | 1,368 |
| Class 7 | 21,081 | 21,347 | 14,741 | 14,760 | 16,925 |
| Class 8 | 8,891 | 7,527 | 5,815 | 5,607 | 7,212 |
| Class 9 | 4,350 | 5,480 | 4,727 | 5,103 | 10,072 |
| Class 0 | 25 | 7 | 130 | 12 | 112 |
| Qualification structure | 52,060 | 52,084 | 40,651 | 40,188 | 51,203 |
| no education | 595 | 603 | 471 | 736 | 922 |
| primary education | 12,555 | 14,136 | 11,710 | 12,240 | 18,962 |
| apprenticeship | 27,981 | 26,547 | 18,724 | 18,149 | 21,327 |
| secondary (without GCE) | 908 | 686 | 605 | 431 | 511 |
| apprenticeship with GCE | 1,155 | 945 | 856 | 869 | 1,212 |
| general secondary (grammar school with GCE) | 454 | 676 | 535 | 353 | 556 |
| secondary vocational (secondary vocational school with GCE) | 5,366 | 5,086 | 4,792 | 4,499 | 4,590 |
| higher education | 136 | 132 | 112 | 162 | 182 |
| university education | 2,873 | 3,233 | 2,813 | 2,702 | 2,909 |
| scientific education | 21 | 24 | 22 | 35 | 21 |
| not stated | 16 | 16 | 11 | 12 | 11 |

not stated

*) KZAM corresponds to ISCO 98 – International Standard Classification of Occupations

| EMPLOYED IN NATIONAL ECONOM | ſY | | 2000 | 2001 | 2002 | 2003 |
|-----------------------------|-------------------|----------|---------|---------|---------|---------|
| Total | | | 4731.6 | 4 727.7 | 4 764.9 | 4 733.2 |
| Age group : | 15 to 19 years | | 68.6 | 49.3 | 42.8 | 38.6 |
| | 20 to 24 years | | 529.2 | 494.3 | 449.1 | 407.9 |
| | 25 to 29 years | | 616.0 | 632.0 | 660.7 | 664.2 |
| | 30 to 34 years | | 544.2 | 553.2 | 567.3 | 589. |
| | 35 to 39 years | | 582.5 | 590.5 | 603.4 | 595. |
| | 40 to 44 years | | 607.6 | 588.4 | 568.8 | 552.3 |
| | 45 to 49 years | | 689.3 | 685.7 | 673.4 | 651.8 |
| | 50 to 54 years | | 642.2 | 659.3 | 655.2 | 644. |
| | 55 to 59 years | | 317.5 | 339.1 | 389.2 | 422. |
| | 60 to 64 years | | 78.1 | 82.6 | 100.8 | 113.0 |
| | 65 and more years | | 56.5 | 53.5 | 54.2 | 54.0 |
| Selected ISCED 97 codes | | Level | | | | |
| Primary | | 1,2 | 416.2 | 414.0 | 349.7 | 321. |
| Secondary without GCE | | | | | 2,069.0 | |
| Secondary with GCE | | Part 3,4 | | | | |
| University | | 5,6 | 597.7 | | | |
| Men | | | 2675.7 | 2 674.0 | 2 700.4 | 2,686.2 |
| Age group : | 15 to 19 years | | 39.4 | 30.2 | 27.2 | 23.: |
| | 20 to 24 years | | 301.9 | 281.4 | 256.4 | 231. |
| | 25 to 29 years | | 383.5 | 395.2 | 408.9 | 409.0 |
| | 30 to 34 years | | 321.5 | 326.6 | 337.1 | 353.5 |
| | 35 to 39 years | | 318.9 | 323.6 | 330.3 | 328.3 |
| | 40 to 44 years | | 319.0 | 306.9 | 297.9 | 292. |
| | 45 to 49 years | | 355.0 | 349.1 | 344.0 | 334. |
| | 50 to 54 years | | 332.9 | 342.1 | 337.3 | 332.0 |
| | 55 to 59 years | | 216.7 | 231.6 | | 271.0 |
| | 60 to 64 years | | 50.3 | 51.6 | 68.4 | 75. |
| | 65 and more years | | 36.6 | 35.7 | 34.8 | 35.0 |
| Selected ISCED 97 codes | | Level | | | | |
| Primary | | 1,2 | 168.5 | 177.3 | 136.9 | 126.0 |
| Secondary without GCE | | Part 3 | 1,364.0 | 1,334.4 | 1,368.7 | 1,383. |
| Secondary with GCE | | Part 3,4 | 777.8 | 809.3 | 812.1 | 790. |
| University | | 5,6 | 365.0 | 353.0 | 381.4 | 384.2 |
| Women | | | 2055.9 | 2,053.7 | 2,064.5 | 2,047.(|
| | | | | | | |

Age and education of employed in national economy

| 1 | | | 1 | | | |
|-------------------------|-------------------|-----------|-------|-------|-------|-------|
| | 20 to 24 years | | 227.3 | 212.9 | 192.7 | 176.4 |
| | 25 to 29 years | | 232.4 | 236.7 | 251.8 | 254.6 |
| | 30 to 34 years | | 222.7 | 226.6 | 230.2 | 236.4 |
| | 35 to 39 years | | 263.5 | 266.9 | 273.0 | 267.0 |
| | 40 to 44 years | | 288.6 | 281.5 | 271.0 | 260.2 |
| | 45 to 49 years | | 334.3 | 336.6 | 329.4 | 317.6 |
| | 50 to 54 years | | 309.3 | 317.2 | 317.9 | 312.1 |
| | 55 to 59 years | | 100.8 | 107.4 | 131.1 | 150.6 |
| | 60 to 64 years | | 27.8 | 31,0 | 32.4 | 37.9 |
| | 65 and more years | | 19.9 | 17.8 | 19.3 | 19.0 |
| Selected ISCED 97 codes | | Level | | | | |
| Primary | | 1.2 | 247.6 | 236.7 | 212.8 | 195.0 |
| Secondary without GCE | | Part 3 | 692.6 | 667.2 | 700.4 | 693.0 |
| Secondary with GCE | | Part 3, 4 | 882.5 | 921.0 | 903.6 | 904.4 |
| University | | 5.6 | 232.7 | 228.8 | 247.5 | 254.0 |
| | | | | | | |
| | | | | | | |

Source: Czech Statistical Office, labour market in the Czech Republic

Employed in national economy sectors in thousands

| EMPLOYED IN NATIONAL ECONOMY | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total | 4,873.5 | 4,926.8 | 4,962.6 | 4,972.0 | 4,936.5 | 4,865.7 | 4,764.1 | 4,731.6 | 4,727.7 | 4,764.9 | 4,733.2 |
| I. Agriculture | 375.0 | 337.9 | 325.8 | 305.4 | 284.4 | 266.9 | 247.3 | 240.7 | 225.1 | 227.9 | 213.1 |
| II. Industry | 2,093.0 | 2,078.3 | 2,076.3 | 2,065.1 | 2,031.1 | 1,992.0 | 1,911.9 | 1,868.4 | 1,892.6 | 1888.3 | 1863.4 |
| III. Services | 2,405.5 | 2,510.0 | 2,560.5 | 2,601.5 | 2,621.0 | 2,606.8 | 2,604.9 | 2,622.4 | 2,610.0 | 2,648.8 | 2,656.7 |
| Men | 2,735.4 | 2,758.9 | 2,784.9 | 2,803.0 | 2,788.2 | 2,756.9 | 2,694.4 | 2,675.7 | 2,674.0 | 2,700.4 | 2686.2 |
| I. Agriculture | 241. | 214.2 | 206.9 | 200.1 | 190.8 | 179.2 | 168.0 | 164.3 | 157.6 | 157.0 | 147.4 |
| II. Industry | 1,395.9 | 1,396.3 | 1,406.0 | 1,407.1 | 1,406.2 | 1,383.2 | 1,332.3 | 1,303.3 | 1,311.8 | 1320.4 | 1,311.3 |
| III. Services | 1,097.6 | 1,148.2 | 1,171.2 | 1,195.3 | 1,191.1 | 1,194.5 | 1,194.1 | 1,208.1 | 1,204.0 | 1,222.2 | 1,227.4 |
| Women | 2,138.1 | 2,167.9 | 2,177.7 | 2,169.0 | 2,148.3 | 2,108.8 | 2,069.7 | 2,055.9 | 2,053.7 | 2,064.5 | 2047.0 |
| I. Agriculture | 133.9 | 123.7 | 118.9 | 105.2 | 93.6 | 87.7 | 79.3 | 76.4 | 67.5 | 70.9 | 65.7 |
| II. Industry | 697.1 | 682.0 | 670.3 | 658.0 | 624.9 | 608.8 | 579.6 | 565.2 | 580.8 | 567.9 | 552.1 |
| III. Services | 1,306.5 | 1,361.2 | 1,387.6 | 1,405.1 | 1,429.8 | 1,412.1 | 1,410.3 | 1,414.3 | 1,405.1 | 1,425.3 | 1,429.2 |

Source: The Czech Statistical Office - SSW

Note.: I. Agriculture (category A, B OKEČ);

II. Industry (category C-F OKEČ)

III. Services (category G-Q OKEĆ)

Employment in national economy sectors in %

| EMPLOYED IN NATIONAL ECONOMY | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| I. Agriculture | 7.7 | 6.9 | 6.6 | 6.1 | 5.8 | 5.5 | 5.2 | 5.1 | 4.7 | 4.8 | 4.5 |
| II. Industry | 42.9 | 42.2 | 41.8 | 41.5 | 41.1 | 40.9 | 40.1 | 39.5 | 40.0 | 39.6 | 39.4 |
| III. Services | 49.4 | 50.9 | 51.6 | 52.3 | 53.1 | 53.6 | 54.7 | 55.4 | 55.2 | 55.6 | 56.1 |
| Men | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| I. Agriculture | 8.8 | 7.8 | 7.4 | 7.1 | 6.8 | 6.5 | 6.2 | 6.1 | 5.9 | 5.8 | 5.5 |
| II. Industry | 51.0 | 50.6 | 50.5 | 50.2 | 50.4 | 50.2 | 49.4 | 48.7 | 49.0 | 48.9 | 48.8 |
| III. Services | 40.1 | 41.6 | 42.1 | 42.6 | 42.7 | 43.3 | 44.3 | 45.1 | 45.1 | 45.3 | 45.7 |
| Women | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| I. Agriculture | 6.3 | 5.7 | 5.5 | 4.9 | 4.4 | 4.2 | 3.8 | 3.7 | 3.3 | 3.4 | 3.2 |
| II. Industry | 32.6 | 31.5 | 30.8 | 30.3 | 29.1 | 28.9 | 28.0 | 27.5 | 28.3 | 27.5 | 27.0 |
| III. Services | 61.1 | 62.8 | 63.7 | 64.8 | 66.6 | 67.0 | 68.1 | 68.8 | 68.5 | 69.1 | 69.8 |

Source: Czech Statistical Office- SSW

Note.: I. Agriculture (category A,B OKEČ) II. Industry (category C-F OKEČ) III. Services (category G-Q OKEĆ)

| | SSW – annual average, | | | | | | | | | | | |
|-----------------------------------|--|---------|----------|-----------|----------|-----------|----------|---------|---------|---------|---------|---------|
| Employment | ('000) | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| Total | | 4 873,5 | 4 926,84 | 4 962,6 4 | 4 972,04 | 4 936,5 4 | 4 865,7 | 4 764,1 | 4 731,6 | 4 727,7 | 4 764,9 | 4 733,2 |
| | total | | 2 167,92 | | | | | | | | | |
| | share in % | 43.9 | 44.0 | 43.9 | 43.6 | 43.5 | 43.3 | 43.4 | 43.5 | 43.4 | 43.3 | 3 43.2 |
| Men | total | 2 735,4 | 2 758,92 | 2 784,92 | 2 803,02 | 2 788,2 2 | 2 756,92 | 2 694,4 | 2 675,7 | 2 674,0 | 2 700,4 | 2 686,2 |
| Rate of economic activity -total | labour force / population. 15+ | 61.4 | 61.6 | 61.5 | 61.2 | 61.1 | 61.0 | 61.0 | 60.4 | 60.0 | 59.8 | 3 59.4 |
| -Women | | 71.3 | 71.4 | 71.5 | 71.4 | 71.1 | 70.8 | 70.6 | 69.8 | 69.4 | 69.3 | 68.7 |
| - Men | | 52.3 | 52.6 | 52.3 | 51.8 | 51.8 | 52.0 | 52.1 | 51.6 | 51.3 | 50.9 | 50.8 |
| Rate of economic activity - total | labour force 15-64/ population 15-64 | 72.1 | 72.4 | 72.3 | 72.1 | 72.1 | 72.2 | 72.2 | 2 71.6 | 71.0 | 70.8 | 3 70.4 |
| - Women | | 63.9 | 64.4 | 64.1 | 63.6 | 63.7 | 64.0 | 64.1 | 63.7 | 63.2 | 62.7 | 62.5 |
| - Men | | 80.3 | 80.4 | 80.6 | 80.7 | 80.5 | 80.3 | 80.2 | 2 79.4 | 78.9 | 78.8 | 3 78.2 |
| Rate of employment- total | employed 15+ /population15+ | 58.8 | 59.0 | 59.0 | 58.9 | 58.2 | 57.1 | 55.7 | 55.1 | 55.1 | 55.4 | 4 54.8 |
| - Women | | 49.5 | 49.9 | 49.8 | 49.4 | 48.7 | 47.7 | 46.6 | 46.2 | 46.2 | 46.3 | 45.8 |
| - Men | | 68.9 | 68.9 | 69.0 | 69.1 | 68.3 | 67.3 | 65.4 | 64.7 | 64.7 | 65.2 | 2 64.5 |
| Rate of employment- total | employed 15-64years/ population 15-64 years | 69.0 | 69.2 | 69.4 | 69.3 | 68.7 | 67.5 | 65.9 | 65.2 | 65.2 | 65.6 | 64.9 |
| - Women | | 60.4 | 61.0 | 61.0 | 60.6 | 59.9 | 58.7 | 57.4 | 56.9 | 56.9 | 57.0 |) 56.3 |
| - Men | | 77.6 | 77.5 | 77.9 | 78.1 | 77.4 | 76.3 | 74.3 | 73.6 | 73.5 | 74.1 | 73.4 |

Source: Czech Statistical Office, labour market in the Czech Republic

Question C

Please indicate the trend in the number and the nature of vacant jobs in your country.

See the answer to Question B and also statistical files in the table (also tables relating to Art 1):

| Vacancies broken down by regions | 30.12.00 | 31.12.01 | 31.12.02 | 31.12.03 | 31.12.04 |
|----------------------------------|----------|----------|----------|----------|----------|
| Prague | 4,906 | 7,658 | 7,685 | 8,482 | 14,598 |
| Benešov | 715 | 980 | 354 | 437 | 525 |
| Beroun | 483 | 413 | 370 | 387 | 611 |
| Kladno | 771 | 933 | 426 | 476 | 501 |
| Kolín | 556 | 492 | 338 | 401 | 453 |
| Kutná Hora | 189 | 233 | 136 | 151 | 212 |
| Mělník | 369 | 450 | 440 | 393 | 419 |
| Mladá Boleslav | 1,009 | 1,566 | 650 | 648 | 798 |
| Nymburk | 765 | 1,005 | 322 | 718 | 854 |
| Prague-East | 1,682 | 909 | 819 | 885 | 681 |
| Prague-West | 753 | 926 | 565 | 625 | 621 |
| Příbram | 777 | 1,325 | 589 | 611 | 632 |
| Rakovník | 172 | 128 | 222 | 238 | 168 |
| North Bohemian region | 8,241 | 9,360 | 5,231 | 5,970 | 6,475 |
| České Budějovice | 500 | 348 | 442 | 450 | 1 056 |
| Český Krumlov | 265 | 350 | 332 | 364 | 323 |
| Jindřichův Hradec | 501 | 302 | 287 | 250 | 185 |
| Písek | 415 | 436 | 453 | 241 | 307 |
| Prachatice | 347 | 292 | 276 | 239 | 268 |
| Strakonice | 456 | 480 | 630 | 327 | 388 |
| Tábor | 684 | 752 | 268 | 332 | 712 |
| Budějovice region | 3,168 | 2,960 | 2,688 | 2,203 | 3,239 |
| Domažlice | 533 | 463 | 305 | 242 | 293 |
| Klatovy | 695 | 718 | 499 | 458 | 567 |
| Pilsen-City | 1,065 | 1,155 | 905 | 1,009 | 2,511 |
| Pilsen-South | 264 | 324 | 277 | 292 | 322 |
| Pilsen-North | 271 | 383 | 260 | 309 | 287 |
| Rokycany | 109 | 105 | 104 | 104 | 129 |
| Tachov | 494 | 386 | 301 | 136 | 307 |
| Pilsen region | 3,431 | 3,534 | 2,651 | 2,550 | 4,416 |
| Cheb | 641 | 554 | 468 | 298 | 421 |
| Karlovy Vary | 378 | 476 | 397 | 521 | 449 |
| Sokolov | 523 | 371 | 361 | 328 | 326 |
| Karlovy Vary region | 1,542 | 1,401 | 1,226 | 1,147 | 1,196 |
| Děčín | 784 | 1 092 | 702 | 979 | 467 |
| Chomutov | 348 | 429 | 291 | 308 | 675 |
| Litoměřice | 314 | 473 | 323 | 82 | 162 |
| Louny | 344 | 337 | 324 | 377 | 218 |
| Most | 301 | 259 | 250 | 276 | 278 |
| Teplice | 221 | 242 | 181 | 285 | 378 |
| Ústí nad Labem | 486 | 463 | 510 | 438 | 770 |
| Ústí nad Labem region | 2,798 | 3,295 | 2,581 | 2,745 | 2,948 |
| Česká Lípa | 704 | 579 | 469 | 390 | 467 |
| Jablonec nad Nisou | 556 | 368 | 315 | 323 | 364 |
| Liberec | 1,426 | 769 | 740 | 881 | 1,421 |

| Semily | 963 | 961 | 384 | 191 | 295 |
|-----------------------|--------|------------|--------|--------|--------|
| Liberec region | 3,649 | 2,677 | 1,908 | 1,785 | 2,547 |
| Hradec Králové | 1,948 | 1,486 | 1,077 | 740 | 669 |
| Jičín | 534 | 495 | 367 | | 260 |
| Náchod | 1,069 | 733 | 492 | | 450 |
| Rychnov nad Kněžnou | 330 | 286 | 193 | 196 | 156 |
| Trutnov | 1,150 | 950 | 635 | 510 | 540 |
| Hradec Králové region | 5,031 | 3,950 | 2,764 | 2,298 | 2,075 |
| Chrudim | 394 | 510 | 312 | | 554 |
| Pardubice | 1,481 | 959 | 679 | | 657 |
| Svitavy | 706 | 695 | 528 | | 477 |
| Ústí nad Orlicí | 1,080 | 565 | 461 | 928 | 351 |
| Pardubice region | 3,661 | 2,729 | 1,980 | | 2,039 |
| Havlíčkův Brod | 404 | 253 | 179 | | 150 |
| Jihlava | 612 | 233 941 | 606 | | 56 |
| Pelhřimov | 303 | 420 | 432 | | 490 |
| Třebíč | 663 | 525 | 601 | | 358 |
| Žďár nad Sázavou | 656 | 658 | 449 | | 219 |
| Jihlava region | 2,638 | 2,797 | 2,267 | | 1,273 |
| Blansko | 1,155 | 534 | 476 | | 351 |
| Brno-City | 1,278 | 1,421 | 782 | | 1,099 |
| Brno-Country | 364 | 394 | 615 | | 609 |
| Břeclav | 395 | 302 | 174 | | 319 |
| Hodonín | 341 | 529 | 452 | | 410 |
| Vyškov | 590 | 205 | 125 | | 179 |
| Znojmo | 273 | 335 | 281 | 415 | 481 |
| Brno region | 4,396 | 3,720 | 2,905 | 3,128 | 3,448 |
| Jeseník | 180 | 231 | 44 | 49 | 165 |
| Olomouc | 656 | 899 | 1,189 | | 699 |
| Prostějov | 1,061 | 1,322 | 1,051 | 1,106 | 976 |
| Přerov | 1,099 | 409 | 298 | | 377 |
| Šumperk | 688 | 403 | 324 | | 296 |
| Olomouc region | 3,684 | 3,264 | 2,906 | 2,493 | 2,513 |
| Kroměříž | 460 | 607 | 323 | 204 | 358 |
| Uherské Hradiště | 323 | 387 | 376 | | 432 |
| Vsetín | 619 | 735 | 441 | | 407 |
| Zlín | 540 | 444 | 418 | 453 | 565 |
| Zlín region | 1,942 | 2,173 | 1,558 | 1,219 | 1,762 |
| Bruntál | 196 | 253 | 208 | | 178 |
| Frýdek-Místek | 580 | 437 | 490 | 466 | 323 |
| Karviná | 445 | 515 | 248 | | 230 |
| Nový Jičín | 320 | 351 | 372 | | 674 |
| Opava | 419 | 297 | 320 | | 360 |
| Ostrava- City | 1,013 | 713 | 663 | 670 | 909 |
| Ostrava region | 2,973 | 2,566 | 2,301 | 2,403 | 2,674 |
| Total Czech Republic | 52,060 | 52,084 | 40,651 | 40,188 | 51,203 |

ARTICLE 1, para. 2

With a view to ensuring the effective exercise of the right to work, the Contracting Parties undertake:

to protect effectively the right of the worker to earn his living in an occupation freely entered upon;"

Question A

Please give information concerning legislative or other measures taken to ensure the elimination of all discrimination in employment which might be based on sex, social or national origin, political opinion, religion, race, colour or age and to promote effectively equal opportunities in seeking employment and in taking up an occupation. Please give information in this respect on existing sanctions and remedies in cases of discrimination in employment.

Update:

On 14 January 2004 Act No. 46/2004 was promulgated in the Collection of Laws, amending Act No. 65/1965 Coll., the Labour Code, as amended and Act No. 312/2002 Coll, on officials of territorial self-governing units and amending some Acts. This Act took effect on 1 March 2004 and, inter alia, has brought some major changes and amendments to equality between men and women. Its main objective with respect to the Labour Code was to transpose the adopted directives of the European Communities.

The Labour Code, after the amendments made, is primarily based on the principle of equal treatment of all employees (equal treatment) and the prohibition of any discrimination (advantaged or disadvantaged status) on the grounds of discrimination features defined by law that are consistent with Article 3 of the Charter of Fundamental Rights and Freedoms, ILO Convention No. 111, concerning discrimination in respect of employment and occupation and Directives of the European Communities. The following Directives are involved:

- Council Directive 76/207/EEC of 9 February 1976, on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions

- Council Directive 75/117/EEC of 10 February 1975, on the approximation of the laws of the Members States relating to the application of the principle of equal pay for men and women

- Council Directive 2000/43/EC, of 29 June 2000, implementing the principle of equal treatment between persons irrespective of racial or ethnic origin

- Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation

- Directive 2002/73/EC of the European Parliament and of the Council of 23 September 2002 amending Council Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions

The Directives of the European Communities require from Member States to establish a general framework for combating discrimination on the grounds of gender, racial or ethnic origin, religion or belief, age, disability and sexual orientation, as regards employment and occupation. They also contain a definition of both direct and indirect discrimination, while harassment shall be deemed to be also a form of discrimination. Harassment is taken to occur when unwanted conduct takes place with the purpose or effect of violating the dignity of a person and creating an intimidating, hostile, degrading, humiliating or offensive environment and conduct which is incitement, soliciting or admonishing to the discrimination of persons on the grounds of racial or ethnic origin. The concept of harassment may be defined in accordance with the national laws and practice of the Member States. Direct discrimination is taken to occur when one person is treated less favourably than another is, has been or would be treated in a comparable situation on the grounds of the discrimination features. Indirect discrimination is taken to occur where an apparently neutral provision, criterion or practice would put persons having a particular religion or belief, a particular disability a particular age or a particular sexual orientation at a particular disadvantage compared with other persons. Indirect discrimination due to health status is taken to occur in this respect if adequate measures are not adopted on purpose or by omission to enable access for the handicapped to the execution of work and job advancement or another form of promotion.

The principle of equal opportunities and equal treatment in employment, occupation and vocational training, including working conditions, must be met regardless of the legal nature of the relationship in which the person is employed or performs his/her work. The Directive contain the definition of the term harassment which is taken to occur when unwanted conduct takes place in access to employment, occupation or vocational training or which occurs at a place where the work is performed with the purpose or effect of violating the dignity of a person and creating an intimidating, hostile, degrading, humiliating or offensive environment. Sexual harassment is a situation in which any form of verbal, nonverbal or physical act of sexual nature occurs in access to employment, occupation and vocational training or at a place where the work is performed, with the purpose or effect of violating the dignity of a person and creating an intimidating, hostile, degrading, humiliating or offensive environment. Harassment and sexual harassment is according to the Directives regarded as discrimination on the grounds of gender. The inciting, soliciting or effecting pressure leading to discrimination is also considered discrimination (both direct and indirect). The equal treatment principle applies to labour law relations from their establishment to their end and in connection with Section 28 of the Labour Code also to pre-contractual negotiations on the establishment of a particular labour law relationship. The equal treatment principle, however, cannot apply always and in all cases. Exceptions may be justified solely by reference to a special nature of the work in question, with regard to the recognised moral, religious or cultural values that are deemed to be necessary for the nature of this work. Consequently, those limitations that arise from the assumptions and requirements for the performance of a particular work cannot be deemed to be discrimination, if their fulfilment constitutes a decisive necessary prerequisite for the performance of this work or if they are justified in terms of safety and protection of an employee health. Based on this definition only the employer may justify a different treatment of individual employees or groups of employees, as regards their working conditions, including the remuneration for work and other monetary performance and cash supplies, vocational training and the opportunity to accomplish job advancement or another form of professional promotion.

The principle of equal treatment of men and women does not apply to the field of relations pertaining to a special protection of women on the grounds of their pregnancy and maternity, including the access to the performance of work prohibited to women and measures providing special preferential treatment aimed at facilitating professional working activity of the less represented gender. Discrimination is not deemed to be a temporary measure of the employer the purpose of which is, upon hiring of employees into the labour law relation, in the course of vocational training and the opportunity to accomplish a functional or another occupational position, to achieve equal representation of men and women, if there is a reason for such measure consisting in unequal representation of men and women employed by such employer. However, the employer's procedure may not be directed to the detriment of an employee of the opposite sex whose qualities are higher than the qualities of employees admitted to the labour law relation (employment) together with such an employee.

In the case of the employer's discriminatory conduct the aggrieved employee may claim a special protection subject to the nature of a given matter, especially pursuant to Section 7 of the Labour Code or pursuant to Section 11 to 13 of the Commercial Code. This is without prejudice to the possibility to claim protection pursuant to other provisions of the Labour Code, in particular Section 60 and 64 of the Labour Code.

Consequently, new provisions of Section 1 para 3 to 10 of the Labour Code are, together with provisions of Section 7 para 2 to 6 and Section 8 para 3 of the Labour Code the basic explanatory rule for the conduct of parties in labour law relations and for exercising their rights and obligations.

However, if the reasons for different treatment of employees consist in other facts than the discrimination features defined by law (for instance the level of qualifications, length of practical experience, occupational position, given working conditions, work achievements and their benefit for the employer), such situation cannot be definitely labelled as unequal treatment and discrimination.

The Labour Code now also regulates the definition of direct and indirect discrimination, harassment and sexual harassment. Section 1 para 9 of the Labour Code stipulates as follows: "Sexual harassment means an act or acts of sexual nature in any form which is perceived by the affected employee as uninvited, improper or offensive and the purpose or effect of which causes impairment to the dignity of a person or initiates a hostile, humiliating or disturbing environment at the workplace or which can be legitimately perceived as a precondition for a decision that influences the execution of rights and obligations resulting from employment relations."

Other measures taken with the aim to exclude any discrimination on the grounds of gender.

As has been noted in the previous report, the Government of the Czech Republic adopted in 1998 the National Action Plan "Government priorities and procedures in the promotion of equal status of men and women". This programme document is based on the Czech Republic's obligations arising from the Beijing action platform.

The Government evaluates every year the fulfilment of the tasks determined in this programme document and by its resolution updates the measures set out in it. The last such procedure was performed on 12 May 2004 in the Government Resolution No. 453 that deals in Part 3 of the resolution with securing of equal opportunities for women and men as regards access to economic activity and in Section 4 it regulates the harmonisation of the family and working life.

The above Government Resolution, inter alia, stipulated as follows:

- In the interest of enhancing the level of competitiveness of women in the labour market continue to support the creation of an offer of educational training and retraining programmes facilitating the finding of an appropriate job for women, including working life through the performance of the self-employment activity. To secure possibilities of governmental support through retraining programmes for the population, in particular for women who have not been active for a long time as they looked after children.

- In the interest of control of compliance with labour law regulations focus on compliance with the provision on the prohibition of discrimination on the grounds of sex, including compliance with the principle of the same wage for the same work and for the work having the same value and compliance with the provision on an increased protection of women at work. To register and statistically process controls of compliance with the provision on the prohibition of discrimination on the grounds of sex.

- To stimulate individual abilities and interests of girls or women on one hand and boys or men on the other, relating to vocational guidance (training) in those fields that are regarded atypical from the viewpoint of sex.

- By means of school curricula, instructional and other materials continue the efforts aimed at eradicating the stereotype discriminatory treatment of the position of a man and a woman in a family, in occupation and further promote the principle of equality between men and women within activities relating to the National Education Development Programme in the Czech Republic – so-called "White Book".

- Promote an access of women to jobs where information and communication technologies are used, in particular by increasing women's participation in the relevant education and training.

- Perform analysis of curricula, textbooks and teaching aids for primary schools in terms of the manner in which they participate in the creation and reproduction of gender-based stereotypes, including the training of future teachers and educationalists and further education of teachers.

- Continue the implementation of training programmes for teachers and educationalists in the field of equal opportunities for men and women with the aim of providing them with effective procedures to perform a gender sensitive instruction.

- Continue the training of career advisers at job centres in issues relating to equal

opportunities for men and women and ensure that they apply these principles to their advisory work.

- Continue the training of careers masters at schools in issues relating to equal opportunities for men and women that would allow them to apply these principles to their advisory work.

- Support the creation of an offer of educational training and retraining programmes facilitating the finding of an appropriate job, including working life through the performance of the self-employment activity, specifically for women living in the country.

- By future legal regulation of labour relations facilitate the creation of variable work regimes that would help to employees looking after children and family to harmonise their job with the performance of family obligations.

Question B

Please indicate any methods adopted:

- a) to seek the co-operation of employers' and workers' organisations and other appropriate bodies in promoting the acceptance and observance of the above policy of nondiscrimination;
- b) to ensure the acceptance and observance of the above policy through educational efforts.

Update:

Methods adopted to seek the co-operation of employers' and workers' organisations and other appropriate bodies in promoting the acceptance and observance of the policy of non-discrimination from the viewpoint of equality between women and men -

The meetings of the Council for Economic and Social Accord of the Czech Republic are attended by representatives of the state administration authorities, trade unions and employers' associations. In their work teams and groups the principle of equality between men and women is promoted. This applies, in particular, to remuneration, working conditions, equal access to labour opportunities, the old-age pension, sickness insurance, employment of children and the concept of the pension reform. Every year the Council discusses the National Action Plan for the promotion of equality between men and women "Government priorities and procedures in the promotion of equality between men and women". The trade unions are engaged in the long-term, for instance, in the efforts aimed at promoting the awareness of the issues of equal opportunities at all levels of the trade union work and related education, systematic promotion of equality of opportunities in the collective bargaining or close cooperation with regional councils of trade union associations. They also co-operate with employers' associations, in particular with respect to the project "*Conditions for the harmonisation of the family and working life – partnership in a family*", *that is a part of the EQUAL programme*.

On 31 July 2003 a PHARE twinning project of the Czech Republic and Sweden named "Improving the public institutional mechanism for the application, strengthening and control of the promotion of equal opportunities for men and women.". The project was focused on proposing an optimal model of institutional arrangement for the application, strengthening and control of the promotion of equal opportunities for men and women. The attendance of foreign male and female experts was used for other project activities – a total of 9 workshops and two conferences were organised and Swedish male and female experts participated as pannelists in other events staged for trade union and employers' associations. The training was focused on possibilities and methods of development of employers' corporate plans aimed at promoting equality between women and men.

Other forms of co-operation are being developed, for instance with management associations.

Trade union and employers' associations are compulsory authorities in charge of comment procedures for all materials that are prepared by the state administration to be considered by the Government and may claim in such materials their requirements or amendments.

In 2001, the Government established by its Resolution No. 1033 the Government Council for equal opportunities for men and women. The objective of the Council is to discuss and recommend to the Government basic conceptual guidelines in promoting equal opportunities for men and women, identify current problems of the society in the field of equal opportunities for men and women, co-ordinate the creation of sectoral conceptions of state administration authorities in the field of equal opportunities for men and women, assess the effectiveness of the fulfilment of the principle of equality between men and women and prepare proposals for the implementation of this principle. The Council has a total of 23 members. They include also the representatives of the delegation of employers and trade unions in the Council for Economic and Social Accord of the Czech Republic.

Question C

Please indicate the guarantees including applicable sanctions and remedies, which prevent any discrimination in regard to members of workers' organisations at the time of engagement, promotion or dismissal.

Update:

With respect to information set out in previous reports we would like to add that a change was made. Currently, Act No. 435/2004 on Employment is in force. In Section 4 the Act regulates the equal treatment principle and the prohibition of discrimination in exercising the right to employment. It stipulates that in exercising the right to employment both direct and indirect discrimination on the grounds of membership and activities in trade union organisations or employers' organisations is prohibited.

The compliance with labour law regulations is controlled by job centres. Any possible violation of the provisions on prohibition of discrimination or equal treatment under the Act on employment or other labour law regulations may be fined up to CZK 1,000,000.

Act No. 65/1965 Coll, the Labour Code, stipulates in Section 7 that if in labour law relations any violation of the rights and obligations arising from principles of equal treatment or discrimination occur, an employee shall be entitled to claim the cessation of such violation, the elimination of consequences of such violation and to be granted reasonable satisfaction. If a dignity of an employee or his reputation in the workplace has been seriously diminished

and its remedy was insufficient, such an employee is entitled to receive a compensation for non-proprietary loss in cash. The amount of compensation will be determined by the court after consideration of the seriousness of the loss sustained and the circumstances under which such violation of rights and obligations occurred.

Question D

Please indicate whether any form of forced or compulsory labour is authorised or tolerated.

No change

Question E

If so please describe the nature and scope of any such labour and indicate the extent to which recourse has been had thereto during the reference period.

See Question D

Question F

Please indicate which measures are being taken to secure the complete abolition of forced or compulsory labour and the date by which these measures will be fully implemented.

No change.

Question G

Please give information concerning the conditions under which work is carried out in prison establishments.

Update:

In the examined period the Decree of the Ministry of Justice No. 345/1999 Coll. was amended whereby the Rules of Confinement in Penitentiary are being issued, as amended by Decree No. 378/2004 Coll.

The Decree only specifies some concepts. These changes are immaterial.

ARTICLE 1, para. 3

"With a view to ensuring the effective exercise of the right to work, the Contracting Parties undertake:

to establish or maintain free employment services for all workers;"

Question A

Please describe the operation of free employment services available in your country, indicating the age, sex and nature of occupation of persons placed by them in employment and persons seeking employment.

Please indicate as far as possible the number of vacancies, the placement rate and the duration of unemployment of the persons placed.

Update:

The organisation and activities of public employment services are regulated by Act No. 435/2004 Coll. on Employment. The state administration in the field of state employment policy in the Czech Republic is executed by the Ministry of Labour and Social Affairs (in particular its section Employment Services Administration headed by the Deputy Minister) and job centres.

The ministry manages and controls the execution of the state administration and observance of the rule of law in securing the state employment policy. It also prepares national conceptions and programmes of the state employment policy and solutions to key issues in the labour market, systematically monitors and evaluates the situation in the labour market, prepares forecasts for the development of employment and takes measures aimed at influencing the supply and demand for work and balancing the labour force resources and labour force requirements in the Czech Republic, manages job centres, administers the state employment policy and provides funds required for the state employment policy, grants and withholds licences to mediate jobs issued to legal entities or individuals and maintains files of employment agencies and controls their activities.

Job centres are administrative authorities. A job centre is headed by its director who is appointed and recalled by the Minister of Labour and Social Affairs. Administrative area of job centres is identical with territorial areas of districts. A job centre prepares a concept for the development of employment in its administrative area, systematically monitors and evaluates the situation in the labour market and takes measures aimed at influencing the supply and demand for work, co-operates with administrative authorities, territorial selfgoverning units, social security authorities, state health administration authorities, employers and other entities, subject to special legal regulations in the creation and implementation of measures associated with the development of the labour market and employment, secures and supports projects and measures pertaining to the human resources development in the field of the labour market performed in its administrative area, including participation in international programmes and projects, mediates jobs for job-seekers and for parties interested in seeking a job, provides advisory, information and other services in the field of employment to individuals and employers, secures implementation of the instruments of the active employment policy, pays unemployment benefits and retraining benefits, performs control activities to the extent stipulated by law, including the imposition of fines.

At the end of 2004 job centres registered 541,675 job-seekers, the average annual number of job-seekers was 537,426. In the course of the year, there were 674,359 newly registered job-seekers, while the total number of the persons removed from the job-seeker records was 675,104. Of the total number of job-seekers removed from the job-seeker records in the course of the year a total of 478,439 job-seekers (i.e. 70.9 %) were placed, of this number job centres placed 115,414 job-seekers (24.1 %). Within all instruments of active employment policy a total of 52,062 job-seekers were placed (See tables below).

| | | Job-seek | Job-seekers removed from job-seeker records (unregistered) by job centres | | | | | | | | | |
|-----------------|---------------------------------|-----------------------|---|---------------------|-----------------|---|---------|--|--|--|--|--|
| Year | Newly registered job-seekers | total unregistered | placed through job centres | placed otherwise | total placed | unregistered due to failure to co-operate with job centres | other | Rate of placement (placed through job centres/ unregistered) (%) | | | | |
| 1993 total | 429,832 | 379,404 | 132,296 | 148,746 | 281,042 | 38,509 | 59,853 | 34.9 | | | | |
| monthly average | 35,819 | 31,617 | 11,025 | 12,396 | 23,421 | 3,209 | 4,988 | | | | | |
| 1994 total | 386,974 | 405,710 | 128,771 | 172,168 | 300,939 | 37,170 | 67,601 | 31.7 | | | | |
| monthly average | 32,248 | 33,809 | 10,731 | 14,347 | 25,078 | 3,098 | 5,633 | | | | | |
| 1995 total | 352,221 | 365,660 | 109,708 | 153,757 | 263,465 | 31,507 | 70,678 | 30.0 | | | | |
| monthly average | 29,352 | 30,472 | 9,142 | 12,813 | 21,955 | 2,626 | 5,890 | | | | | |
| 1996 total | 376,763 | 343,465 | 102,007 | 150,150 | 252,157 | 29,316 | 61,992 | 29.7 | | | | |
| monthly average | 31,397 | 28,622 | 8,501 | 12,513 | 21,013 | 2,443 | 5,166 | | | | | |
| 1997 total | 498,546 | 415,983 | 111,166 | 193,211 | 304,377 | 32,259 | 79,272 | 26.7 | | | | |
| monthly average | 41,546 | 34,665 | 9,264 | 16,101 | 25,365 | 2,688 | 6,606 | | | | | |
| 1998 total | 638,583 | 520,567 | 105,134 | 257,924 | 363,058 | 52,101 | 105,408 | 20.2 | | | | |
| monthly average | 53,215 | 43,381 | 8,761 | 21,494 | 30,255 | 4,342 | 8,784 | | | | | |
| 1999 total | 721,126 | 620,421 | 120,104 | 314,083 | 434,187 | 61,434 | 124,800 | 19.4 | | | | |
| monthly average | 60,094 | 51,702 | 10,009 | 26,174 | 36,183 | 5,120 | 10,400 | | | | | |
| 2000 total | 668,158 | 698,412 | 148,217 | 350,450 | 496,667 | 68,911 | 132,834 | 21.2 | | | | |
| monthly average | 55,680 | 58,201 | 12,351 | 29,204 | 41,389 | 5,743 | 11,070 | | | | | |
| 2001 total | 653,585 | 649,031 | 137,044 | 324,360 | 461,404 | 68,150 | 119,477 | 21.1 | | | | |
| monthly average | 54,465 | 54,086 | 11,420 | 27,030 | 38,450 | 5,679 | 9,956 | | | | | |
| 2002 total | 677,374 | 624,862 | 116,900 | 329,617 | 446,517 | 62,687 | 115,658 | 18.7 | | | | |
| monthly average | 56,448 | 52,072 | 9,742 | 27,468 | 37,210 | 5,224 | 9,638 | | | | | |
| 2003 total | 666,276 | 638,291 | 109,732 | 343,274 | 452,959 | 58,803 | 126,529 | 17.2 | | | | |
| monthly average | 55,523 | 53,191 | 9,144 | 28,606 | 37,747 | 4,900 | 10,544 | | | | | |
| 2004 total | 674,359 | 675,104 | 115,414 | 363,122 | 478,439 | 59,597 | 136,961 | 17.1 | | | | |
| monthly average | 56,197 | 56,259 | 9,618 | 30,260 | 39,870 | 4,966 | 11,413 | | | | | |

| | | _ | | | | _ | | |
|-------------------|-----------|-----------|-----------|-----------|-----------|---------|-----------|------|
| total 1993 - 2004 | 6,743,797 | 6,336,910 | 1,436,493 | 3,100,862 | 4,535,211 | 600,444 | 1,201,063 | 22.7 |
| monthly average | 46,832 | 44,006 | 9,976 | 21,534 | 31,495 | 4,170 | 8,341 | |

| Length of registration of job-seekers | 31.12.98 | 31.12.99 | 31.12.00 | 31.12.01 | 31.12.02 | 31.12.03 | 31.12.04 | |
|--|----------|----------|----------|----------|----------|----------|----------|--|
| Job-seekers unregistered per quarter | 124,957 | 151,720 | 158,307 | 141,112 | 136,968 | 145,042 | 150,496 | |
| total length of registration (ths. days) | 17,687 | 26,953 | 33,354 | 30,060 | 29,938 | 34,472 | 41,722 | |
| average length of registration (days) | 141.5 | 177.6 | 210.7 | 213.0 | 218.6 | 238.9 | 277.2 | |

Job-seekers placed within the active employment policy

| | | job-seekers placed for a given year within the active employment policy | | | | | | | | |
|------|---|---|--------|---|---------------------|--------|--|--|--|--|
| | | PUW | PUJ | Practical | Sheltered workshops | Total | | | | |
| | job-seekers placed through job centres | | | training – graduates or school leavers and young people | | | | | | |
| 1995 | 109,708 | 10,821 | 6,603 | 5,292 | 724 | 23,440 | | | | |
| 1996 | 102,007 | 10,259 | 4,025 | 4,971 | 562 | 19,817 | | | | |
| 1997 | 111,166 | 11,888 | 2,931 | 3,515 | 493 | 18,827 | | | | |
| 1998 | 105,134 | 11,905 | 8,187 | 9,232 | 853 | 30,177 | | | | |
| 1999 | 120,104 | 16,069 | 15,804 | 10,945 | 951 | 43,769 | | | | |
| 2000 | 148,217 | 20,034 | 26,721 | 11,316 | 1,368 | 59,439 | | | | |
| 2001 | 137,044 | 19,977 | 21,767 | 9,645 | 1,028 | 52,417 | | | | |
| 2002 | 116,900 | 16,573 | 14,123 | 7,945 | 1,063 | 39,704 | | | | |
| 2003 | 109,732 | 15,378 | 17,618 | 8,654 | 1,221 | 42,871 | | | | |
| 2004 | 115,414 | 18,246 | 25,010 | 7,170 | 1,636 | 52,062 | | | | |

Question B

Please describe the organisation of public employment services in your country indicating the accompanying measures for the unemployed, and where appropriate the steps taken to revise the geographical distribution of local and regional employment centres and to re-deploy resources when the changing patterns of economic activity and of population so warrant.

See. Question A and also Art 1 para 1.

Question C

If both public and private free employment services exist in your country, please describe the steps taken to co-ordinate such services, and to determine the conditions governing the operation of private employment agencies.

Update:

Conditions for mediation of jobs by employment agencies (both individuals and legal entities) are stipulated by Act No. 435/2004 on Employment.

Jobs are mediated under the conditions stipulated by law by job centres and also by legal entities or individuals, provided that they hold a licence for the mediation of jobs (hereinafter the "employment agencies"). The mediation of a job means searching for a job for an individual who seeks a job and searching for employees for an employer who seeks new labour force; advisory and information activities in the field of job opportunities; employing individuals for the purpose of performance of their work for a user which is deemed to be another legal entity or an individual who assigns work and supervises over its performance. Job centres may only perform intermediary activities set out in the first two points, employment agencies may perform also the activities set out in the last point. The mediation of jobs may be performed by employment agencies free of charge or for consideration, including consideration generating profit, however, in the case of mediation of a job for consideration, a consideration cannot be required from an individual, for whom the job is mediated. When a job is mediated for consideration, any deductions from the wage or another remuneration provided to an employee for the work performed are also prohibited. A licence for the mediation of jobs is issued by the Ministry of Labour and Social Affairs upon request by a legal entity or an individual. A necessary prerequisite for the granting of a licence for the mediation of jobs to an individual is to reach an age of at least 23 years, to have legal capacity, to prove probity, professional competence and a domicile in the territory of the Czech Republic. A necessary prerequisite for the granting of a licence for the mediation of jobs to a legal entity is compliance with the determined conditions by an individual who acts in the capacity of an agent for the purpose of the mediation of a job.

If agencies mediate a job in the Czech Republic for a foreign national from third countries, then their activity is co-ordinated with the respective job centres for the benefit of a particular segment of the labour market where such foreign nationals should operate. Co-operation of agencies with job centres is voluntary and it is carried out at the level of communication of information on vacancies.

Question D

Please indicate whether and how the participation of representatives of employers and workers in the organisation and operation of the employment services and in the development of employment services policy is provided for.

To ensure co-operation in the labour market job centres set up consulting bodies including in particular representatives of trade union organisations, employers' organisations, co-operative bodies, associations of disabled people and territorial self-governing units. The purpose of such bodies is to co-ordinate the implementation of state employment policy and human resources development in the respective administrative area. Consulting bodies comment in particular on the provision of subsidies to employers within active employment policy, retraining programmes, organisation of advisory activities, measures in support of equal treatment of all individuals exercising their right to employment and on large-scale redundancies. Job centres set up for the purpose of consideration of an appropriate form of labour rehabilitation of disabled persons specialised work groups comprised in particular of representatives of organisations for the disabled and representatives of employers employing more than 50% of the disabled persons.

Question E

Please indicate what legislation or administrative guarantees are provided to ensure that these services are available to all. Please indicate number of job-seekers placed by employment services, number of reported vacancies and data concerning the market share of the state employment services

Update:

The Act on Employment expressly stipulates that the right to employment is the right of an individual who wants to and is able to work and seeks a job to employment in the labour law relationship, mediation of a job and the provision of other services under the conditions stipulated by law.

At the end of 2004, job centres registered 541,675 job-seekers and the average annual number of job-seekers was 537,426. In the course of the year there were 674,359 newly registered job-seekers and the total number of the job-seekers removed from the job-seeker records was 675,104. Of the total number of the job-seekers removed from the job-seeker records, a total of 478,439 job-seekers were placed (i.e. 70.9 %), of this number, job centres placed 115,414 job-seekers (24.1 %). Within all instruments of the active employment policy, 52,062 job-seekers were placed.

In its conclusions to the last Report, with respect to Article 1 para 1, the Committee for Social Rights demanded answers to the following questions:

The Committee demanded that the next report specify the rate of unemployment in a category of the disabled.

The rate of unemployment of the disabled as at 30 June 2004 was 43.7 % (See also Art 1 para 1).

The development of basic information on the registered unemployed - disabled is set out in a table below.

Development of basic information on the registered unemployed - disabled

(status as at the end of the year or status since the beginning of the year)

| | | | Ì | | | | | | | | | Ì | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| rate of registered unemployment (%) | 2.6 | 3.5 | 3.2 | 2.9 | 3.5 | 5.2 | 7.5 | 9.4 | 8.8 | 8,9 | 9,8 | 10,3 | 9,5 * |
| specific rate of unemployment of disabled citizens (%) | | | | 11.2 | 17.2 | 24.1 | 29 | 37.2 | 39.6 | 42,3 | 39,7 | 42,2 | |
| | | | | | | | | | | | | | |
| total job-seekers | 134,788 | 185,216 | 166,480 | 153,041 | 186,339 | 268,902 | 386,918 | 487,623 | 457,369 | 461,923 | 514,435 | 542,420 | 541,675 |
| including: disabled job-seekers | 15,502 | 20,016 | 22,015 | 22,687 | 31,455 | 40,460 | 48,951 | 57,615 | 59,025 | 61,518 | 66,907 | 71,806 | 74,672 |
| total job-seekers on benefit | 62,289 | 93,380 | 78,331 | 67,623 | 93,430 | 138,107 | 190,396 | 206,836 | 164,139 | 169,046 | 192,615 | 189,479 | 143,236 |
| including: disabled job-seekers on benefit | 6,490 | 7,736 | 8,129 | 7,780 | 13,504 | 14,598 | 14,740 | 14,995 | 12,651 | 12,670 | 13,941 | 14,345 | 15,333 |
| | | | | | | | | | | | | | |
| proportion of disabled to the total unemployment (%) | 11.5 | 10.8 | 13.2 | 14.8 | 16.9 | 15.0 | 12.7 | 11.8 | 12.9 | 13.3 | 13.0 | 13.2 | 13.8 |
| proportion of job-seekers on benefit to the total job-seekers (%) | 46.2 | 50.4 | 47.1 | 44.2 | 50.1 | 51.4 | 49.2 | 42.4 | 35.9 | 36.6 | 37.4 | 34.9 | 26.4 |
| proportion of disabled job-seekers on benefit to the total disabled job-seekers (%) | 41.9 | 38.6 | 36.9 | 34.3 | 42.9 | 36.1 | 30.1 | 26.0 | 21.4 | 20,6 | 20,8 | 20,0 | 20,5 |
| | | | | | | | | | | | | | |
| total vacancies | 79,422 | 53,938 | 76,581 | 88,047 | 83,976 | 62,284 | 37,641 | 35,117 | 52,060 | 52,084 | 40,651 | 40,188 | 51,203 |
| including: PUW for disabled job-seekers | 2,316 | 1,666 | 1,418 | 1,506 | 1,489 | 1,291 | 1,242 | 1,349 | 2,811 | 2,108 | 1,747 | 1,587 | 1,704 |
| | | | | | | | | | | | | | |
| job-seekers per one PUW | 1.7 | 3.4 | 2.2 | 1.7 | 2.2 | 4.3 | 10.3 | 13.9 | 8.8 | 8.9 | 12.7 | 13.5 | 10.6 |
| disabled job-seekers per one PUW for the disabled | 6.7 | 12.0 | 15.5 | 15.1 | 21.1 | 31.3 | 39.4 | 42.7 | 21.0 | 29.2 | 38.3 | 45.2 | 43.8 |
| | | | | | | | | | | | | | |
| proportion of PUW for the disabled to the total PUW ($\%$) | 2.9 | 3.1 | 1.9 | 1.7 | 1.8 | 2.1 | 3.3 | 3.8 | 5.4 | 4.0 | 4.3 | 3.9 | 3.3 |
| | | | | | | | | | | | | | |
| sheltered workshops: | | | | | | | | | | | | | |
| created jobs ** | 1,415 | 1,005 | 851 | 824 | 622 | 533 | 920 | 1,059 | 1,434 | 1,017 | 976 | 1,185 | 1,171 |
| placed job-seekers | 1,308 | 947 | 746 | 724 | 562 | 493 | 853 | 951 | 1,368 | 1,043 | 1,063 | 1,221 | 1,566 |
| | | | | | | | | | | | | | |
| Employed disabled in the CR *** | | | 195.6 | 174.2 | 169.2 | 141.5 | 119.7 | 96.9 | 90.0 | 83.8 | 101.2 | 98.3 | |
| including those with severe handicaps | | | 38.4 | 39.4 | 34.5 | 30.8 | 17.6 | 16.4 | 15.2 | 9.4 | 15.1 | 16.0 | |
| *) new methodology | | | | | | | | | | | | | |

*) new methodology

**) sheltered workshops – status since the beginning of the year

***) source: the Czech Statistical Office - SSW

Due to the fact that foreign nationals are one of the vulnerable groups in the labour market, the Committee demanded that information on the extent to which this group has been affected by unemployment be collected.

In the period prior to the accession of the EU, foreign nationals holding a residence permit who did not need for their work activity an employment permit, were not specifically monitored in terms of unemployment, since they had the same rights as the citizens of the Czech Republic. Foreign nationals whose purpose of residence in the territory of the Czech Republic was terminated, usually returned to the place of their permanent residence. For this reason, the rate of unemployment of foreign nationals was not monitored.

Currently, the MLSA is preparing the monitoring of employed and unemployed foreign nationals (in particular from the EU, the European Economic Area and Switzerland). No relevant data to calculate the rate of unemployment are available.

Based on the information of the International Labour Organisation (ILO) the Committee noted that Romanies are inappropriately affected by the unemployment and demanded that up-to-date information on this point be given in the next report.

By the Government Resolution No. 87 of 23 January 2002 the Concept of the Romany Integration was approved which – similarly as its updated version approved by the Government Resolution No. 243 of 12 March 2003 – also includes information on the possibilities of further development of equalisation procedures that will allow to improve the situation of Romany communities. The main objective of equalisation procedures is to integrate Romany communities and accomplish economic self-sufficiency of its members, especially through activities aimed at enhancing their educational level and professional qualifications. For equalisation procedures targeted assistance is preferred that will enable to Romanies to overcome their disadvantaged status and cope with the requirements placed on them. The Government approaches equalisation procedures with the aim of achieving objectives associated with them by the year 2020.

In the field of Romany education a primary step towards elimination of adverse impacts in particular on children from the Romany community due to their sociocultural differences, was a change in the diagnostics of the overall level of child talent and its structure. The Ministry of Education, Youth and Sports performed a Czech revision of the most widely used worldwide test for the diagnostics of the overall level of talent and talent structure WISC-III-UK. The application of this test should improve the reliability of diagnostics of children, including those that come from a different cultural and social environment, i.e. also Romany children. The use of a selected test and its methodological manual by pedagogical and psychological counselling centres that only propose the placement or transfer of a child to special (remedial) schools is not obligatory, it is only recommended by the Ministry. *The Pedagogical and Psychological Counselling Institute of the Czech Republic and Pedagogical centres of the Ministry of Education, Youth and Sports organise the training of psychologists focused on the use of this test in their work and also on issues relating to specific features of diagnostics of Romany children, with a view to ensure that*

psychologists be able to consider the level of capability of children to be educated with regard to a specific different environment from which a particular child comes.

In the field of employment, training and retraining courses may serve as an example of equalisation procedures. Their primary aim is to help to the trainees to acquire necessary knowledge and skills that equalise handicaps in an access to employment in the field of state administration or service in the armed and security forces of the state and that are widespread in the majority population in general, but are not usual by Romany standards. This area includes also retraining courses for Romany assistants and advisors specialising in work for state or self-governing authorities. A specific example of such courses are also courses preparing Romanies for work for the Police of the Czech Republic that are being organised as early as from 1999. Similar courses are also being prepared for the Romanies' work in the Prison Service. In the future, also the available options for the training for work in the army should be used. The system of military boarding schools creates appropriate conditions for studies and enhancement of qualifications of men from the disadvantaged sociocultural environment. Within job centres also the courses for unskilled labour are offered (for instance, practical retraining, programmes such as "Most" (Bridge) and "Šance" (Chance), but the elderly Romany population often does not show enough interest in such projects.

Estimated figures for the rate of unemployment of the Romany population range from approximately 19% of the unemployed up to 70 %. Most Romanies are included by job centres into the group of people with impaired ability to be placed in the labour market (the long-term and repeated unemployment, low level of qualification, different sociocultural environment). According to estimates, Romanies account for 30 - 70 % of this group in individual regions. *The main reasons for the high rate of unemployment of the Romany population is a low level of education and qualifications in general for the entire population and insufficient level of the required work habits and skills that exclude them from being admitted to work teams.*

On 4 June 2003, the Government of the Czech Republic approved the National Action Plan for Employment for the year 2003. The plan contains measures aimed at supporting the most disadvantaged groups in the labour market. Such measures also include Measure 7.1 consisting in a procedure whereby the MLSA, in collaboration with job centres, will systematically identify job-seekers that are most seriously threatened by discrimination with the aim of increasing their participation in measures of activation programmes adopted by the Government Resolution of 23 June 1999 No. 640, on measures in support of employment of persons with impaired ability to be placed in the labour market (with regard to members of the Romany community). It will continue to place job-seekers most seriously threatened in the labour market into all programmes of active employment policy, more extensive application of counselling and advisory services and communication strategies with respect to such groups, in accordance with the objectives of the National Action Plan for Combating Poverty and Social Exclusion and the government Concept of Romany Integration. Additional important measures include Measure 7.2 and 7.3, focused on support of employment in regions most seriously affected by unemployment (these are especially regions of North Bohemia and North Moravia, affected by structural changes in industry) these regions are also areas with an increased concentration of the Romany population. The support of Romany employment within the active employment policy also continues through public utility works, often in collaboration with Romany organisations and entrepreneurs.

Within the Human Resources Development Operational Programme, the key programme document of the MLSA CR, Measure 2.1 deals with the above mentioned issues. The measure discusses methods aimed at facilitating the integration of specific groups of the

population threatened by social exclusion, both in the field of employment and social services. For these target groups, extensively represented by most part of the Romany population, or as an instrument that should be conducive to the equalisation of their opportunities as regards an access to education and placement in the labour market, the **supraregional grant scheme named Inclusion of groups threatened by social exclusion** was prepared and in December 2004 approved. Subsequently, on 21 December 2004, within this grant scheme, a Call for the submission of requests for a financial support for grant projects has been announced, the first round of which should be concluded in July 2005. At the turn of the 3rd and 4th quarter then the commencement of the 2nd round of the Call is envisaged.

At the same time, implementation of 10 projects within the EQUAL Community Initiative is performed. The issue of racial discrimination in the labour market is directly addressed by the project *Kompas (Compass) – a programme in support of activation of own abilities for job-seekers without a secondary education with impaired ability to be placed in the labour market.* The programme aims at improving the placement of persons with low qualifications (especially the young people, including Romanies) in the labour market through the methodology co-ordinating several forms of vocational training within the educational system (for instance, the adult education in two-year apprenticeship training programmes) and the active employment policy (for instance retraining) that will result in obtaining the generally recognised certificate. Other programmes relating to the racial issues and xenophobia are focused on teaching that is promoting multicultural values and improving an approach of the majority society towards minorities.

A key problem, when considering the success of individual government measures, is the impossibility of obtaining reliable statistical data, due to the legislation in force that regulates the protection of personal data and the rights of members of ethnic minorities. Job centres originally maintained the records of Romany job-seekers *as an optional indicator*, however, based on requirements of Romany activists, this information has been removed, and therefore it is not possible to identify the actual number of members of Romany communities in the statistics of job centres. Even if this situation is changed, the real information value of such data would be questionable, since only 11,746 citizens officially registered themselves as Romany nationals in the course of the census in 2001 (some 0.1 % of the population), while the number of Romanies in the Czech Republic is estimated at 150,000- 200,000 persons.

<u>The Committee further demands that in future reports the share of public expenditure</u> on active and passive measures in the GDP is specified.
| | 200 |)3 | 200 |)4 |
|---|------------|-----------------------|------------|-----------------------|
| | CZK '000 | Share in GDP (%)*) | CZK '000 | Share in GDP (%)*) |
| Expenditure on SEP | 10,960,417 | 0.45 | 12,589,740 | 0.46 |
| incl.: | | | | |
| Passive employment policy (PEP) | 6,949,250 | 0,29 | 7,338,400 | 0.27 |
| Proportion of PEP to SEP (%) | 63.4 | х | 58.3 | х |
| Active employment policy (AEP) | 3,274,160 | 0,14 | 4,371,890 | 0.16 |
| including investment incentives | 803,871 | 0,03 | 889,253 | 0.03 |
| Proportion of AEP to SEP (%) | 29.9 | х | 34.7 | х |
| Support for disabled persons – contribution pursuant to Section 24a of Act No. 1/1991 Coll. **) | 524,446 | 0,02 | 667,877 | 0.02 |
| Proportion of support for | | | 5.0 | |
| employment of the disabled | 4.8 | X | 5.3 | X |
| Insolvency | 212,561 | 0,01 | 211,573 | 0.01 |
| Proportion of insolvency to SEP (%) | 1.9 | х | 1.7 | Х |

Comparison between expenditure on state employment policy (SEP) in 2003 and 2004

*) The data relating to GDP in 2003 and 2004 are derived from quarterly GDP estimates (Source: The Czech Statistical Office)

**) as of 1 October 2004 pursuant to Section 78 of Act No. 435/2004 Coll., on Employment

The Committee further demanded additional information on the measures taken in support of employment and combating unemployment of immigrants and Romanies.

See previous answered questions of the Committee.

In its conclusions to the last Report, with respect to Article 1 para 2, the Committee also demanded answers to the following questions:

The Committee inquired whether it is possible to suspend the payment of the unemployment benefit immediately after the first refusal by a job-seeker to take part in the vocational training, which is the case if "a suitable" job is refused.

Under the new legal regulation a job-seeker may be removed from the job-seeker records (whereby also the provision of unemployment benefits is terminated), if, he/she, inter alia, **without any serious reasons**, refuses to accept a suitable job or refuses to commence the

agreed retraining programme, does not participate in the retraining course within the agreed scope of theoretical and practical training, fails to comply with his/her study and training obligations determined by the educational establishment that performs the retraining or fails to undergo the final testing of the knowledge and skills acquired. This sanction may be imposed also upon the first such refusal. Serious reasons, for which such sanction is not applied are by virtue of a law the reasons consisting in:

1. necessary personal care for a child up to the age of 4 years,

2. necessary personal care for a child with a severe long-term handicap up to the age of 18 years,

3. necessary personal care for a predominantly or completely dependent individual older than 80 years, if such an individual lives permanently with a job-seeker and both jointly cover the costs of their needs; these conditions are not required if this is a person that is deemed to be a relative for the purposes of the pension insurance,

4. child's attendance at a preschool establishment and child's compulsory school attendance,

5. place of employment or the nature of employment of the second spouse,

6. health reasons that according to a medical opinion prevent a job-seeker from performing a job or prevent him/her from complying with the obligation to co-operate with the job centre in the mediation of a job, or

7. other serious personal reasons, for instance ethical, moral or religious that a job-seeker substantiates and proves.

We would like to add that suitable job is the one that, inter alia, is adequate to the job-seeker's condition of health, and if possible, his/her qualifications, aptitudes, length of the preceding periods of employment, possibilities of accommodation and accessibility of the job by means of transport.

The Committee demands further information on part-time jobs. It inquires about legal warranties with regard to part-time work, specifically, if any minimum working week exists and any rules that require, under any circumstances, equal pay for both full-time and part-time workers.

Specification of an answer to the issue:

An employer may require from an employee engaged for shorter hours (Section 86 of the Labour Code) additional performance of work, in excess of the agreed shorter working hours, only subject to prior agreement with such employee. However, this work will be treated as overtime only if it exceeds the agreed weekly working hours (Section 83a). The employer cannot order the employees engaged for shorter hours to work overtime, he/she may only negotiate it with them. An employee is entitled to a wage earned for a work that exceeds the agreed shorter working hours but does not exceed the determined weekly working hours. (similarly as for employees working the determined weekly working hours). An employee engaged for shorter hours is entitled to receive an extra payment or compensatory time-off, similarly as in the case of an employee with the determined weekly working hours.

As far as securing of an equal wage for an employee engaged for shorter working hours is concerned, we refer also to our opinion on this issue in the previous Report on implementation of the European Social Charter, with respect to Article 2 para 5 Question C - namely that an employer is obliged to secure equal treatment of all employees (Section 1

Para 3 of the Labour Code) as regards their working conditions, including the remuneration for their work. An employee who works part time or for a definite period has the same working conditions as an employee who works full time for an indefinite period.

In its conclusions to the last Report, with respect to Article 1 para 2, the Committee for Social Rights also demanded answers to the following questions:

The Committee demanded that the next report clarify the terms "public utility job" and "public utility work" and contain information on the total number of persons that have found their job through public employment services. The Committee also needs to know how many vacancies reported to public employment services were in fact filled.

Terms ,,public utility jobs" and ,,public utility works"

These are instruments of the active employment policy defined by the Act on Employment. Unemployment benefits, or subsidies are provided by job centres subject to an agreement.

Public utility jobs are jobs created or reserved by an employer and filled with job-seekers for whom no job can be found by other means. Such a job may be created also for the purpose of the pursuit of the self-employment activity by a job-seeker. The job must be newly created. In the case of a reserved job, a financial subsidy takes the form of a partial or full reimbursement of the paid wage costs, while the job is reserved for a particular job-seeker.

Public utility works are job opportunities for a limited period of time, consisting in particular in the maintenance of public space, cleaning and maintenance of public buildings and communications or other similar activities for the benefit of municipalities or governmental or other public utility institutions. They are created by employers for a period of 12 successive calendar months as a maximum, even repeatedly, for the placement of job-seekers. A financial subsidy takes the form of a partial or full reimbursement of the paid wage costs.

For more details see the table below:

| | Job-seek | | | | | | | |
|-------------------|-------------------------------------|-----------------------|----------------------------------|---------------------|--------------|---|-----------|---|
| Year | Newly registered job- seekers | total unregistered | placed through job centres | placed otherwise | total placed | unregistered due to failure to co-operate with job centres | other | Rate of placement (placed through job centres/ unregistered) (%) |
| 1993 total | 429,832 | 379,404 | 132,296 | 148,746 | 281,042 | 38,509 | 59,853 | 34.9 |
| monthly average | 35,819 | 31,617 | 11,025 | 12,396 | 23,421 | 3,209 | 4,988 | |
| 1994 total | 386,974 | 405,710 | 128,771 | 172,168 | 300,939 | 37,170 | 67,601 | 31.7 |
| monthly average | 32,248 | 33,809 | 10,731 | 14,347 | 25,078 | 3,098 | 5,633 | |
| 1995 total | 352,221 | 365,660 | 109,708 | 153,757 | 263,465 | 31,507 | 70,678 | 30.0 |
| monthly average | 29,352 | 30,472 | 9,142 | 12,813 | 21,955 | 2,626 | 5,890 | |
| 1996 total | 376,763 | 343,465 | 102,007 | 150,150 | 252,157 | 29,316 | 61,992 | 29.7 |
| monthly average | 31,397 | 28,622 | 8,501 | 12,513 | 21,013 | 2,443 | 5,166 | |
| 1997 total | 498,546 | 415,983 | 111,166 | 193,211 | 304,377 | 32,259 | 79,272 | 26.7 |
| monthly average | 41,546 | 34,665 | 9,264 | 16,101 | 25,365 | 2,688 | 6,606 | |
| 1998 total | 638,583 | 520,567 | 105,134 | 257,924 | 363,058 | 52,101 | 105,408 | 20.2 |
| monthly average | 53,215 | 43,381 | 8,761 | 21,494 | 30,255 | 4,342 | 8,784 | |
| 1999 total | 721,126 | 620,421 | 120,104 | 314,083 | 434,187 | 61,434 | 124,800 | 19.4 |
| monthly average | 60,094 | 51,702 | 10,009 | 26,174 | 36,183 | 5,120 | 10,400 | |
| 2000 total | 668,158 | 698,412 | 148,217 | 350,450 | 496,667 | 68,911 | 132,834 | 21.2 |
| monthly average | 55,680 | 58,201 | 12,351 | 29,204 | 41,389 | 5,743 | 11,070 | |
| 2001 total | 653,585 | 649,031 | 137,044 | 324,360 | 461,404 | 68,150 | 119,477 | 21.1 |
| monthly average | 54,465 | 54,086 | 11,420 | 27,030 | 38,450 | 5,679 | 9,956 | |
| 2002 total | 677,374 | 624,862 | 116,900 | 329,617 | 446,517 | 62,687 | 115,658 | 18.7 |
| monthly average | 56,448 | 52,072 | 9,742 | 27,468 | 37,210 | 5,224 | 9,638 | |
| 2003 total | 666,276 | 638,291 | 109,732 | 343,274 | 452,959 | 58,803 | 126,529 | 17.2 |
| monthly average | 55,523 | 53,191 | 9,144 | 28,606 | 37,747 | 4,900 | 10,544 | |
| 2004 total | 674,359 | 675,104 | 115,414 | 363,122 | 478,439 | 59,597 | 136,961 | 17.1 |
| monthly average | 56,197 | 56,259 | 9,618 | 30,260 | 39,870 | 4,966 | 11,413 | |
| total 1993 - 2004 | 6,743,797 | 6,336,910 | 1,436,493 | 3,100,862 | 4,535,211 | 600,444 | 1,201,063 | 22.7 |
| monthly average | 46,832 | 44,006 | 9,976 | 21,534 | 31,495 | 4,170 | 8,341 | |

| Length of registration of job-seekers | 31.12.98 | 31.12.99 | 31.12.00 | 31.12.01 | 31.12.02 | 31.12.03 | 31.12.04 |
|--|----------|----------|----------|----------|----------|----------|----------|
| Job-seekers unregistered per quarter | 124,957 | 151,720 | 158,307 | 141,112 | 136,968 | 145,042 | 150,496 |
| total length of registration (ths. days) | 17,687 | 26,953 | 33,354 | 30,060 | 29,938 | 34,472 | 41,722 |
| average length of registration (days) | 141.5 | 177.6 | 210.7 | 213.0 | 218.6 | 238.9 | 277.2 |

ARTICLE 5: THE RIGHT TO ORGANISE

"With a view to ensuring or promoting the freedom of workers and employers to form local, national or international organisations for the protection of their economic and social interests and to join those organisations, the Contracting Parties undertake that national law shall not be such as to impair, nor shall it be so applied as to impair, this freedom. The extent to which the guarantees provided for in this Article shall apply to the police shall be determined by national laws or regulations. The principle governing the application to the members of the armed forces of these guarantees and the extent to which they shall apply to persons in this category shall equally be determined by national laws or regulations.

Question A

a) Please indicate whether any, and if so what, categories of workers and employers are prohibited by law from forming organisations, or restricted in doing so. Please indicate inter alia:

- the existence of legislation or special regulations applicable to the forming of organisations by civil servant and other persons employed by the public authorities at central or local level;

- to what extent the rights provided for in this Article apply to members of armed forces and of the police, explaining in particular the nature and functions of staff associations which may be available to them;

- whether nationals of other Contracting Parties lawfully resident or working regularly in the territory of your country may join or be a founding member of a trade union. Please indicate in particular whether they may hold positions in the administration or management of a trade union;

- the eligibility of workers, nationals of other Contracting Parties to the Charter, for election to consultation bodies at the enterprise level such as works councils.

b) Please indicate any conditions of registration or otherwise with which employers' and workers' organisations must comply when they are founded and the provisions with which they must comply in the course of their existence.

c) Please indicate the measures intended to guarantee the exercise of freedom to organise and in particular those to protect workers' organisations from any interference by employers and by the state. Please indicate how such protection from outside interference applies to employers' organisations.

d) Please indicate, where appropriate, any statutory provisions regarding the affiliation of employers' and workers' organisations with national federations of organisations and with international organisations of the same type.

No substantial or fundamental changes.

The new Armed Act No. 585/2004 Coll., on armed obligation and its provision came into force from 1. 1. 2005. This Act does not regulate basic military service or alternative military service and thus these forms of military active services are not applied in practice any more.

Update on letter c):

Act No. 1/1991 Coll. on Employment and Act No. 9/1991 Coll. on employment and on the competence of the authorities of the Czech Republic in the field of employment, have been abrogated by Act No. 435/2004 Coll. on Employment. Section 4 of this Act regulates the prohibition of both direct and indirect discrimination on the grounds of membership and activities in trade union organisations and employers' organisations. The violation of the prohibition of discrimination or the equal treatment principle under this Act or other labour law regulations may be fined up to CZK 1,000,000.

Question B

- a) Please describe how the right to join a trade union is protected in law and in practice and indicate whether any, and if so which, categories of workers are prohibited from joining a trade union or restricted in doing so.
- b) Please indicate whether and how the right of workers not to join a union is protected in law and in practice. Please indicate in particular whether examples exist in practice of an obligation to belong to a trade union (closed shop clause, etc.) and what are the measures taken in this regard.

No change.

Question C

a) Please furnish a complete description of any representativity criteria, i.e. any conditions which trade unions must fulfil in order to be considered representative.

b) If such criteria exist, please also give information on the existence and type of appeal against decisions by the authority or authorities responsible for determining whether a trade union is representative or not. Please indicate the functions which are reserved for representative unions in respect of the negotiation and conclusion of collective agreements, participation in the nomination of various types of representatives and participation in consultation bodies.

c) Please reply to the questions under *a*. and *b*. in respect of representativity of employers' organisations, except when negotiations at enterprise level are concerned.

Update:

A partial change has been made to the criteria for membership of the Council of Economic and Social Accord.

The Council of Economic and Social Accord of the Czech Republic (hereinafter "RHSD CR"), is a joint voluntary bargaining and initiative body of trade unions, employers and the Government of the Czech Republic for tripartite negotiations with the aim of reaching an agreement in fundamental issues of economic and social development.

The criteria for employers' organisations have been changed in point 5) and by adding point 6) as follows:

5) Each employer entity seeking participation in the negotiations of RHSD CR must have at least 400,000 employees.

6) The employers' association seeking participation in the negotiations of RHSD CR may include into the criterion of the determined employee number pursuant to point 5 solely those members who prove that they have in their Articles of Association stipulated the right to collective bargaining and entering into the higher level collective agreement.

Question D

Please indicate under what circumstances and on which conditions trade union representatives have access to the workplace. Please indicate also whether trade unions are entitled to hold meetings on the premises of the enterprise.

No change.

Question E

Please give information on the measures taken to ensure protection against reprisals on grounds of trade union activities.

No change.

In its Conclusions to the last Report, with respect to Article 5, the Committee for Social Rights demanded answers to the following questions:

The Committee inquired whether any form of security for trade unions is used. The Committee wanted to know, whether there are any collective agreements or individual employment contracts that limit an access to hiring of employees and maintaining the employment relationship to members of trade unions.

The Charter of Fundamental Rights and Liberties (Constitutional Act No. 2/1993 Coll.) in Article 27, inter alia, stipulates that everyone has a right to associate freely. This right is specified by Act No. 83/1990 Coll., on the association of citizens. The Act stipulates, inter alia, that no one may be forced to associate, to become a member of associations, or participate in their activity. The Labour Code regulates in Section 1 the prohibition of both direct and indirect discrimination, inter alia on the grounds of membership of and activities in trade union organisations. Act No. 435/2004, on Employment, regulates in Section 4 the prohibition of discrimination when exercising the right to employment.

From the above facts is clear that neither collective agreements, nor individual employment contracts may contain any provisions that would limit an access to the hiring of

employees or maintaining employment relationship to trade union members. Such provisions would be void, since they would be contrary to the legal regulations.

<u>The Committee demanded information on the structure, mission and obligations of the</u> <u>Security Information Service.</u>

The Security Information Service as an intelligence service obtains information on plans and activities directed against fundamental democratic principles, sovereignty and territorial integrity of the Czech Republic, on intelligence services of foreign powers, on activities posing a threat to the state and professional secret, on activities the consequences of which may pose a threat to the national security and significant economic interests of the Czech Republic and on activities associated with the organised crime and terrorism.

The definition of the internal structure of intelligence service and the definition of its activities is stipulated in its charter. The charter of intelligence service is authorised by the Government.

ARTICLE 6: THE RIGHT TO BARGAIN COLLECTIVELY

ARTICLE 6, para. 1

"With a view to ensuring the effective exercise of the right to bargain collectively, the Contracting Parties undertake:

to promote joint consultation between workers and employers;"

Question

Please indicate the legislative or other steps taken to encourage joint consultation between workers and employers in your country. In what way do the public authorities encourage or participate in such consultation? Please give particulars on the bodies responsible for such consultation, at the national, regional, or local levels, as the case may be, and on the procedures entailed, together with information on the issues covered (financial issues, social issues, working conditions, etc.) and on the sectors of the economy to which the procedures apply.

Update:

Advisory boards at a regional level are, subsequent to abrogation of Act No. 9/1991 Coll. on employment and on the competence of the authorities of the Czech Republic in the field of employment, regulated in Section 7 para 4 of Act No. 435/2004 Coll. on Employment.

ARTICLE 6, para. 2

"With a view to ensuring the effective exercise of the right to bargain collectively, the Contracting Parties undertake:

to promote, where necessary and appropriate, machinery for voluntary negotiations between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements;"

Question A

Please give a description of the existing collective bargaining machinery and its results in both the private and public sector (indications of the number of negotiations and agreements concluded and other indicators or evaluation criteria).

Update:

The provision of Section 7 of Act No. 2/1991 Coll. on Collective Bargaining, that regulated extension of the binding effect of collective agreements has been repealed. The Parliament of the Czech Republic currently discusses a draft of the new regulation governing the extension of the binding effect of collective agreements.

The effective date of Act No. 218/2002 Coll., on the service of civil servants in administrative authorities and remuneration of these servants and other employees in administrative authorities (the Civil Service Act) has been postponed and the Act will take full effect on 1 January 2007.

The number of concluded higher level collective agreements:

| Year | Number of |
|------|------------|
| | agreements |
| 2001 | 26 |
| 2002 | 13 |
| 2003 | 12 |
| 2004 | 21 |

Question **B**

Please indicate whether and how the law encourages or obliges employers or their organisations to bargain with workers' organisations collectively, and whether and how it encourages or obliges workers' organisations to bargain with employers or their organisations. Please also indicate how the question of union recognition is dealt with.

Update:

Control powers of job centres, as regards compliance with the obligations arising from labour law regulations that include the Labour Code and the Act on Collective Bargaining, are now regulated in Section 126 of Act No. 435/2004 Coll., on Employment.

Question C

Please indicate to what extent, under what conditions, according to which procedures and for which types of subject matter the State can intervene in the process of free collective bargaining. Please indicate where state intervention occurred during the reference period.

ARTICLE 6, para. 3

"With a view to ensuring the effective exercise of the right to bargain collectively, the Contracting Parties undertake:

to promote the establishment and use of appropriate machinery for conciliation and voluntary arbitration for the settlement of collective labour disputes;"

Question A

Please describe such machinery as exists by virtue either of law, collective agreements or practice for the settlement of disputes by:

a. conciliation;*b.* arbitration or court pr

b. arbitration or court procedure;

c. other methods of dispute resolution.

No change.

Question B

In so far as certain machinery may be compulsory, please describe - the sanctions imposed by law or by collective agreements used for its enforcement; - their significance in practice.

No change.

Question C

Please describe the procedures provided, whether by law, staff regulations or practice for settling disputes between public sector employees and the administration, and show whether existing procedures are open to them.

ARTICLE 6, para. 4

"With a view to ensuring the effective exercise of the right to bargain collectively, the Contracting Parties recognise:

the right of workers and employers to collective action in case of conflicts of interest, including the right to strike, subject to obligations that might arise out of collective agreements previously entered into.

/The Appendix to the Charter stipulates that it is understood that each Contracting Party may regulate the exercise of the right to strike by law, provided that any further restriction that this might place on the right can be justified under the terms of Article 31./

Question A

Please explain the meaning of collective action in your country specifying what forms of action are recognised (strike, lockout, other forms), what are the permitted objectives of collective action and how the right to collective action is guaranteed.

No change.

Question B

Please indicate who is entitled to collective action (individuals, groups/coalitions of workers, trade unions, employers or employers' organisations, etc.).

No change.

Question C

If the right to collective action is restricted, please state what is the content of these restrictions, and whether they are related to the purposes pursued or the methods employed by those taking action, or both, and by which authority they may be imposed. Please also state any procedural requirements pertaining to collective action (i.e. notice rules, cooling-off periods, conciliation, arbitration, ballot requirements, quorums, etc.).

No change.

Question D

Please indicate whether any existing restrictions to the right to collective action are prescribed by law and are necessary in a democratic society for the protection of the rights and freedoms of others or for the protection of public interest, national security, public health, or morals (Article 31 of the Charter).

Question E

Please state the effect of strikes or lockouts on the continuation of the employment contract and any other consequences, e.g. deduction from wages, liability, etc.

No change.

Question F

Please supply available statistics on strikes and lockouts. Please supply the following additional information

- Acceptable goals of the collective action; the time and scope of the collective action,
- Consequences of collective actions.

No change.

In its conclusions to the last Report, with respect to Article 6 para 3, the Committee for Social Rights demanded answers to the following questions:

The Committee inquired (with respect to the conciliation and arbitration proceedings) whether the fact set out in an answer to the previous question of the Committee, i.e. that the Ministry never appoints an arbitrator against the will of any party, means that the party that accepted a proposal to refer to an arbitrator, but does not agree to the appointed person of an arbitrator, may withdraw from the proceedings before an arbitrator.

Act No. 2/1991 Coll. on Collective Bargaining stipulates in the quoted Section 11 para 2 that "Unless the Contracting Parties agree on a mediator, a mediator shall be appointed by the Ministry of Labour and Social Affairs on the proposal by any of the Contracting Parties." This implies that the decision of the Ministry of Labour and Social Affairs in a way serves as a substitute for the agreement the Contracting Parties were unable to reach. None of the Contracting Parties may unilaterally decide not to take part in proceedings before an arbitrator.

In its conclusions to the last Report, with respect to Article 6 para 4, the Committee for Social Rights demanded answers to the following questions:

The Committee required the submission of the ruling of the Supreme Court and other rulings that prove that courts recognise the right to strike outside the limits of collective bargaining.

The subject rulings of the Supreme Court (especially Ref. No. 21 Cdo 2489/2000, Ref. No. 21 Cdo 2104/2001) are appended as an annex to this Article.

"In its previous conclusion the Committee noted that under Act No. 2/1991 Coll., on collective bargaining (Section 16 para 1 and Section 20 letter d)) strikes may be only called in connection with a dispute on entering into the collective agreement. This restrictive scope has been found by the Committee contrary to Article 6 para 4. According to the Report this means that in other cases strikes are outside the scope of application of Act No. 2/1991 Coll. The Committee noted that from the wording of the above provisions is clear that strikes that are not called with the aim of entering into the collective agreement are illegal. Consequently, the Committee relied on its previous assessment of the situation on this point."

Also with reference to previous request of the Committee which implies the option that the Committee will take into account the fact that the rulings it has requested prove that the courts in the Czech Republic recognise the right to strike outside the limits of collective bargaining, we suggest to the Committee to re-consider the above quoted conclusion.

We summarise again the position of the Czech Republic in a wording that has been formulated for these purposes by the Supreme Court of the Czech Republic.

Opinion of the Supreme Court of the Czech Republic:

The Czech Republic ratified (apart from the Charter) a wide range of international legal instruments that implicitly lay down the right to strike. This is in particular the International Pact on Economic, Social and Cultural Rights (No. 120/1976 Coll.), ILO Convention No. 87 concerning the freedom of association and the protection of the right to organise on a trade-union basis (No. 489/1990 Coll.) and the ILO Convention No. 98 concerning the application of the principles of the right to organise and to bargain collectively (No. 470/1990 Coll.).

In the national legislation the right to strike is laid down in Art 27 of the Charter of Fundamental Rights and Freedoms. Together with lockout it is then in more detail positively regulated solely in Act No. 2/1991 Coll. on Collective Bargaining.

The Charter of Fundamental Rights and Freedoms lays down the right to strike as one of fundamental economic, social and cultural rights, in Section four in Article 27. Consequently, the Charter only protects the right to strike called for the purpose of protection of economic and social interests, however, not political interests. The right to strike is under Art 41 para 1 of the Charter guaranteed under conditions stipulated by law.

The sole case where the strike is regulated by law is the dispute over entering into the collective agreement. It is defined in Section 16 para 2 and 3 of Act No. 2/1991 on Collective Bargaining as a partial or complete interruption of employee work. A solidary strike is a strike in support of the requirements of employees striking in a dispute over entering another collective agreement. A lockout is defined also in Section 27 as a partial or complete cessation of work (close-down) by the employer.

The Charter of Fundamental Rights and Freedoms, however, does not specifically stipulate what all types of strike aimed at protection of all these interests are deemed to be legal. Thereby the legality of strikes that are not regulated by law (i.e. strikes outside the process of bargaining for entering into the collective agreement) is not excluded which is consistent with a principle laid down in the Constitution in Art 2 para 4 and also in the Charter of Fundamental Rights and Freedoms in Art 2 para 3, namely that any one may do what is not prohibited by law and no one may be forced to do what the law does not stipulate. Legal consideration of the legality of a strike is based on consideration by court, in individual cases by judicial decisions of the courts (See, for instance, the ruling of the Supreme Court of the Czech Republic of 14 November 2002, Ref. No. 21 Cdo 2104/2001) it has been implied that the right to strike may be exercised also outside the scope of the collective bargaining, if economic and social interests are at stake and the exercise of this right is not limited by other restrictions imposed otherwise by law on strike in disputes over entering into the collective agreement.

See also Annex to Art 6 – rulings of the Supreme Court

<u>The Committee has concluded that Art 6 para 4 fails to be complied with, since</u> a strike may only be called subject to prior consent of a half of employees to whom the collective agreement applies. This constitutes an inadequate restriction of the trade unions' right to collective action (Section 17 of Act No. 2/1991 Coll.) and this violation has not been eliminated in the examined period.

In the amendment to the Act on Collective Bargaining a change has been proposed to the provision that regulates the condition of the required consent to a strike by certain number of employees. The proposal would mitigate this condition, i.e. it would limit the number of employees whose consent is required. The proposed regulation is now subject to the legislative process. Currently, the comment procedure is in progress. A number of crucial comments have been submitted with respect to the proposal referring to the seriousness of intervention in the employer's activities that might have possible consequences for all employees and stressing therefore the necessity of maintaining the democratic nature of employee minority should decide on such an important matter about the employee majority and require that the level of the reduced quorum be adequate in this respect.

The Committee pointed out that to deprive certain categories of employees or employees in certain industries of the right to strike may be compatible with Art 6 para 4 of the Charter, if Article 31 applies to them that permits the limitations of the right to strike that are stipulated by law and are necessary in a democratic society for the protection of rights and freedoms of

other people or for the protection of public interest, national security, public health or morals.

The Committee takes the view that the above prohibition of a strike is stipulated by law and a given limitation may be justified to the extent that given the nature of the working obligations the halting of work in the case of these categories of employees might threaten the lives of other persons, national security and/or public health. However, the Committee takes the view that the prohibition of striking of these employees as such, without any differentiation between their particular functions cannot be deemed to be adequate to particular circumstances of these individual industries, and therefore cannot be deemed necessary in a democratic society, either. The introduction of a minimum service in these industries might be the sole measure compatible with Article 6 para 4 of the Charter.

<u>The Committee also inquired whether the prohibition of a strike is applicable to all</u> <u>employees regardless of their particular function.</u>

<u>The Committee also inquired what is the practical interpretation of the right to strike</u> <u>with respect to the following groups:</u>

- employees of medical establishments or social care establishments ("if the strike would threaten the life or health of citizens");
- employees securing the telecommunication operation ("if the strike would threaten the life or health of citizens or their property").

The prohibition of a strike applies to employees, as defined in the Act. Some definitions apply specifically to employees defined solely by the type of an operation, for instance in the case of employees operating the nuclear power plant equipment, other definitions are further limited by additional limiting condition – for instance "if the strike would threaten the life or health of citizens". The law-makers considered this definition as adequate, since the determined types of operation, for instance the operation of the nuclear power plant equipment – as such are consistent with the requirement that the halting of work of these employee categories might threaten the life, national security and public health. As has been noted above, certain categories are limited by additional condition – "if the strike would threaten the life or health of citizens or property". This limiting condition needs to be explained subject to specific circumstances of each particular case.

<u>The Committee further inquired whether there are any data on agreements of social</u> partners pertaining to the reduced time of proceedings before a mediator

Such data are not collected.

List of sources relating to Article 6:

- Ruling of the Supreme Court Ref. No. 21 Cdo 2489/2000
- Ruling of the Supreme Court Ref. No. 21 Cdo 2104/2001
- Ruling of the Supreme Court Ref. No. 21 Cdo 2045/2002
- Ruling of the Supreme Court Ref. No. 21 Cdo 363/2002

ARTICLE 12: THE RIGHT TO SOCIAL SECURITY ARTICLE 12, para. 1

"With a view to ensuring the effective exercise of the right to social security, the Contracting Parties undertake: to establish or maintain a system of social security."

Please indicate the measures taken to give effect to this undertaking, specifying the nature of the existing system, in particular funding arrangements, giving information allowing the percentage of the population covered and the level of benefits to be determined. Please complete information on a particular branch of the social security system and the manner of its functioning.

Update:

In the field of the state social support and social care benefits, several, especially, parametrical changes have been made in the reference period:

Family allowances

1. With respect to Act on State Social Support (Act No. 117/1995 Coll., on state social support, as amended), i.e. the family allowances

In the reference period there was no valorisation of the subsistence level.

A period for retroactive granting of the state social support benefits was reduced (this does not apply to one-off benefits - for instance birth grants and funeral grants) from one year to three months.

A number of legislative and technical changes were made (for instance, in connection with the Czech Republic's accession of the EU, in connection with the passage of an amendment to the Income Taxes Act or changes in the register of citizens or the passage of the Education Act or the Act on Employment) that did not have any direct impact on entitlements to individual benefits.

The biggest changes were made to the parental benefit. As at 1 January 2004 a condition of limited gainful activity was abolished. From this date onwards, a parent may be engaged in gainful activity and at the same time be eligible for the payment of the parental benefit, while his income is not examined. The condition of a personal, day-long and due care for a child up to the age of 4 or 7 years was specified. This care must be provided by a parent for the entire calendar month. The Act stipulates a comprehensive definition of five situations in which the condition of a care lasting the entire calendar month is deemed to be met. This is a calendar month in which: a) a child was born; b) a parent was entitled for a part of the month on account of sickness insurance benefits to receive maternity benefits, allowances or sickness benefits provided in connection with the childbirth c) a person assumed a child into care substituting the parental care based on the decision of the appropriate authority; d) a child reached the age of four years (or the age of 7 years); e) a child or a parent died.

For the period of the gainful activity a parent receiving the parental benefit has to

ensure the care for a child that makes him/her eligible for the parental benefit by another major person. The limitations pertaining to the placement of children in preschool and similar establishments remain in force. Further, the amount of the benefit has been changed from 1.1 multiple of the amount of the subsistence level for sustenance and other basic personal needs to 1.54 multiple of this amount. This means from CZK 2,552 to CZK 3,573 (in the event that a parent looks after a dependant child, from CZK 2,695 to CZK 3,773). This means from EUR 84 to EUR 118 (or from EUR 89 to EUR 125) – using the exchange rate of the Czech National Bank ruling at 11 January 2005: 1 EUR = CZK 30.25

In the reference period, first the entitlement to the maintenance and support allowance of a person to whom the court awarded the alimony to be paid by a soldier or who has made an agreement with a soldier on the payment of the alimony or the maintenance benefit, was abolished. Upon the abolishing of the compulsory military service the allowance as such lapses as at 31 December 2004.

In the reference period, also the level of income that is decisive for the entitlement to the state social support benefits and determination of their amount was changed. For self-employed persons, the amount of at least 50% of the average monthly wage in the national economy is deemed to be a minimum income from such activity (in comparison with the original amount which was the subsistence level of an individual other than a dependant child). This amount is published by the Ministry of Labour and Social Affairs in the Collection of Laws in the form of a communication, based on the information of the Czech Statistical Office. From 1 January 2004 to 30 June 2004 this amount was CZK 7,800 (EUR 258), from 1 July 2004 it stood at CZK 8,400 (EUR 278). On the other hand, a change has been introduced whereby the income of dependant children accruing for the months of July and August, i.e. at the time of school holidays is not going to be included in the decisive income of such persons.

In the reference period, further an entitlement to the transport benefit was abolished; this benefit was paid for the last time in July, i.e. the entitlement applied to the month of July 2004. From September onwards discounts on students' fare were introduced.

The organisation of the state social support system was changed. The decisions on the state social support benefits are made and these benefits are paid by job centres as of 1 April 2004. In the City of Prague the competence has not been changed.

2. With respect to Act on Social Need (Act No. 482/1991 Coll. ., on social need, as amended):

A uniform sum of CZK 600, by which citizens' subsistence level was increased when considering the social need and the amount of social care benefit to be granted to a citizen who has to rely on costly diet food, was replaced by amounts differentiated according to individual types of sickness. These amounts are laid down in the Decree of the MLSA CR No. 308/2003 Coll, which stipulates the amounts, by which for social need purposes the subsistence level of persons whose health condition requires increased costs of diet food, is increased.

The amount required for the securing of sustenance and other basic personal citizen's needs stipulated by the Act on Subsistence Level for the purposes of social need of persons

whose health condition based on the recommendation of a respective medical specialist requires increased costs of diet food, was increased monthly as follows:

a) for a low protein diet by CZK 650

b) for a diet in the case of dialysis by CZK 650

c) for a pancreatic diet by CZK 700

d) for a low cholesterol diet during hypercholesterolemia and hyperlipoproteinemia by CZK 700

e) for a diabetic diet by CZK 800

f) for diet during celiac disease and phenylketonuria by CZK 1 800.

In specific cases of increased costs of diet food due to a slimming diet during severe impairment of locomotive organs, cardiovascular diseases or strong obesity (usually over one year), liver diet, nourishing diet designed for conditions after the excision of substantial parts of the small or the large intestine, conditions after fundusectomy, during the acute treatment of oncologic diseases or malnutrition of any etiology, gallbladder diet in the case of proven anatomical changes and serious dysfunctions, the amount for personal needs is increased by the amount corresponding to the type of a diet specified in paragraph 1 letter a) to e), with which such a diet, according to the opinion of a medical specialist, is comparable in terms of the type of a disease. If the citizen's health condition requires more types of diet food, the amount for personal needs is increased only once, namely by the amount corresponding to a particular diet prescribed to the examined citizen which is the highest one.

The amendments implemented by Act No. 422/2003 Coll., amending Act No. 482/1991 Coll. on Social Need, as amended, had especially the nature of a legislative specification of the previous regulation and contributed to the strengthening of citizens' legal certainty and uniform application of the legal regulation in the territory of the Czech Republic (for instance, more precise definition of the concept "increase of income by own efforts" etc.).

The amendment determined the manner of assessment of the decisive income of the self-employed. The original wording that income from entrepreneurial or other self-employment activity is deemed to be at least at subsistence level of a person that is not a dependant child has been replaced by the legal institute of the percentage amount of the average monthly wage in the national economy. These amounts are set out in the description of changes in the state social support. Due to the fact that the practice has shown that in certain cases (especially if the self-employment activity is pursued only on an "ancillary" basis) this provision may be harsh, its change is being discussed. 50% amount of the average wage would be retained solely if the self-employment activity is pursued as the principal business. This procedure is proposed also in the area of the state social support.

The amendment has imposed also some other obligations on persons requesting/receiving social care benefits under the Act on Social Need, namely in cooperation with the respective authority. A new feature is that a parent who does not meet the obligations of a statutory representative of the dependant child related to the due compliance with the compulsory school attendance is not deemed to be socially needy (unauthorised absence – truancy).

Other changes have been made in connection with the passage of the new Act on Employment. Apart from technical amendments, the Act stipulates that a person maintained in job-seeker records is not considered to be socially needy, unless he/she shows efforts to secure the increase of his/her income by own work. Further, a person maintained in job-seeker

records longer than one year is not considered to be socially needy, if he/she declines to perform public utility works without serious reasons, provided that such works are adequate to his/her health condition and accessibility by the means of transport or if he/she declines to accept a temporary job that is adequate in terms of accessibility by the means of transport.

The above mentioned changes in the system of the state social support benefits and the state social care benefits have specified certain conditions of eligibility and thereby increased the legal certainty of citizens. The legislative changes were aimed at increasing specific targeting and effectiveness of the system of social (in particular family) benefits and strengthening the responsibility of families for their own development. Changes in conditions of eligibility for a parental benefit will contribute not only to the improvement of financial situation of families with children, but will also promote better harmonisation of family and working life. By the abolition of a limit on gainful activities a number of recipients of the parental benefit increased by some 20,000 persons.

The changes were drafted based on the principle of fairness reflecting civic solidarity when considering the eligibility for social benefits and taking into account the strengthening of incentive elements in social benefit systems. Organisational changes were aimed at rationalisation of the process of implementation of the state social support and improvement of the process of benefit granting. Last, but not least, the amendments were aimed at preventing the misuse of social benefit systems, i.e. restricting speculative practices and deliberate distortion of facts and thereby limiting the possibility of unjustified payment of benefits.

Sickness insurance – changes that were made in the reference period are described in Article 12 para 3.

Pension insurance

Changes in the **pension insurance** system consist especially in the following points:

- a) the retirement age does not exceed 65 years; in 2004 the retirement age of men was 61 years and 4 months. The retirement age of women is dependent on the number of children brought up, ranging from 55 years and 4 months to 59 years and 4 months. The retirement age is gradually increased every year by 2 months in the case of men and by 4 months in the case of women, until it reaches 63 years in the case of men and 59 63 years depending on the number of children brought up in the case of women,
- b) **limitation of the possibility of early retirement** by the abolition of temporarily reduced early old-age pension, while this option has been temporarily retained (until 31 December 2006), provided that the determined conditions for beneficiaries of the partial disability pension or former beneficiaries of the full disability pension are met. As far as the possibility of awarding the latter type of the early old-age pension is concerned (three years prior to the reaching of the retirement age), namely the permanently reduced one, the current legal regulation remained unchanged,

- c) **reduction of the period of studies** which means that the period of studies at secondary schools and at universities prior to 1 January 1996 completed after reaching the age of 18 years is taken into consideration to the extent of six years as a maximum, and it is deemed to be a substitute period of insurance and therefore for the amount of pension it is taken into consideration only at 80%. The period of studies prior to 1 January 1996 completed prior to reaching the age of 18 years, however, remains to be taken into consideration as the period of insurance in full,
- d) **abolition of the condition allowing entitlement to the payment of the old-age pension, in addition to the income from gainful activity** in the period of two years subsequent to the start of the entitlement to the old-age pension only provided that the determined limit is not exceeded (double the amount of the subsistence level for individuals), namely for both employees and the self-employed. It has been also stipulated that as a necessary prerequisite for the entitlement to the old-age pension, apart from income from gainful activity the labour law relation must be entered into for a period of one year as a maximum,
- e) the division of the self-employment activity to the principal activity and ancillary activity. Self-employed persons who will pursue their selfemployment activity as a principal activity will be always (regardless of the level of the income earned) participating in the pension insurance scheme (and will pay pension insurance contributions and the state employment policy contributions at least from the minimum assessment base). Selfemployed persons whose self-employment activity will have the nature of ancillary activities due to their income from the dependent activity or due to the fact that certain defined circumstances continue (receiving the old-age pension or the full disability pension, studies, etc.) will continue to participate in the pension insurance scheme subject to the income earned,
- f) extension of the scope of self-employed persons by persons pursuing the activity of a mandatary under the contract of mandate entered into under the Commercial Code, if such activity is pursued beyond the scope of the relationship establishing the participation in the health insurance and the contract of mandate has not been entered into as part of another self-employment activity,
- g) with effect from 1 January 2006 the scope of the persons insured will be extended by constitutional officials, members of the Supreme Audit Office, members of the Council for Radio and Television Broadcasting, financial arbitrator, his/her deputy, ombudsman and his/her deputy, persons who do not receive full disability pension, however meet the conditions for its granting and receive retirement allowance under a special law.

A rise in pensions that has occurred in the course of the reference period is set out in Article 12 para 3.

Changes in social security **insurance contributions** and the state employment policy contribution consist in particular in:

a. "transferring" a portion of contributions collected for the state employment policy to the pension insurance system, namely by increasing the rate of pension insurance contributions by 2 percentage points (from 26% to 28% of the assessment base) and at the same time by the reduction of the rate of the state employment policy contributions by 2 percentage points (from 3.6% to 1.6% of the assessment base),

b. gradual increasing of the minimum assessment base for the determination of insurance contributions for self-employed persons in the years 2004 to 2006 from 35% to 50% (in 2004 to 40%, in 2005 to 45%, in 2006 to 50%) of a difference between the income earned and expenses incurred. At the same time, in the years 2004 to 2006 the minimum assessment base of self-employed persons pursuing the self-employment activity as its principal business determined at nominal value, will start to be increased in the years 2004 to 2006, namely to the level of 20% of the average wage in the national economy¹ (in monthly terms) in 2004, to the level of 22.5% in 2005 and to the level of 25% in 2006.

According to the communication of the Czech Social Security Administration the level of collected payments of the assessed social security contributions still remains to be very high.

Statistical data on the success rate of collection of insurance contributions (i.e. the proportion of these payments to the assessed contributions) are set out in the following table:

| Year | | | 2002 | 2003 | 2004 |
|------------|-----------------|-----------------|--------|--------|--------|
| Total c | ollected sum | /total assessed | 99.6% | 99.4% | 100.6% |
| contributi | ions (including | fines) | | | |
| Total | collected | sum/assessed | 100.7% | 100.8% | 100.7% |
| contributi | ions | | | | |

Total collected sum = collected contributions

Unemployment benefit

Under the new Act on Employment, eligible to receive unemployment benefits is a job-seeker who

a) was engaged for a period of at least 12 months in the course of the last three years prior to his/her registration in (job-seeker) records in employment or another gainful activity establishing the obligation to pay pension insurance contributions and the state employment policy contribution.

b) applied for the granting of unemployment benefits with a job centre which keeps him/her in job-seeker records and

c) on the day when the unemployment benefit is to be granted is not a beneficiary of the oldage pension.

¹ This is the amount that will be calculated as a product of the general assessment base for a particular calendar year for which the assessment base is determined and the conversion ratio for the adjustment of this general assessment base. For the year 2004 it amounts to CZK 15,711 * 1.0717 = CZK 16,838.

Entitled to the unemployment benefits is a job-seeker who meets the determined conditions from the day of submission of a written application for unemployment benefits. The period during which the benefits are provided is fixed for a job-seeker

a) up to 50 years, to 6 months,

b) between 50 to 55 years, to 9 months,

c) over 55 years, to 12 months.

Decisive for the length of the period during which benefits are provided is the age of a job-seeker reached on the day of submission of the application for the unemployment benefits. A necessary prerequisite for the provision of the unemployment benefits for a period of 9 months is the total time of participation in the pension insurance scheme lasting at least 25 years and for the provision of the unemployment benefits for a period of 12 months, the total time of participation insurance scheme lasting at least 30 years.

Eligible for retraining benefits is a job-seeker who takes part in the retraining programme organised by a job centre, provided that on the day when the retraining benefits are to be granted, he/she is not a beneficiary of the old-age pension. Retraining benefits are provided for the entire period of retraining, except for periods stipulated by law.

The amount of unemployment benefits and retraining benefits is determined as a percentage rate from the average monthly net income that has been calculated with respect to a job-seeker and used for labour law purposes in his/her last job in the decisive period in accordance with the labour law regulations. The amount of unemployment benefits and retraining benefits for a job-seeker who has most recently prior to his/her registration in job-seeker records pursued the self-employment activity, will be determined as a percentage rate from the last assessment base in the decisive period converted to 1 calendar month. The percentage rate of the unemployment benefits accounts for the first 3 months of the period during which benefits are provided for 50% and for the remaining period during which benefits are provided for 50% of the average monthly net income or the assessment base. The percentage rate of the retraining benefits accounts for 60% of the average monthly net income or the assessment base.

The system of financing remained unchanged.

ARTICLE 12, para. 2

"With a view to ensuring the effective exercise of the right to social security, the Contracting Parties undertake:

to maintain the social security system at a satisfactory level at least equal to that required for ratification of International Labour Convention (No. 102) concerning Minimum Standards of Social Security."

Question A

Please indicate the branches of social security in which the social security system in force in your country fulfils or goes beyond the requirements of International Labour Convention No. 102.

Family allowances

No change. The basic family allowance remains to be child allowance which approximately 84% of dependant children are entitled to receive. In 2003 expenditure on child allowances within the state social support system was CZK 12,519 million. In 2004 expenditure on child allowances was CZK 11,805 million, this allowance received approximately 80% of all children.

Sickness benefits

Proportion of the benefit to previous income

Compliance with the minimum level of benefits is assessed for a typical beneficiary according to the proportion of the sickness benefit increased by child allowances to net income plus child allowances.

In the Czech Republic the proportion was as follows:

72.1 % for a turner in mechanical engineering. It means that the benefit was 27.1 percentage points higher than a minimum level stipulated by the Code.

The calculation was performed under the following assumptions:

- The sickness benefit was determined according to regulations in force in 2004 (for the first month of sickness).
- A typical beneficiary of the sickness benefit may be considered a turner in mechanical engineering. The gross income of a turner (Class 7) has been assessed following a survey by the agency TREXIMA, s.r.ox) for the year 2003.

x) The agency TREXIMA, s.r.o. conducts regular quarterly surveys concerning the development of wages in the Czech Republic. The findings of these surveys are used also by the Czech Statistical Office.

The beneficiary is a man with a dependant wife and two children. Child allowances were assessed for children aged 9 and 14.

The following table includes basic information on calculations:

assessment of the proportion of the sickness benefits to the previous wage for a turner (CZK/month)

| Wa (CZK/I | 0 | Level of sickness benefits (CZK) | Allowan- ces for two children (CZK) | Previous income prior to entitlement to the benefit ³⁾ (CZK) | Income after entitlement to the benefit ⁴⁾ (CZK) | Proportion of income after entitlement / previous income prior to entitlement (%) |
|--------------|-------------------|---|---|---|--|---|
| gross | net ¹⁾ | net ²⁾ | net | net | net | net |
| 17,682 | 14,526 | 10,107 | 1,319 | 15,845 | 11,426 | 72.1 |

- 1) The calculation of net wage considers deductible amounts for the payer, dependant wife, and two children.
- 2) Sickness benefits are not subject to taxation.
- 3) Wage + allowances for two children
- 4) Sickness benefits + allowances for two children

Note: For comparison, the average wage in the national economy in 2003 amounted to CZK 16,769.

Maternity benefits

Proportion of the benefit to previous income

(the calculation is performed in accordance with the provisions of Article 65 of the European Code)

Compliance with the level of maternity benefits is assessed according to the proportion of the maternity benefit to net income of a typical beneficiary (turner). • In the Czech Republic the proportion was as follows:

83.4% for a person with an income equal to the wage of a turner in mechanical engineering. It means that the benefit was approximately 38.4 percentage points higher than the required minimum level.

The calculation was performed under the following assumptions:

- Maternity benefit was determined according to the regulations in force in 2004.
- A typical beneficiary of the maternity benefit is:
 a person with a wage equal to the wage of a turner in mechanical engineering,

The gross income of a turner (Class 7) has been assessed following a survey by the agency TREXIMA, s.r.ox) for the year 2003.

• The beneficiary is a woman (exceptionally man) without any dependants.

The following table includes basic information on calculations:

benefit assessment for a person with a wage equal to the turner's wage

| Wa (CZK/n | | Amount of maternity benefits (CZK) | Proportion of income prior to entitlement /income after entitlement (%) |
|--------------|-------------|--|---|
| gross | gross net n | | net |
| 17,682 | 13,446 | 11,220 | 83.4 |

- For taxation purposes only the taxpayer's deductible items are considered. Benefits are not subject to taxation.
- Note: For comparison: in 2003 the average wage in the national economy was CZK 16,769.

Unemployment benefits

The system of unemployment benefits is compliant with the requirements of the Convention No. 102.

The amount of unemployment benefit is determined by the percentage rate from the average monthly net income earned by the job-seeker in his/her previous employment (in the case of the pursuit of the self-employment activity from the assessment base for the pension insurance contributions). In the first three months, the benefit amounts to 50% of the previous income, whereas in the following months until 1 October 2004 it accounted for 40% and as of 1 October 2004 it was 45% of the average net monthly income from the previous employment. A maximum possible amount of the unemployment benefit has been determined as a 2.5 multiple of the subsistence level. Consequently, in 2004 a maximum possible level of the benefit was CZK 10,250. A job-seeker becomes eligible for the unemployment benefit always if he/she complies with the conditions stipulated by law (regardless of his/her financial situation).

Calculation :

The average net monthly income of a turner in the mechanical engineering was CZK 14,526 (Deductible items of the taxpayer, dependant wife and two children are taken into account for the calculation of net wage), child allowances for 2 children amounted to CZK 1,319 in the aggregate, the previous income including child allowances was CZK 15,845.

x) The agency TREXIMA, s.r.o. conducts regular quarterly surveys concerning the development of wages in the Czech Republic. The findings of these surveys are used also by the Czech Statistical Office.

Amount of the benefit during the first three months of unemployment

| Amount | of | the | Child allowances | Total income | % of the original |
|-------------------------|------|-----|------------------|--------------|--------------------------------------|
| benefit (50% of | aver | age | | | income increased by child allowances |
| previous in /from net w | |) | | | |
| | | | | | |
| CZK 7,263 | 3 | | CZK 1,319 | CZK 8,582 | 54.16% |

Amount of the benefit in the subsequent three (or possibly six or nine – See, where applicable) months of unemployment

| Amount of benefit | Child allowances | Total income | % of the original |
|-------------------|------------------|--------------|-------------------|
| (45% of average | • | | income increased |
| previous income) | | | by child |
| | | | allowances |
| | | | |
| CZK 6,537 | CZK 1,319 | CZK 7,856 | 49.58 % |

Old-age pension

The retirement age does not exceed 65 years; in 2004 the retirement age of men was 61 years and 6 months. The retirement age of women is dependent on the number of children brought up, ranging from 55 years and 4 months to 59 years and 4 months. The retirement age is gradually increased every year by 2 months in the case of men and by 4 months in the case of women, until it reaches 63 years in the case of men and 59–63 years for women depending on the number of children brought up.

As of 1 January 2004 a condition has been abolished that limited the payment of an old-age pension together with the income from gainful activity. Old-age pensions are granted to individuals economically active at work (pursuing the gainful activity) if the employment is for a definite period, however, for a period of one year as a maximum (if it may be agreed for this period under special legal regulations).

Protected persons are persons who participate or have participated in a pension scheme. The participation in a pension scheme is compulsory. Economically active persons, both employees and self-employed individuals are insured compulsorily. The law specifies that other groups of people are insured without paying contributions, i.e. they are protected. They include students, soldiers doing their military service, and women taking care of a child under the age of 4.

Proportion of the benefit to previous income

Compliance with the Convention is assessed for a typical beneficiary according to the proportion of the old-age pension to the previous income.

In the Czech Republic in 2004 the proportion was 43.8%. It means that the benefit was 3.8 percentage points higher than a minimum level stipulated by ILO Convention No. 102 and the European Code.

The calculation was performed under the following assumptions:

- The old age pension was determined according to regulations in force in 2004.
- A typical beneficiary of the old-age pension is a turner with a dependant wife. The assessment base of a turner (Class 7 KZAM-R) has been determined following a survey by the agency TREXIMA, s.r.ox) for the year 2003.
- According to ILO Convention No. 102 and the European Code, the calculation of the old-age pension considers a policy period of 30 years (the average policy period for old-age pension is approximately 40 years in the Czech Republic).

For insured persons with an income lower than the reference person's income and with the same policy period, the examined proportion of old-age pension/wage is always higher in the Czech Republic, which is ensured by the structure of the old-age pension.

The following table shows basic information on the calculation:

| Wa | ge | Amount of old-age | Proportion of income prior to | |
|--------------|--------|-------------------|-------------------------------|--|
| (CZK /month) | | pension (CZK | entitlement /income after | |
| × | | /month) | entitlement (%) | |
| gross | net | net | net | |
| 17,682 | 13,826 | 6,060 | 43.8 | |

1) Deductible items of the taxpayer and dependant wife are taken into account for the calculation of the net wage.

2) Old-age pension allowances up to CZK 144,000 per year are not subject to taxation.

Note: For comparison - in 2003 the average gross wage in the national economy was CZK 16,769 and the average old-age pension paid as at 31 December 2004 was CZK 7,280.

Disability pension

The term of the insurance policy for claiming the disability pension includes the period from the start of eligibility to reaching the retirement age. Therefore, disability pension is not reduced due to a shorter contribution period. If full disability is caused by a self-inflicted injury or an intentional crime, the invalidity pension is reduced.

x) The agency TREXIMA, s.r.o. conducts regular quarterly surveys concerning the development of wages in the Czech Republic. The findings of these surveys are used also by the Czech Statistical Office.

Calculation according to Article 65 of the European Code and ILO Convention No. 102: Compliance with the Convention is assessed on the basis of the proportion of disability pension increased by child allowances to previous net income increased by child allowances for two children of a typical beneficiary.

✓ In the Czech Republic this proportion is 46.6 %. It means that the level of the benefit is by 6.6 percentage points higher than the minimum level required by the ILO Convention No. 102 and the European Code.

The calculation was performed under the following assumptions:

- Full disability pension has been assessed according to the regulations in force in 2004.
- A turner with a dependant wife and two children under the age of 15 is a typical beneficiary. The gross wage of a turner (7th class of occupations according to the classification system KZAM-R) was determined based on results of a survey performed by the agency TREXIMA, s.r.o.X for the year 2003.
- According to the provisions of the ILO Convention and the European Code, the granted pension is increased by child allowances for two children to assess the income level of the person in question. For the purposes of the calculation, child allowance for children aged 9 and 14 years is considered (the amount of child allowance differs according to the child's age and the household income).
- ♦ In compliance with the ILO Convention and the European Code, invalidity pension calculation should consider a 15-year insured period. According to Czech legal provisions the term of the insurance policy for claiming disability pension includes the period from the start of eligibility to reaching the retirement age. Therefore, the calculation takes into account an insured period of 30 years (the average insured period in the Czech Republic amounts to roughly 40 years).

| Wa (CZK/i | nge month) | Amount of disability pension (CZK) | Allowan- ces for two children (CZK) | Income prior to entitlement to the pension ³⁾ (CZK) | Income after entitlement to the pension ⁴⁾ (CZK) | Proportion of income after entitlement / income prior to entitlement (%) |
|--------------|-------------------|--|---|---|--|--|
| gross | net ¹⁾ | net ²⁾ | net | net | net | net |
| 17,682 | 14,526 | 6,060 | 1,319 | 15,845 | 7,379 | 46.6 |

The following table includes basic information on calculations (CZK/month):

1) The calculation of net wage considers deductible amounts for the payer, dependant wife and two children.

2) Pensions up to CZK 144,000 per year are not subject to taxation.

3) Wage in 2003 + child allowances for two children

4) *Pension granted in 2003 + child allowances*

Note: For comparison, the average wage in the national economy in 2003 amounted to CZK 16,796 and the average disability pension paid out as at 31 December 2004 was CZK 7,088.

x) The agency TREXIMA, s.r.o. conducts regular quarterly surveys concerning the development of wages in the Czech Republic. The findings of these surveys are used also by the Czech Statistical Office.

Survivors' pensions

Proportion of the benefit to previous income:

(calculation according to Article 65 of the European Code and ILO Convention No. 102)

Compliance with the Convention is assessed on the basis of the proportion of widow's (widower's) pension, two orphan's pensions and child allowance to previous net income increased by the child allowance of a typical beneficiary.

✓ In the Czech Republic this proportion amounts to 72.1%. It means that the level of the benefit is by 32.1 percentage points higher than the minimum level required by ILO Convention No. 102 and the European Code.

The calculation was performed under the following assumptions:

- The survivors' pension (a widow's pension and two pensions of orphans with one deceased parent) was determined in compliance with regulations in force in 2004. According to the European Code and ILO Convention, the invalidity pension of the deceased was used as the calculation base for the survivors' pensions The deceased person accumulated an insurance period of 15 years (another additional 15 years have been considered for the calculation). A family of a deceased turner (a dependant wife and two children up to 15 years of age) is considered a typical beneficiary. The gross wage of a turner (7th class of occupations according to the classification system KZAM-R) was determined following a survey conducted by the agency TREXIMA, s.r.o. for the year 2003.
- According to the provisions of the European Code and the ILO Convention, the granted pension is increased by the child allowance to assess the income level of the covered individual. For the purposes of the calculation, child allowances for children aged 9 and 14 years were considered (the amount of child allowance differs according to the child's age and the household income).

| Wa (CZK/r | 0 | Amount of widow's pension and two orphans' pensions | Allow- ances for 2 children (CZK) | Income prior to entitlement to survivors' pensions ³⁾ (CZK) | Income after entitlement to survivors' pensions ⁴⁾ (CZK) | Proportion of income after entitlement / income prior to entitlement (%) |
|--------------|-------------------|--|--|--|---|--|
| gross | net ¹⁾ | net ²⁾ | net | net | net | net |
| 17,682 | 14,526 | 10,105 | 1,319 | 15,845 | 11,424 | 72.1 |

The following table shows basic information on the calculations:

- 1) The calculation of net wage considers deductible amounts for the payer, dependant wife and two children.
- 2) Pensions up to CZK 144,000 per year are not subject to taxation.
- 3) Wage + allowances for 2 children
- 4) Pensions + allowances for 2 children
- 5) Note: For comparison, the average wage in the national economy in 2003 amounted to CZK 16,769, the average widow's/widower's pension paid out as at 31 December 2004 was CZK 5,028 (CZK 3,862) and orphan's pension CZK 3,592.

Question B

With regard to the branches of the social security system in force in your country which do not reach the level provided for in the Convention, please indicate the differences between your established standards and those of the Convention.

ARTICLE 12, para. 3

With a view to ensuring the effective exercise of the right to social security, the Contracting Parties undertake:

to endeavour to raise progressively the system of social security to a higher level."

Question A

Please describe any measures taken with a view to fix the social security standards at a higher level and in particular any measures taking the system to a level higher than that of the International Labour Convention No. 102 (Social Security - Minimum Standards).

Please also provide information in relation to the standards of the European Code of Social Security and its Protocol.

Please send copies of reports concerning the application of the International Labour Convention No. 102, further ILO conventions concerning the social security and also the report on the application of the Code of Social Security.

The changes have been described in the previous text.

The ILO Convention No. 102 and the European Code of Social Security are complied with in the field of family allowances.

Question **B**

As far as any other changes in the social security field are concerned, please include the following elements:

- the nature of the changes (field of application, conditions for granting allowances, amounts of allowance, time limits, etc.)
- the reasons given for the changes, the framework of social and economic policy they come within and their adequacy in the situation which gave rise to them)
- the extent of the changes introduced (categories and numbers of people concerned, level of allowances before and after alteration)
- the existence of measures for those who find themselves in a situation of need as a result of the changes made)
- the results obtained by such changes.

Update:

The Government took the following measures that had impact on the level of pensions:

According to Government Decree No. 338/2003 Coll. (effective date on 1 January 2004)

- general assessment base for the year 2002 was determined at CZK 15,711 and
- the amount of the conversion ratio for the adjustment (updating) of the general assessment base for the year 2002 was determined at 1.0717.

Further, this Government Decree has adjusted the amounts for the determination of the calculation basis (reduction limits for reductions of the personal assessment base) as follows:

• the amount of CZK 7,400 will be increased to CZK 7,500,

• the amount of CZK 17,900 will be increased to CZK 19,200.

The components of the structure of the pension calculation adjusted in this manner will apply in the case of pensions granted from the day falling within the year 2004.

Reduction limits for the calculation of pensions amounted to CZK 7,400 in 2003 and CZK 17,900 in 2003.

According to the Government Decree No. 337/2003 Coll., with effect from 1 January 2004 the pension assessment of old-age pensions, full disability pensions, partial disability pensions, widow's pensions, widower's pensions and orphan's pensions granted prior to 1 January 2004, in comparison with the pension payment due after 31 December 2003, increased by 2.5% of the pension assessment to which the beneficiary is entitled on the day from which the pension assessment is increased. The basic pension assessment was not increased either in 2003, or in 2004 and amounted to CZK 1,310 per month.

With effect from 1 January 2003 by Government Decree No. 438/2002 Coll. the percentage component of pensions granted until 1995 increased by 4 % and in the case of pensions granted in the period 1996-2003 by 3.8%.

Old-age pensions increased in 2003 by CZK 217 on the average, while in 2004 by CZK 146.

Sickness insurance

In the reference period, the following changes were made to the legal regulation governing sickness insurance.

With a view to limiting the abuse of the sickness insurance system and also contributing to the reduction of the government budget deficit in the reference period (1 January 2003 - 31 December 2004) changes were made to the legal regulation that reduce the amount of the sickness benefits and other sickness insurance benefits.

Decisive period for the calculation of the daily assessment base is 12 calendar months before the calendar month in which the entitlement to the sickness benefit has arisen. Previously, the decisive period was the calendar quarter which preceded the calendar quarter in which the entitlement to the benefit has arisen.

The amount of reduction limits of CZK 480 and CZK 690 will not be changed until 31 December 2005.

For the first 14 calendar days of incapacity to work or the need to look after a family member the amount of the first reduction limit (up to CZK 480) only includes 90% of the daily assessment base, not 100%.

A percentage rate for the calculation of the benefit was reduced in the case of sickness benefits for the first 3 calendar days of incapacity to work from 50% to 25% and in the case of quarantine from 69% to 25% of the daily assessment base, from the 4th day onwards the rate remains at 69%.

Social security insurance contributions

The rate of pension insurance contributions will be increased from 26% to 28% and on the contrary the rate applicable to the state employment policy contributions will be reduced from 3.6% to 1.6%. Consequently, the payment of the insurance contributions remains for employees, employees and self-employed persons the same as previously.

As a result of the measures taken in 2004 expenditure on benefits increased from CZK 29.6 billion, in comparison with CZK 34.3 billion in 2003 (i.e. by 13.8%). Income grew by 7.8%, i.e. from CZK 33.0 billion in 2003 to CZK 35.6 billion in 2004. Whereas the balance of income and expenditure in 2003 recorded a deficit of CZK 1.3 billion, in 2004 it was a surplus of CZK 6.1 billion.

In 2004, in comparison with 2003, the number of calendar days of incapacity to work dropped (by 14.7% to 94.1 million) and the number of newly reported cases of incapacity to work decreased, too (by 25.3%, to 2.7 million). The duration of one case became longer, lasting 34.8 days (i.e. by 4.3 days) the number of cases per 100 insured dropped from 81.7 to 61.6 and the average percentage of incapacity to work dropped by 0.96 percentage points to 5.86.

The development of indicators as described above is a result of changes in the sickness insurance as at 1 January 2004 and the epidemiological situation in the Czech Republic, where in contrast with the situation in 2003 flu epidemics did not occur.

In the Czech Republic, benefits continue to be provided at the level required by international agreements.
ARTICLE 12, para. 4

With a view to ensuring the effective exercise of the right to social security, the Contracting Parties undertake:

to take steps, by the conclusion of appropriate bilateral and multilateral agreements, or by other means, and subject to the conditions laid down in such agreements, in order to ensure:

- a. equal treatment of their own nationals, of the nationals of other Contracting Parties in respect of social security rights, including the retention of benefits arising out of social security legislation, whatever movements the persons protected may undertake between the territories of the Contracting Parties;
- b. the granting, maintenance and resumption of social security rights by such means as the accumulation of insurance or employment periods completed under the legislation of each of the Contracting Parties."

/these words in the Appendix to the Charter: "... and subject to the conditions laid down in such agreements" in the introduction to this paragraph are taken to imply inter alia that with regard to benefits which are available independently of any insurance contribution a Contracting Party may require the completion of a prescribed period of residence before granting such benefits to nations of other Contracting Parties./

Question A

Please give the list of bilateral and multilateral agreements as provided for in this provision and indicate how they allow, for the various social security benefits, the implementation of principles provided for in sub-paragraphs a) and b).

Update:

A list of states with which the Czech Republic has entered into a bilateral agreement is given below. Further, we would like to bring to your attention the fact that by the Czech Republic's accession of the EU the number of Contracting States has been extended and at the same time to the states with which the agreement has been already previously negotiated and which are EU members, Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community is applicable. Bilateral agreements are only applied in cases where they go beyond the scope of Regulation No 1408/71.

Of multilateral agreements, in particular Regulation (EEC) No 1408/71 and Interim Agreements are important for the Czech Republic's social security field.

| State | Date of signature | Member of EU (EEA) | Contracting party of ESCH A - Charter Y – revised Charter |
|---------------------------|-------------------|-----------------------|--|
| Albania | | | Y |
| Andorra | | | Y |
| Armenia | | | Y |
| Azerbaijan | | | Y |
| Belgium | | А | A/Y |
| Bosnia and Herzegovina | 22.5.1957 | | |
| <u>Bulgaria</u> | 25.11.1998 | | Y |
| Denmark | | А | А |
| Estonia | | А | Y |
| Finland | | А | A/Y |
| France | 12.10.1948 | А | A/Y |
| Chile | 7.12.2000 | | |
| Croatia | 22.1.1999 | | А |
| Ireland | | А | A/Y |
| Iceland | | A | A |
| Italy | 11.10.2001 | A | A/Y |
| Israel | 16.7.2000 | | |
| Canada | 24.5.2001 | | |
| Cyprus | 19.1.1999 | А | A/Y |
| Lithuania | 27.5.1999 | A | Y |
| Latvia | 27.3.1999 | A | A |
| | 17.11.2000 | A | A |
| Luxembourg | 30.1.1959 | A | A |
| Hungary Macedonia | 22.5.1957 | A | A |
| Malta | 22.3.1937 | • | ^ |
| | 2 12 1050 | A | A |
| Moldova | 2.12.1959 | • | Y |
| Germany | 27.7.2001 | A | A |
| The Netherlands | 30.5.2001 | A | A |
| Norway | | A | A/Y |
| Poland | 5.4.1948 | A | A |
| Portugal | | А | A/Y |
| Québec | 19.2.2002 | | ļ |
| <u>Austria</u> | 20.7.1999 | А | А |
| <u>Romania</u> | 24.9.2002 | | Y |
| <u>Russia</u> | 2.12.1959 | | |
| Greece | | А | А |
| <u>Slovakia</u> | 29.10.1992 | А | А |
| <u>Slovenia</u> | 22.5.1957 | А | Y |
| Serbia and Montenegro | 17.1.2002 | | |
| Spain | 13.5.2002 | А | А |
| Sweden | | А | A/Y |
| Switzerland | 10.7.1996 | | |
| Turkey | 2.10.2003 | | А |
| The Ukraine | 4.7.2001 | | |
| The U.S.A. | 12.7.1968 | | |
| Great Britain | | А | А |

Question B

Please indicate whether, in the absence of any bilateral or multilateral agreements, the nationals of other Contracting Parties concerned are granted the implementation of the principles provided for in sub-paragraphs a) and b) for the various social security benefits.

Update:

Currently, there are only 5 such Contracting states of ESCH that were not Contracting States based on a bilateral agreement or based on application of Regulation (EEC) No 1408/71.

Armenia and Azerbaijan – are the states of the former Russian Federation. With both these states an agreement on social security of 1959 was in force that addressed the issue of inclusion of the period of insurance for the purposes of pension entitlements. The Czech side sought to ensure that the agreement remains in effect, but within succession negotiations after the split-up of the Russian Federation, these states terminated the agreement.

Moldova – succession negotiations have not been yet completed, but it is anticipated that the agreement is going to be terminated by Moldova.

Albania – the Albanian side was contacted with the aim of initiating negotiations on the conclusion of the Czech-Albanian agreement on social security.

Andorra – this is the sole state with which no negotiations took place, so far. The Czech side does not deem potential negotiation of an agreement on social security useful, since there is no legally working national of Andorra in the territory of the Czech Republic .

There is no state with which the Czech side would not attempt to negotiate and at the same its nationals would work in the territory of the Czech Republic.

Question C

Please indicate the length of the prescribed period of residence before nationals of Contracting Parties become eligible for benefits which are available independently of any contribution.

Update:

By the Czech Republic's accession of the EU, Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community is applicable which enables immediate access to benefits to persons who fall within the scope of application of this Regulation. Such persons are both EU citizens and also nationals of third countries, if they are subject to co-ordination rules. In view of the above list of the Contracting States it is obvious that most Contracting States of ESCH apply at the same time Regulation No 1408/71.

In its Conclusions to the last Report, with respect to Article 12 para 1, the Committee for Social Rights demanded answers to the following questions:

<u>Calculations have been performed for a "typical beneficiary", nevertheless the</u> <u>Committee demanded that the next report also contain information on the minimum</u> <u>level of benefits for a single-member household.</u>

Specification of methodology:

In the case of an individual, out of the state social support benefits, only the housing benefit may be taken into account. The amount of the benefit depends on income for the previous calendar period, with higher income the level of the benefit is lower. The lowest amount of the benefit in the case of an individual is CZK 50 and the highest one CZK 728. As far as the structure of the calculation is concerned, the amount of the housing benefit for a calendar month is a difference between the amount of subsistence level required to secure necessary household costs and the quotient, in the numerator of which there is a product of the amount of the subsistence level for a household and the decisive income and in the denominator a product of the amount of the subsistence level of an individual and the ratio 1.6.

As far as social care benefits provided pursuant to Section 4 of Act on Social Need are concerned – the amount of social care benefit pursuant to Section 4 of Act on Social Need is assessed on an individual basis, namely by taking into account the individual's subsistence level, his/her income and actual justified costs (especially those relating to housing). A minimum amount of the benefit is with regard to the principle of its assessment such that together with the individual's income it would secure his/her basic personal needs.

The amount of benefits for a single-member household

Calculation of benefits from the wage of a skilled worker

| gross wage | 17,6 | | |
|--------------------|-------------------|-------------------|--|
| net wage | 13,446 | | |
| | amount of benefit | share of net wage | |
| sickness benefits | 10,107 | 75% | |
| maternity benefits | 11,220 | 83% | |
| old-age pension | 6,060 | 45% | |
| disability pension | 6,060 | 45% | |
| widow's pension | 3,685 | 27% | |
| orphan's pension | 3,210 | 24% | |

In connection with its conclusion with respect to Art 1 para 2 the Committee demanded that in the next report be specified in detail in which cases and under what conditions the payment of unemployment benefits may be suspended. The Committee, in particular inquires, whether job-seekers are entitled to refuse offers of jobs or vocational training that are inadequate to their professional qualifications and practical experience and if the answer is in the affirmative, how long they can do so.

We would like to specify that the Act on Employment (Act No. 435/2004 Coll.) differentiates between the lapse of an entitlement to the unemployment benefits and the suspension of the payment of unemployment benefits.

An entitlement to unemployment benefits lapses upon expiration of the period during which the benefits are provided, termination of keeping a job-seeker in the job-seeker records or removal from the job-seeker records.

As far as the suspension of unemployment benefits is concerned, Section 44 of the Act stipulates:

(1) A job-seeker is not entitled to receive unemployment benefits or retraining benefits for a period

a) when the old-age pension is provided,

b) when sickness insurance benefits are provided,

c) of custody.

(2) For a period set out in paragraph 1 the job centre stops by its decision the provision of unemployment benefits or retraining benefits.

(3) A job-seeker is not entitled to receive unemployment benefits for a period for which he/she receives retraining benefits.

On the possibility to refuse offers of a suitable job – See also questions of the Committee with respect to Art 1 para 2.

In its conclusions to the last Report, with respect to Article 12 para 4, the Committee for Social Rights demanded answers to the following questions:

<u>The Committee stressed that the condition of a residence of a child is inconsistent with</u> <u>Art 12 para 4 of the Charter.</u>

Specification of the situation in the Czech Republic:

The conditions for an entitlement to a child benefit include permanent residence in the territory of the Czech Republic. Permanent residence is also considered to be the residence of a foreign national in the territory of the Czech Republic from the day by which 365 days from the day of reporting local residence elapse. The fulfillment of the 365-day condition above is not examined in the case of children of foreign nationals born in the territory of the Czech Republic within one year of their age. Similarly, a condition of a permanent residence is not required for minor child entrusted in the territory of the Czech Republic to the care replacing the care of parents or the institutional child care. The regional office according to the place of residence of a particular person may in justified cases waive the condition of a permanent residence.

A child benefit belongs, in compliance with the Regulation EEC No. 1408/71 on the application of social security systems to the employed persons, self-employed persons and their family members moving within the Community, to the so-called family allowances. The child benefit is therefore a coordinated, exportable benefit. This means that a benefit is provided even in the event that a child lives in a home State..

With respect to the above reservations of the Committee, please refer to the specifying information on Art 12 .

The Czech Republic implements ARTICLE 12 based on coordination instruments (bilateral agreements on social security and the Regulation EEC No.1408/71 on social security of persons moving within the EU) and - from this viewpoint - **no technical obstacles to the implementation of Article 12 have been found.**

The Czech Republic has either entered into an international agreement with all contractual states of ESCH, or its conclusion is being prepared, or on the part of the Czech Republic there were efforts to conclude it, or the Regulation No. 1408/71 is being applied. The sole ESCH contractual state with which the issues of social security are not addressed is Andorra, but there is not any legally working citizen of Andorra working in the Czech Republic.

<u>The Committee observes that the situation concerning the accumulation of insurance</u> <u>periods or employment periods that it found to be inconsistent with the Charter has not</u> <u>changed at all.</u>

In connection with the Czech Republic accession of the EU, we would like to refer to the update of answers A - B to Art 12.

ARTICLE 13: THE RIGHT TO SOCIAL AND MEDICAL ASSISTANCE

ARTICLE 13, para. 1

"With a view to ensuring the effective exercise of the right to social and medical assistance, the Contracting Parties undertake: To ensure that any person who is without adequate resources and who is unable to secure such resources either by his own efforts or from other sources, in particular by benefits under a social security scheme, be granted adequate assistance, and, in case of sickness, the care necessitated by his condition;"

Question A

Please describe the general organisation of the current public social and medical assistance schemes

Update and specification:

In 2002, the implementation of the reform of the territorial public administration based on Act No. 129/2000 Coll., on Regions (regional system), as amended, Act No. 128/2000 Coll., on Municipalities (municipal system), as amended and Act No. 131/2000 Coll., on the Capital City of Prague, as amended, started in the Czech Republic.

All in-patient health facilities – subsidized organizations – including all their rights and obligations, whose establishing bodies as at 31 December 2002 were district authorities, were transferred to regions under Act No. 290/2002 Coll. on the Transfer of Some Other Assets, Rights and Obligations of the Czech Republic, as amended.

The transfer of powers and the execution of the state administration to regions or municipalities after the cancellation of district authorities was regulated by Act No. 320/2002 Coll. on the Amendment and Repeal of Some Acts in connection with the cancellation of district authorities.

Update of the legal regulations

- Act no. 128/2000 Coll., on Municipalities (Municipal Establishment), as amended ,

- Act no.129/2000 Coll., on Regions (constitution of regions), as amended

- Act no. 131/2000 Coll., on the Capital City of Prague, as amended,

- Act no. 157/2000 Coll., on the Transfer of Certain Assets, Rights and Obligations from the Czech Republic to the Regions, as amended

- Act no. 219/2000 Coll., on the Property of the Czech Republic and Its Functioning in Legal Relationships, as amended,

- Act no. 250/2000 Coll., on the Budgeting Rules of Regional Budgets, as amended,

- Act no. 290/2002 Coll., on the Transfer of Certain Other Things, Rights and Obligations of the Czech Republic to Regions and Municipalities...., as amended,

- Act no. 320/2002 Coll., on the Amendment and Annulment of Certain Acts

in Connection with Terminating the Activities of District Offices.

Question **B**

Please provide detailed information on different types of social and medical assistance, specifying each one:

- its form (benefits in cash and /or in kind),
- the categories of persons covered and the number of persons who were in receipt of assistance during the reference period,
- the conditions for the granting of assistance, the criteria used to assess need, the procedure for determining whether a person is without adequate resources, and the body which decides when assistance is to be granted,
- as far as possible, information demonstrating the adequacy of the assistance with respect to the cost of living.

Update:

Social Services

The system described in previous reports has not been changed. The only change was the cancellation of the transport allowance within the system of the state social support.

A significant change is also the transfer of the power in the area of state social support benefits from municipal authorities with extended authority to employment offices.

An overview of new legal regulations in the area of the state social support

The State Social Support Act was amended by Act No. 424/2003 Coll., with effect from 1 January 2004. By this amendment, more detailed conditions for the establishment and use of information systems within the state social support were determined, in particular with regard to the fulfillment of the tasks arising for the authorities of the state social support from the law of the European Communities.

There was a fundamental change in the State Social Support Act pertaining to the authorities implementing the state social support, carried out by Act no. 453/2003 Coll., with effect from 1 April 2004.

Starting from the above date, the state social support is implemented by employment offices at the first stage, and in the City of Prague by district authorities specified by the Statute of the City of Prague. At the second stage, especially as appellate authorities, the state social support is implemented by regional authorities with respect to employment offices and by the Municipal Office of the City of Prague with respect to the district authorities specified by the Statute of the City of Prague. By this regulation, the decision-making process at the first stage was, to a considerable extent, transferred from self-governing units (municipal authorities of municipalities with extended authority) to state bodies – employment offices.

By this Act, also with effect from 1 January 2004, conditions for the provision of parental benefit have been changed in such a manner that the benefit is provided regardless of

the extent of moneymaking activities of a parent and regardless of the income achieved in the course of these activities.

With effect from 1 May 2004, Act no. 117/1995 Coll. on State Social Support was amended by Act no. 237/2004 Coll., whereby parental allowance was increased by raising the coefficient for the allowance calculation, used for multiplying the amount reserved for the personal needs of the parent from 1.10 to 1.54.

Further to that, Act No. 124/2005 Coll., amending Act No. 117/1995 Coll., on State Social Support, as amended, and Act No. 482/1991 Coll., on Social Need, as amended, was passed. This Act primarily redefines the income of self-employed persons for the purpose of state social support.

Prepared changes in the field of social legislation

An extensive amendment to the Act No. **359/1999 Coll., on social legal protection of children,** has been submitted to the government for consideration. The aim of the amendment is to define and regulate mutual relations between individual bodies and other parties performing social and legal protection, to strengthen the support for all forms of substitute care for a child in the family, including the mediation of adoption and foster care, to extend obligations of state authorities and other parties in the area of protection of children. It is proposed that the Act became effective in 2005.

In the area of the state social support, the introduction of a one-off allowance for instructional aids is considered to be received by children that start compulsory school attendance. The relevant draft - amending Act no. 117/1995 Coll., on the State Social Support, as amended, was submitted to the government for consideration. It is proposed that the Act becomes effective in mid-2005.

In connection with the abolition of the compulsory military service and the community service by <u>Act No. 587/2004 Coll.</u>, on abolition of the community service and on change and <u>cancellation of certain related acts</u>, it is no longer possible to receive one of the state social support benefits – social allowance.

Submitted to be considered by the Government was also the new <u>Bill on sickness</u> <u>insurance of employees and Bill amending certain Acts in connection with the adoption of the</u> <u>Bill on Sickness Insurance of Employees.</u> The new legal regulation will also include substantive provisions, i.e. the scope of persons participating in the sickness insurance and the scope of benefits defining the conditions for entitlement and its amount, and also the organizational and procedural regulation of the sickness insurance.

An amendment to the <u>Social Security Act No. 100/1988 Coll.</u>, as amended, is currently discussed in the Chamber of Deputies. The new provisions of the Act implement measures improving the financial situation of persons taking care of seriously disabled children requiring extraordinary, long-term care and to a lesser extent also persons taking care of adult helpless persons. This regulation should enable the simultaneous provision of the parental allowance and the allowance related to the care for a related person or another person, unless the same child is the beneficiary. The amount of the benefit granted within the care for disabled child is proposed to be increased from 1.6 multiple of the amount that is considered to be needed for the securing of maintenance and other basic personal needs of a person that is not a dependant child under the Act on Subsistence Level, to 2.25 multiple of the amount for personal needs.

The existing level of income from productive activity of the person taking care without losing entitlement to the allowance is proposed to be increased from 1.5 multiple of the amount for personal needs to 2.5 multiple of this amount.

Further to that, a legislative regulation aimed at the prevention of unauthorized use of measures limiting the movement of clients of social care institutions is proposed to be added to the Act on social security.

Currently, the articulated draft of the <u>Social Services Act</u> is being prepared (the intended subject-matter of the law was approved by the Government by approving the Resolution No. 997 on 20 October 2004), with the articulated bill to be submitted to the Government by 30 June 2005.

According to the Plan of legislative work of the Government for the year 2004 and the year 2005, the subject-matter of the new pension security system is to be brought before the Government by 30 June 2005.

By 30 June 2005 the bill on poverty and the bill on the subsistence level is to be brought before the Government, which should replace Act no. 463/1991 Coll., on subsistence level, as amended.

All social care benefits that were stated in the second report have been retained. In the period under review changes were made to the Act on Social Need. These changes were described in answers to the questions in Art 12.

In the case of benefits for seriously disabled and elderly citizens no changes occurred in the period under review.

Significant social care benefits for physically disabled persons include: allowance for the operation of a motor vehicle, allowance for the purchase of a motor vehicle, allowance for individual transport. In 2003, a total of 189,249 allowances for the operation of a motor vehicle in the total amount of CZK 1,133 million have been provided (approx. EUR 38 million). In 2003 a total of 6,492 allowances for the purchase, total repair or special adjustment of a motor vehicle were granted, the funds of CZK 473 million were disbursed in the aggregate (approx. EUR 15 million).

Social care allowances – year 2003, CZK million

Source: financial statements of the Ministry of Finance and the departmental statement of the MLSA

Total social care benefits: CZK 14,148 million Social care benefits on account of social need: CZK 5,839 million Allowance for the care of a close person or another person: CZK 1,567 million Social care benefits for disabled persons: CZK 2,379 million

| Name of benefit | 2003 | 2004 ² |
|-----------------------------|-----------|-------------------|
| child benefit | 1,965,336 | 1,893,269 |
| social conditions allowance | 413,184 | 371,208 |
| birth grant/annually | 93,470 | 95,068 |
| parental allowance | 262,502 | 275,144 |
| social allowance | 507 | 197 |
| foster care benefits | 12,690 | 13,118 |
| transport allowance | 423,081 | 406,783 |
| funeral allowance/annually | 110,316 | 104,063 |
| housing allowance | 232,982 | 292,133 |

Average number of beneficiaries of the state social support

Question C

Please indicate the means by which the right to assistance is secured, indicating whether individuals may uphold their right before an independent body.

No changes.

Question D

Please give the amount of public funds (central government and local authorities) allocated to social and medical assistance, as well as the percentage of GDP this represents, and, if possible, give an estimation of the amount of private funds devoted to assistance.

Update:

² preliminary date

Total volume of funds that MLSA provided as part of subsidy proceedings in the years 2000 - 2004 to non--governmental non-profit organizations – by the type of social service:

| TYPE SERVICE | | F SUBSIDIE | ES FOR A PH | ERIOD 2000- | |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2004 | i | i | i | · |
| | 2000 | | 2002 | | 2004 |
| Personal assistance | 15 985 626 | 18 429 170 | 29 924 800 | 47 247 016 | 37 945 600 |
| Community care service | 30 905 100 | 63 882 889 | 57 398 154 | 87 399 600 | 70 998 783 |
| (emergency care)** | | | | | |
| Short stay hospitals, daily | 206 422 864 | 334 284 460 | 271 410 431 | 370 661 800 | 231 890 400 |
| short stay hospitals and | | | | | |
| boarding houses for | | | | | |
| seniors** | | | | | |
| Daily service centres | 52 903 900 | 94 672 784 | 120 215 172 | 282 352 000 | 217 845 200 |
| (temporary and supported | | | | | |
| employment, protected | | | | | |
| workshops)** | | | | | |
| | 3 467 800 | 13 671 080 | 10 511 300 | 3 735 000 | 4 135 117 |
| services)** | | | | | |
| Supported and protected | 19 283 930 | 17 760 860 | 29 567 480 | 38 479 100 | 28 768 900 |
| housing** | | | | | |
| Contact work (field work | 34 445 500 | 66 546 989 | 70 586 868 | 94 604 300 | 28 534 300 |
| and contact centres)** | | | | | |
| Early care (early | 1 963 700 | 6 429 380 | 9 059 600 | 14 391 000 | 11 996 300 |
| intervention)** | | | | | |
| Guidance (advisory | 53 174 958 | 74 055 624 | 62 366 887 | 83 294 830 | 67 460 800 |
| bureaus)** | | | | | |
| Halfway houses | 10 015 900 | 18 875 160 | 13 644 700 | 22 003 000 | 15 431 600 |
| Therapeutic communities | 18 648 967 | 14 307 350 | 43 359 240 | 15 082 100 | 11 114 800 |
| ** | | | | | |
| Crisis assistance | 10 200 675 | 25 174 175 | 26 376 338 | 28 037 400 | 21 870 700 |
| Shelters | 65 124 764 | 116 406 665 | 124 806 334 | 140 688 400 | 117 348 800 |
| Dosshouses | 529 500 | 892 040 | 789 300 | 855 000 | 2 581 000 |
| Foster care | * 7948500 | 7 290 000 | 909 600 | 7 723 600 | 7 649 800 |
| establishments** | | | | | |
| Other** | 33 199 300 | 0 | 3 958 800 | 57 553 820 | 103 234 000 |
| TOTAL | 564 220 984 | 872 678 626 | 874 885 004 | | 978 806 100 |
| | | | | 966 | |
| | 1 | 1 | 1 | 1 | 1 |

* calculated as an estimate from the

amount "Other" for the year 2000

**For a number of services, groups were merged between individual years and therefore the above data are only estimates of the actual volumes of subsidies for the relevant period.

Expenditures on state social support and social care benefits and their share in the GDP

year 2003

| Total state social support benefits (CZK million) | 32,178 |
|---|---------------------------------------|
| State social support in % of GDP. | · · · · · · · · · · · · · · · · · · · |
| Total social care benefit (CZK million) | 14,148 |
| Social care benefits in % GDP | |

year 2004

| Total state social support benefits (CZK million) | |
|---|--|
| (Note: this information includes the payment of an o | ne-off allowance to children amounting |
| to CZK 3,866 million in total – which is not a regula | ar state social support benefit) |

| State social support in % GDP | 1.34% |
|-------------------------------|--------------------|
| Social care benefits | CZK 14,317 million |

GDP in current prices (CZK billion) – real status – information according to: <u>www.mfcr.cz</u>: 2003: 2,532.4 2004: 2,735.0

Health care expenditures

Health care expenditures - current status - for the year 2003 (in CZK billion)

| Total expenditures | 177.9 |
|---|-------|
| Public budgets (national budget, local governments, health insurance) | 164.2 |
| Payments in cash (financial participation) | |
| | |
| Total expenditure share in GDP | 7.4% |

ARTICLE 13, para. 2

With a view to ensuring the effective exercise of the right to social and medical assistance the Contracting Parties undertake: to ensure that persons receiving such assistance shall not, for that reason, suffer from a diminution of their political and social rights;

Question

Please indicate briefly how this Article is implemented and what measures are used to ensure in particular, the absence of any direct or indirect diminution of political and social rights.

Specification:

In order to protect the rights of users of social services, Standards of Social Services Quality ("SSSQ") were issued by the Ministry in 2002. These standards are an appropriate tool for the introduction of quality into social services establishments. The process of implementation of quality standards continues and it is one of the priorities of the social services section of the MLSA. One of the standards deals specifically with the protection of user rights, Standard no. 2 "Protection of the rights of users of social services", which determines the rules for the solution of situations in which the rights of users might be violated. This includes particularly the following areas: the protection of personal liberty, privacy, personal information, the right for education and a free choice of education, protection against any forms of misuse, discrimination and other rights. The fulfillment of the quality standards is checked by quality inspections, guaranteed by the Ministry.

ARTICLE 13, para. 3

With a view to ensuring the exercise of the right to social and medical assistance the Contracting Parties undertake: to provide that everyone may receive by appropriate public or private services such advice and personal help as may be required to prevent, to remove, or to alleviate personal or family want;

Question

Please describe the main services covered by this provision, especially the manner in which they are organised and operate, including their geographic distribution. Please give information about the staff responsible for providing advice and personal help, as well as an indication of their qualifications and duties; also, measures aimed to ensure an adequate response to the needs of individuals and families.

No changes

ARTICLE 13, para. 4

With a view of ensuring effective exercise of the right to social and medical assistance, the Contracting Parties undertake: to apply the provisions referred to in paragraphs 1, 2 and 3 of this Article on an equal footing with their nationals to nationals of other Contracting Parties lawfully within their territories, in accordance with their obligations under the European Convention on Social and Medical Assistance, signed at Paris on 11 December 1993.

Question

Please indicate the guarantees which ensure conformity with this provision. Please describe more specifically the provisions which ensure that any repatriation of nationals of other Contracting Parties who are legally within the territory on the sole ground that they are in need of assistance is carried out according to the conditions laid down in Article 6 to 10 of the European Convention on Social and Medical Assistance 1953.

No changes.

In its Conclusions on the previous report, with respect to Article 13 para 1, the Social Rights Committee requested the following questions to be answered:

<u>The Committee requested that in future report information on the share of beneficiaries</u> of absolute subsistence level in the overall number of beneficiaries of benefits be stated without any supplementary benefits.

In statistical terms, information on the overall number of beneficiaries of social care benefits is monitored (or benefits provided under the Act on social need). Due to the position of social care benefits in the social protection system, almost all beneficiaries of social care benefits receive other benefits, too (for instance, housing allowance, etc.).

The number of people who only receive benefits under the Act on social need cannot be identified within the meaning of the requirement.

The Committee further requested to clarify whether the condition of the duration of residence applies to social assistance within the meaning of Art 13 para 1, including the assistance provided in compliance with Act no. 482/1991 Coll. on social need, and the Act No. 463/1991 on subsistence level (or another applicable legal regulation).

In compliance with Section 103 of the Act on social security, people who do not have their permanent residence in the territory of the Czech Republic are not entitled to receive social care benefits and services, <u>unless otherwise specified by an international agreement</u> (treaty).

The deadline of 365 days from the date of reporting someone's residence is applicable to the state social support, it does not apply to social care benefits (social assistance within the meaning of the Committee's question).

Further specification:

Social care benefits are not conditional upon citizenship, the fact that a person is not a citizen of the Czech Republic has no effect on the benefits. If an international treaty stipulates otherwise, the condition of permanent residence is not applied.

In compliance with Section 8a para 3 of the Act on Social Need /(provision of Section 8a is applied especially in the case of minor children (unless an international treaty exists and if the health or development of the child is threatened)/, assistance may be provided to a minor child, even if such a child does not have permanent residence in the territory of the Czech Republic. Assistance may be provided to the extent necessary, if serious threat to the health of the child exists or its proper education and assistance may not be provided under different laws. The assistance may be provided in the form of material or cash benefit, or social care service.

In addition to international treaties for EEC citizens, Regulation No. 1612/68 on free movement of persons within the Community also applies. Any migrating worker – an employee or its family members – is entitled to the same social advantages (for instance social care benefits).

The current wording of the Bill on assistance in poverty (the Act on assistance in poverty is to come into force as at 1 January 2007) introduces legal entitlement to the assistance to a person legally residing in the territory of the Czech Republic (however, the legislative process is only underway).

The Committee further requested that in the next report be specified in detail what decisions may be reviewed by the court and under what circumstances this applies.

Excluded from court review are only decisions on: allowance for the acquisition of special aids, allowance for the purchase, general repair or special adjustment of a vehicle, allowance for flat adaptations and special benefits for disabled persons.

The non-excluded issues are decided by regional courts, their local jurisdiction is governed by the competence of the authority, the decision of which is contested by the complaint.

In its Conclusions on the previous report, with respect to Article 13 para 3, the Social Rights Committee requested the following questions to be answered:

Due to the fact that the previous report did not contain any information on advisory and emergency services provided by municipalities and towns (MLSA does not collect such data), the Committee stressed that these data were necessary for proper consideration of the situation.

In the period under review, approximately **70 advisory bureaus for family, matrimony and interpersonal relationships funded from public funds (free of charge for the clients)** operated in the Czech Republic. Some of them have, in addition, other detached offices (see also Article 16 Question C).

As far as the collection of the required data is concerned, we are currently unable to ensure it; however, we assume that if the articulated bill on social services is passed, it will be possible to collect better information on social service providers – each legal entity or individual that will intend to provide social services, will be subject to a registration duty, where the required documents and data will be submitted. Based on the data, regional registers of providers and the central register will be established, at which relevant information will be available. See also the following question of The Committee below.

To illustrate the situation, below is provided the definition of emergency assistance (it has not been laid down in the legislation yet), in the format it is stated in the articulated bill on social services: emergency assistance is an outpatient or inpatient service provided for a temporary period to persons who face the situation of a threat to their health or life, who are temporarily unable to resolve their adverse situation on their own.

The service should include the basic activities as follows: provision of accommodation, provision of food or assistance in the provision of food, therapeutic activities, assistance in the enforcement of rights and interest.

The service is to be provided free of charge.

The articulated bill is currently at the stage of internal comments.

The Committee took into account information about the total expenditure on social assistance, however, as it did not find any specific information on social services as specified in Art 13 para 3 of the Charter, it requested that this information be included in the next report.

1) Current overview of the overall volume of funds that MLSA provided within the 2004 subsidy proceedings to nongovernmental nonprofit organizations – split by the type of social service:

| Type of service | Total |
|--|-------------|
| Advisory services | 66 333 500 |
| Shelters | 118 247 400 |
| Protected accommodation | 26 013 500 |
| Daily services centres | 168 986 700 |
| Halfway houses | 15 431 600 |
| Workshops | 22 800 600 |
| Low threshold centers for children and youth | 31 134 200 |
| Homes and lodging houses | 196 049 300 |
| Other | 105 651 500 |
| Contact centers | 19 529 800 |
| Emergency assistance | 21 870 700 |
| Low threshold daily centres | 3 616 400 |
| Dosshouses | 2 581 000 |
| Personal assistance | 37 945 600 |
| Relieving Services | 4 135 117 |
| Subsidized accommodation | 2 705 400 |
| Temporary employment | 6 737 700 |
| Foster care establishments | 7 649 800 |
| Community care service | 67 739 683 |
| Subsidised employment | 19 320 200 |
| Early care | 11 996 300 |
| Field programmes | 5 218 400 |
| Therapeutical communities | 11 114 800 |
| Emergency care | 3 259 100 |
| Total sum | 976 068 300 |

2) Current way of financing social services and its impact on the state budget, other public budgets and users of social services

Currently (year 2005) subsidies are provided from the state budget for the payment of operating costs of social services, amounting to approx. CZK 8.080 billion. These include the following subsidies: per-bed subsidies to municipalities, subsidies to regions and municipalities to execute the promoter's functions, subsidies to nongovernmental nonprofit organizations rendering social services, and expenditures to cover the operation of social care institutions promoted by the ministry.

If the funds allocated to the allowance for care for a close person or another person and the increase in the pension for helplessness are included, approximately CZK 11.210 billion is expended within the social service system.

Within the current funding system, the state or the MLSA promotes a total of 5 social service establishments that are primarily financed from the chapter of MLSA and from the income from users of these services.

Regions incorporate and operate social service establishments the operation of which is covered by special-purpose subsidies. According to the 2003 information (as provided in the ML statistical yearbook published in 2004), these include approximately 443 establishments with the total non-capital expenditure of about CZK 7 billion. The amount of the special-purpose subsidy from the state budget for the year 2005 equals to CZK 4.976 billion. Further to that, regions receive from the state budget special-purpose subsidies in support of nongovernmental nonprofit organizations providing social services. In 2004, these amounted to CZK 0.403 billion, in 2005 to CZK 0.894 billion. Regions provide additional funds from their own budgets to finance their own establishments (organizations receiving contributions from their budgets) and also the operations of municipal community services and, in addition, support the activities of nongovernmental nonprofit organizations providing social services.

Municipalities only receive subsidies from the state budget designed for the support of retirement homes and social care institutes incorporated by them. In 2005 this subsidy amounts to approximately CZK 1.387 billion. Other social services (primarily field social services, for instance community care service) are financed by municipalities from their own funds. In total, there are (according to the MLSA statistical yearbook published in 2004) some 369 establishments with total non-capital expenditures of approx. CZK 3.6 billion. Municipalities use their own funds to provide additional financing for the operation of their own establishments (organizations receiving contributions from their budgets or structural units) and also - to a lesser extent -support the activities of nongovernmental nonprofit organizations providing social services.

Nongovernmental nonprofit organizations are financed on a multiple-source basis, namely from the state budget, budgets of regions and municipalities, income from users and other sources (donations, foundations, etc.).

Per-bed Subsidies

A per-bed subsidy is provided for the operation of social care institutions and retirement homes whose promoter and operator is the municipality.

This is a special-purpose subsidy paid to municipalities by the Ministry of Finance from the General Treasury Administration chapter of the state budget, within the total financial relationship of the state budget to the budgets of municipalities. This subsidy is subject to a financial settlement for the relevant year.

The amount of a per-bed subsidy is determined in the Act on state budget on an annual basis. The amount of the subsidy per one bed is determined on a differentiated basis according to the type of an establishment: for retirement homes all-year-long stays (CZK 66,785 per bed in 2005), for social care institutes yearly, weekly and daily stays (in 2005 it is CZK 81,356 per bed – yearly and weekly stay; CZK 43,780,- per bed – daily stay).

It is clear from the overview of the development of the subsidy in the years 1995-2002 that, except for a partial adjustment in 1999, the amount of the subsidy essentially had not changed until 2002. In 1998 the amount of subsidy per bed was differentiated for the Social Care Institutes. In 2003, the subsidy was increased by approx. 17% compared with the

previous year, in 2004 and similarly in 2005 the subsidy increased by 5% compared with the previous year.

According to the official statistical information available (The 2003 labor and social affairs statistical yearbook, Prague 2004) municipalities incorporated and operated in 2003 a total of 146 retirement homes with the total number of 15,455 beds and 57 social care institutes with the total number of 2,801 beds.

According to the information released by the Ministry of Finance, the per-bed subsidy was paid for the capacity of approx. 3,800 beds.

In 2005, a total of CZK 1.378 billion is budgeted for the per-bed subsidies.

Subsidies to regions for the performance of promoter's functions

Regions receive for the operation of social service establishments that they promote and operate funds from the state budget designed for the execution of their promoter's functions with respect to social services establishments. The funds are in this case transferred to regions within the total financial relationship from the level of the Ministry of Finance from the General Treasury Administration chapter of the state budget. Allocation of these funds to individual social service establishments that they operate is decided by regions and it is fully at the discretion of the region in what manner it distributes these funds.

This is a special-purpose subsidy from the state budget that is not subject to a financial settlement for the appropriate year with the state budget.

The subsidy has been provided to the regions since 2003. As of 1 January 2003, promoter's powers were transferred from district authorities to regions with respect to social service establishments, namely in connection with the 2nd stage of the public administration reform (except for 4 establishments that were transferred to 3 municipalities) under Act No. 290/2002 Coll.

The basis for the determination of the volume of the subsidy for the year 2003 was the level of budget for the year 2002 (i.e. the volume of funds expended in 2002 for the operation of these social services establishments by district authorities) taking into account some budgetary measures, valorization of wages, re-assessment of salary adjustments carried out from 1 March 2002 and a 17%-increase in the operational costs of social care institutes and retirement homes. The amount of the subsidy did not change in 2004. The 2005 subsidy increased by 3 % and, at the same time, selected budgetary measures were taken into account to reflect the additional balancing of the transfer of promoters' functions from district authorities.

In 2005 a total of CZK 4.976 billion was budgeted for subsidies to regions, designed for the execution of promoter's functions.

Subsidies to municipalities for the execution of incorporator's functions

At the beginning of 2003, the incorporator's competencies were transferred from district authorities to municipalities. This concerns three municipalities (Šlapanice, Znojmo – South Moravian region; Mimoň – Liberec region) that in total incorporate and operate 4 establishments. These establishments are financed in the form of a special-purpose subsidy provided to municipalities as part of the total financial relationship from the level of the Ministry of Finance from the General Treasury Administration chapter of the State Budget.

This is a special-purpose subsidy from the state budget that is not subject to the financial settlement with the state budget for the respective year.

The volume of funds in 2003 and in 2004 amounts to CZK 26.113 million and in 2005 to CZK 25.947 million.

Subsidy proceedings of the MLSA in the field of social services

The MLSA implements subsidy proceedings in the field of social services aimed at support of nongovernmental nonprofit organizations providing social services. In 2005 the following two subsidy proceedings are realized:

- subsidy allocation procedure with respect to regions in the area of social services provision - The program of social service support provided by nongovernmental nonprofit organizations to seniors and disabled persons at the regional level.

Funds for this subsidy procedure are budgeted within a specific partial indicator "Subsidies to regions in support of nonprofit entities providing social services". These funds are designed to support nongovernmental organizations that provide social services to seniors and disabled persons within the region. A total of CZK 894 million are allocated for 2005.

This includes the following types of services: personal assistance, community care service, homes and lodging houses (including short stay hospitals and social services provided in nongovernmental health service facilities), early care, emergency care, relief services (shared services, respic care), etc. for seniors, disabled persons, mentally disabled persons, persons suffering from sense organ deficiencies, disabled persons with combined handicaps, persons having another health handicap.

- subsidy allocation procedure with respect to nongovernmental non profit organizations providing social services.

These funds are designed primarily for the necessary activities ensuring of the operation of the provided social services.

The funds for this subsidy procedure are budgeted within a specific partial indicator "Subsidy to nongovernmental entities providing social services". The amount of this indicator for 2005 is CZK 426 million. This indicator is further subdivided into separate indicators "Drug policy program" (CZK 44 million), "Social prevention and crime prevention program" (CZK 254 million) and "Support of Romany community projects" (34 CZK million).

The following programs structured to individual subprograms have been announced for the year 2005:

- 1) The program of social service support on the nationwide level
- 2) The program of social service support on the local and regional level

The programs are further structured from the viewpoint of the supported activities focus:

⇒ Support of activities focused on drug policy, Projects focused on the provision of social services in the area of drug policy are supported – support for primary, secondary and tertiary prevention. According to the established social service typology, this involves contact centers, therapeutic communities, field programs for drug users. After-treatment and follow-on care are strongly supported.

- ⇒ Support of activities aimed at social prevention and crime prevention, Projects focused on the provision of social services in the area of social prevention and crime prevention are supported. According to the established social service typology, these include in particular shelters, halfway houses, emergency assistance, emergency assistance, low threshold daily centers, dosshouses, etc.
- \Rightarrow Support for the provision of special social services in socially maladapted Romany communities,

Projects focused on the support of integration of members of the Romany community and the promotion of social work in Romany communities.

 \Rightarrow Support of activities focused mainly on the integration of and assistance to seniors and handicapped people.

Projects focused on the support and integration of seniors and handicapped persons into the society. According to the established typology of social services, these are especially homes and lodging houses, daily services centers, protected housing, subsidized accommodation, personal assistance, etc. A subprogram is announced solely within program no. 2

Expenditures of social care institutes established by the Ministry

The MLSA provides the financing of 5 social care institutes directly managed by the Ministry (department of social services). The expenditures are budgeted within the MLSA chapter as part of the specific partial indicator named "Expenditures of social care institutes managed by the Ministry. In 2004 this expenditure amounted to CZK 343,955,000 in total and a total of CZK 370,518,000 is budgeted for 2005.

Other relevant information from the budget relates to funds paid in the case of an increase of a helplessness benefit and an allowance for the care for a close person or another person.

Allowance for the care for a close person or another person

The provision of an allowance for the care for a close person or another person is regulated in Section 80 and subsequent sections of Social Security Act no. 100/1988 Coll., as amended.

Entitled to receive an allowance for a care for a close person or another person is a person that takes care in person, all-day-long and properly for a close person (living with her in a common household) that is:

- mostly or completely helpless,
- older than 80 years and partly helpless.

Entitled to the allowance is also a parent or grandparent that has taken a seriously disabled child older than 1 year into care, or another citizen who has taken a child in the care substituting the parental care.

A person taking care applies for the allowance at the competent municipal authority according to his/her permanent residence. The expenditures for the allowance are budgeted within the General Treasury Administration chapter of the state budget.

The allowance (per month) amounts to:

- 1.6 multiple of the amount for personal needs, if such person takes care of one person, i.e. CZK 3,776 per month,
- 2.75 multiple of the amount for personal needs, if it takes care of two or more persons, i.e. CZK 6,490 per month.

In 2003, a total of 37,883 recipients of the allowance for the care of a close person or another person were registered, of which 9,854 were taking care of dependant children.

According to information from selected territories of the Czech Republic, about 97 % of the allowances is related to the care for one person, while only 3 % of the recipients take care of two or more persons.

In 2004 the funds of approximately CZK 1.6 billion were allocated for this allowance.

Increase in the pension for helplessness

The provision of a pension for helplessness is regulated by Section 70 of Act No. 100/1998 Coll., on social security, as amended.

If a pensioner is permanently helpless to such an extent that he/she needs another person's attendance, his/her pension from pension insurance, or the aggregate amount of such pensions, is increased by

- a) 20% for partial helplessness
- b) 40% for prevalent helplessness
- c) 75% for total helplessness

of the amount that is considered to be necessary for the alimentation and other basic personal needs of a person that is not an dependant child according to the Subsistence Level Act (i.e. CZK 2,360).

The status of helplessness is decided by the Czech Social Security Administration, expenditures to finance the increase of the helplessness pension are budgeted within the chapter 313 of the MLSA as part of the specific partial indicator ,,other social benefits". The payment of the increase in the pension for helplessness shall be governed by the provisions for the payment of a pension from the pension insurance.

By age, about 99% of helplessness allowances is paid to persons older than 18 years and approx. 43% of helplessness allowances is paid to persons older than 80 years.

Since January 2005, the Government regulation No. 664/2004 Coll. has increased the amounts for partial, prevalent or complete helplessness. The partial helplessness benefit grew from CZK 464 to CZK 472 per month, prevalent helplessness from CZK 928 to CZK 944 per month and complete helplessness from CZK 1,740 to CZK 1,770. In 2004 CZK 1.7 billion was paid from the state budget to cover the increase in the helplessness pension.

Costs of selected types of services and revenues from payments

The average amount of revenues received from social service users is, similarly to the amount of average expenditures, subject to the type of the services rendered. More detailed information on the amount of payments, including the average expenditure per selected types of services, is set out in Schedule 2. The average amount of payment per one place annually accounts for in the case of retirement homes 38 %, homes-lodging houses for pensioners 39%, social care institutes for the adults 34 %, social care institutes for the youth 19 % and community care services for 10%.

In 2003 the users of individual types of social services (set out in Table 12) contributed to the coverage of costs of the provided services with approx. CZK 4 billion (note: for retirement homes this amounts to approx. CZK 2.5 billion) – the data are calculated based on information on the capacity of individual services and the average amount of payment according to the type of services, as set out in the MLSA Statistical Yearbook.

Income and expenditures of territorial self-governing bodies in the field of social services

(The above information on the financing of social services is based on financial statements of municipalities and regions prepared broken down according to the budget composition. If the activity is performed through a structural unit of a municipality or a region, the financial statements include income and expenditure of this structural unit. In the case of subsidized organizations only allowances for the operation of these contributory organizations are included in the financial statements of municipalities and regions).

Income and expenditures of regions in the field of social services

In 2004 regions expended for the financing of social services almost CZK 6.6 billion, of this amount allowances for own contributory organizations amounted to CZK 6 billion (a form of subsidized organization completely prevails for regions in securing social services through own establishments), subsidies to nonprofit and similar organizations amounted to CZK 0.4 billion and subsidies to municipalities to CZK 0.13 billion. The remaining portion of the expenditures included, for instance, subsidies to entrepreneurs or operating costs of structural units incorporated by regions.

From the viewpoint of types of individual establishments regions allocated the largest portion of expenditures for the financing of the social care institutions (CZK 3.1 billion) and retirement homes (CZK 1.9 billion). These establishments participated in the expenditures incurred by regions for the social area by 77 %. Of other types of establishments most important were social assistance centers (CZK 0.5 billion, i.e 8 % of the expenditures).

In the financing of social services, regions are to a large extent dependent on subsidies from the state budget. In 2004, regions received from the state budget a total of CZK 5.2 billion, of this CZK 4.8 billion was designed for the financing of the promoter's functions delegated to regions from district authorities and CZK 0.4 billion were designed for the financing of nongovernmental nonprofit organizations having regional competence (this volume was a part of a subsidy for the financing of ordinary and investment development of regions, decision-making on whether a subsidy is to be used for nongovernmental nonprofit organizations, municipalities or own regional establishments was within an independent competence of each region). We assume, that the regions for the financing of social services in 2004 used also other subsidy titles that had wider special-purpose intent, namely the already mentioned

subsidy for the financing of ordinary and investment development of regions and a subsidy designed for the financing of the replacement of assets of territorial self-governing units that could be used also for operating expenses. Payments of subsidised organisations in the field of social services amounted to CZK 0.14 billion in 2004.

The remaining portion of social services expenditure was paid by regions from other own sources, for instance tax income. We estimate that the share of own resources of the regions for the financing of social services accounted for some 10% of the aggregate expenditure, i.e. CZK 0.7 billion.

Income and expenditures of municipalities in the field of social services

Non-capital expenditure of municipalities for social services in 2004 amounted to some CZK 5.1 billion. The most important expenditures were subsidies to own subsidized organizations amounting to CZK 3.6 billion (i.e. 71 % of the total expenditure). In comparison with regions, municipalities use more often for the operation of social services own structural units. The expenditure of such structural units accounted for 17 % of the total expenditure for social services, i.e. CZK 0.9 billion. The third important group of expenditures includes subsidies to not-for-profit and similar organizations which amounted to CZK 0.4 billion in 2004.

When ensuring social services, municipalities focus especially on the care for the elderly, since they allocate for the financing of operations of retirement homes - lodging houses and community care almost 60 % of the total expenditure for social services (i.e. CZK 3 billion). The remaining portion of the expenditures is comprised in particular of the expenditure for the operation of social care institutions (CZK 1 billion) and the expenditure for the operation of social assistance centers (CZK 0.3 billion).

In the funding of social services municipalities are in comparison with regions less dependent on subsidies from the state budget. From the subsidies for places in retirement homes and special services institutions (CZK 1.3 billion) they finance approximately one fourth of the expenditure for social services. Additional sources of financing are especially income of structural units and payments of subsidised organisations in social services (a total of CZK 0.3 billion) and subsidies from a budget of the region (CZK 0.13 billion).

The remaining portion of some 60 % of expenditure for social services (i.e. CZK3 billion) were paid by municipalities from other own sources, for instance tax income.

In its Conclusions relating to the previous report, to Art 13, para 4, the Social Rights Committee requested the following answers:

<u>The Committee requested the explanation whether nonresidents have a subjective</u> <u>entitlement to an assistance in need, including a possibility to appeal to the court in</u> <u>the case of refusal to grant such an assistance.</u> See previous answered questions of The Committee.

The Committee further insisted to receive information on the number of residents that legally reside in the territory of the Czech Republic and who have received social assistance or whom the assistance was rejected: information supported by survey or estimates whe necessary.

In this field the MLSA does not collect data from individual providers but according to qualified estimate this may involve tens or hundreds of persons who do not have their permanent residence in the Czech Republic, nevertheless were granted an exemption by any of the regional authorities based on which they use the service. These are especially Slovaks or Poles.

In the future, we anticipate to monitor these facts, for instance, through departmental statistics, however the manner has not been determined yet.

ARTICLE 16: THE RIGHT OF THE FAMILY TO SOCIAL, LEGAL AND ECONOMIC PROTECTION

With a view of ensuring the necessary conditions for the full development of the family which is a fundamental unit of the society, the Contracting Parties undertake to promote the economic, legal and social protection of family life by such means as social and family benefits, fiscal arrangements, provision of family housing, benefits for the newly married and other appropriate means.

Question A

Please mention if the legislation in your country provides specifically for the legal protection of the family, bearing in particular on equality in law between spouses, on family relationships and on marital conflict, and also any special measures to facilitate solutions other than divorce to such conflicts. Please describe the marital property regimes existing in your country.

Update, for more information see also the questions raised by the Committee on Article 16

An amendment to Act no. 140/1961 Coll., Penal Code, as amended, was passed in the first half of 2004 (Act no. 91/2004 Coll.) introducing as a separate criminal offence "battering a person sharing a common flat or house (§215a).

The provisions of §215a read as follows:

- (1) Who batters a close person or another person sharing a commonly occupied flat or house with him/her, shall be punished by imprisonment of up to three years.
- (2) Such an offender shall be punished by imprisonment for two to eight years, if
 - a) commits the crime specified in paragraph 1 in a grossly violent way or more persons are injured or
 - b) continues in committing the crime for a longer period of time.

This amendment will substantially contribute to the solution of the issue of domestic violence.

Question B

Please describe the economic measures taken on behalf of the welfare of the family in your country:

- by award of benefits in cash¹ (e.g. family allowances) which ensure, permanently, financial compensation, at least in part for family expenses, indicating the manner and the levels in which such benefits are given (with relevant statistical date) as well as the number of persons concerned (percentage of population);
- by award of occasional benefits in cash or in kind other than social and medical assistance benefits, intended to give material assistance to families in certain specific circumstances (e.g. marriage, setting up or tenancy of housing appropriate to the size of the family, etc.), giving wherever possible, statistical information on the above;
- by alleviating certain expenses (e.g. tax relief for family and children, special transport rates for families). In so far as tax relief is concerned, please specify whether tax concessions vary according to the number of children, and if so, how and to what extent;
 by measures of aid to the newly married.

1 If your country adopted Article 12, para 4, it is not necessary to describe the adopted measures ensuring equal treatment when providing family allowances that are part of the social security system.

Update:

On tax allowances for families with children pursuant to Art. 15 of *Income Tax Act no. 586/1992 Coll.*, as amended (i.e. reducing the base of assessment using a tax allowance for each dependant child and for the spouse who share a common household with the taxpayer – the same data apply here)

The amount of this tax allowance was CZK 23,520 in 2003, and CZK 25,560 in 2004 (the amount is doubled if the child is severely handicapped and needs a guide.)

In this respect we would like to point out that the common taxation of married couples with children entered into effect on 1 January 2005, which will support families living together within a common household, including their children. This provision reflects the government's priority of supporting families and young married couples. This will be primarily helpful for families with children where one of the spouses is not taxed by the highest income tax rate. The replacement of a tax deductible amount for children with tax abatement from 2005 will contribute to the fairer support of families with children. This step will strengthen the role of the social state and improve social cohesion and will contribute to tax reduction for those taxpayers whose income is taxed by the marginal rates of 15% and 20%. At the same time, a "tax bonus" is introduced, i.e. the amount by which the tax abatement will be higher than the tax liability will be paid back to the taxpayer.

Question C

Please indicate whether in your country there exists social and/or cultural services of particular interest to the family, such as advice to families (either to the whole family or to its members, e.g. mothers, pregnant women, children of various ages), home-help services, family holiday homes. Please indicate the childminding services available to families, in particular crèches, nurseries and after-school and holiday schemes for children. Please give a general description of the organisation and facilities of these services. In your answer please distinguish between public and private services and between services available free or against payment. Please give relevant statistical data.

Update:

Pre-school and school educational facilities for children

Pre-school and school educational facilities for children – statistical data update as of 30 September 2003 (for school year 2003/2004)

The total number of pre-school facilities in the Czech Republic is **5,607**, of which 8 have been established by the Ministry of Education, 4,794 by municipalities, 171 by regions, 74 by private subjects and 20 by the church. There were 286,340 children registered in these facilities.

The total number of 4,842 **kindergartens** (4,766 established by municipalities, 2 established by regions. 58 by private subjects, and 16 by the church) were attended by 280,491 children.

There are 225 **special kindergartens and kindergartens associated with foster homes** (8 established by the Ministry of Education, 28 municipalities, 169 regions, 16 privately established and 4 established by the church), visited by 5,849 children.

Public nurseries and clubs at schools – statistical data update as of 30 September 2003 (for school year 2003/2004)

The total number of these facilities in the Czech Republic is 4,609, of which 4,116 are public nurseries at schools (PN) and 493 school clubs (SC), attended by 264,121 children, of which 215,235 children go to public nurseries at schools and 48,886 to school clubs.

These facilities were established as follows: 5 by the Ministry of Education (4 PN, 1 SC), 4173 by municipalities (3 741 PN. 432 SC), 335 by regions (296 PN, 39 SC), 71 privately (51 PN, 20 SC), 25 by the church (24 PN,1 SC).

Public nurseries at schools take care of younger children (6-10 years) after school. School clubs are attended by older pupils who are engaged in their hobbies there.

Elementary schools focused on arts – statistical data update as of 30 September 2003 (for school year 2003/2004)

The total number of elementary schools focused on arts in the Czech Republic is 474 (187 established by municipalities, 248 by regions, 36 privately established, 3 established by the church), attended by 221,125 pupils (majoring in music, visual arts, dance, literature and stage performance).

Elementary schools focused on arts provide education in arts in their after-school time.

Centers for children and youth – statistical data update as of 30 September 2003 (for school year 2003/2004)

The total number of these facilities in the Czech Republic is 289, of which 103 are established by municipalities, 173 by regions, 6 are privately established and 7 by the church. They were regularly attended by 221,645 members, of which 19,390 are pre-school children and 153,082 children up to 15 years.

Centers for children and youth organize cultural activities for their clients. They also organize summer and winter camps, competitions and shows.

Counseling centers for the family, marital and interpersonal relations

In the period under consideration, there were about 70 counseling centers for the family, marital and interpersonal relations paid from the public funds (free of charge for their clients). Some of them have detached offices, too.

The responsibilities for operating the centers was transferred from the former district offices to regional offices in 2003; at some places, the centers are operated by municipalities or magistrates of statutory cities.

Average costs per inhabitant in the area of activity of the centers did not exceed CZK 15 per year. The total budget of all the centers in the Czech Republic equals to CZK 120-140 million per year.

Compared with previous years, the number of people seeking assistance remained unchanged at approx. 35,000 clients in 2004. There were almost 180,000 consulting sessions realized throughout the year.

The basic form of assistance provided is consulting, accompanied by, if need be, some forms of psychotherapy – individual, in pairs, family therapy, group therapy. Direct social work and basic legal as well as socio-legal assistance remains an integral part of the services provided.

In association with the Association of Family and Marital Advisors, and sponsored by the MLSA, the centers have extended the scope of services provided to include summer or weekend psychotherapeutic stays for socially weakened incomplete families, group communication training and some unspecific relaxation techniques, etc.

Within the projects of "Development and Direct Provision of Social Services" several socio-therapeutic events for single parents with children, for adoption care or foster care families as well as "after-treatment" stays for families of consulting facilities clients. These projects are subsidized by MLSA to enable access for families which otherwise could not afford such a stay for financial reasons. In 2004, approximately 50 complete and incomplete families participated in the projects, including over 80 children.

Question D

Please indicate if the legislation in your country provides for family representation on advisory and administrative bodies with a view to defending family interest.

No change (see also Committee questions on Art. 16)

Question E

Please indicate what measures have been taken to promote the construction of family housing, and supply full statistics of the work accomplished.

Update:

In the reference period, a provision for the support of housing development for families was newly accepted. Based on the government regulation no. 616/2004 Coll., low-interest loans for house purchase designated for young people up to 36 years began to be provided from the State Housing Development Fund.

Preferential loans for housing are given to people up to 36 years (married couples or single parents who permanently care for an underage child). The loan can be used to finance home building, purchasing or coverage of the costs for the transfer of the membership rights and responsibilities of a housing cooperative.

The applicants may be married couples, if at least one of the two will not reach the age of 36 years at the year of the application, or single parents permanently caring for a child who will not reach 36 years at the year of application. When applying, the loan applicant cannot be an apartment owner, an apartment house owner, a family house owner or a tenant of a cooperative flat. If the loan is applied for by both parties of a married couple, this requirement must be satisfied by both.

The loan can be granted up to 300 000 CZK with up to a 20 year maturity and a 2% interest. It is possible to postpone the beginning of a principal payment up to 10 years from the day when the loan drawing began. The State Housing Development Fund can allow for an interruption of the principal payment up to 2 years for social, family or other serious reasons. In this case, the term of expiration is extended by the period that the interruption of principal payment was allowed for. The size of the financed apartment or the family house is not limited. In the period after closing the loan agreement, the non-paid portion of the principal will be lowered by CZK 30 000 for every newly-born baby or adopted child (if the apartment is acquired through construction).

The statistical data reporting the extent of this building activity are not available so far – loan applications are accepted from 8 December 2004 (8 thousand applications have been filed to date).

Question F

Please indicate the measures taken in the field of family planning information..

Update:

Within the scope of 2005 MLSA subsidy proceedings, the subsidies program for the support of functional families was for the first time ever written up for the non-profit organizations in 2004. One of its three sub-programs is "The program for the support of education towards harmonic marriage and responsible parenthood." This program is designed to provide financial support of projects run by non-government not-for-profit subjects with a focus on the education of young people towards harmonic marriage and responsible parenthood (in particular, there are lectures for children and juveniles (up to 26 years) and marriage preparation courses for young people. Another area of subsidy-based support provided to the functional family by MLSA is "The support program for counseling provided to support projects focusing on counseling activities for women and girls in the so-called situation of unwanted pregnancy." It is designed to support projects focusing on counseling activities for women and girls in the situation so so-called unwanted pregnancy.

Question G

If your country publishes official statistics concerning the composition of the family and its economic and social position, please provide a summary of the latest available statistics. In so far as the socio-economic position is concerned, describe the manner in which socio-economic categories are classified in your country.

The support of families with children is still mainly conducted through the state social support and social care benefits.

Social care benefits – year 2003, in CZK million

Source: financial reports of MF and MLSA resort records

Social care benefits total: 14 148 Social care benefits entitled by social need: 10 181 Allowances for the care for a close person or another person: 4 289 Social care benefits for people with health disablement: 2 332

The average number of state social benefits receivers

| | 2003 | 2004 ³ |
|-----------------------------|-----------|-------------------|
| child benefit | 1 965 336 | 1 893 269 |
| social conditions allowance | 413 184 | 371 208 |
| birth grant/annually | 93 470 | 95 068 |
| parental allowance | 262 502 | 275 144 |
| social allowance | 507 | 197 |
| foster care benefits | 12 690 | 13 118 |
| transport allowance | 423 081 | 406 783 |
| funeral allowance/annually | 110 316 | 104 063 |
| housing allowance | 232 982 | 292 133 |

³ preliminary date

The costs of state social support and social care benefits in proportion to GDP

Year 2003

| State social support benefits total (CZK million) | 32 178 |
|---|--------|
| State social support in % GDP | 1,27% |
| Social care benefits total (CZK million) | 14 148 |
| Social care benefits in % GDP | 0,56% |

Year 2004

| State social support benefits total (CZK million) | 37 |
|--|----|
| Note: preliminary data including one-off child care benefit paid in June | |
| State social support in % GDP1,34% | |
| Social care benefits, percentage proportiondata not available | |

GDP in standard (CZK billion) – actual status – data based on <u>www.mfcr.cz</u>: 2003: 2 550,8 2004: 2 751,1

The Czech Bureau of Statistics (CBS) gathers and publishes data on the structure of families and their social and economic condition through a population census (census of population, houses, and apartments). The last census was conducted in March 2001 and the next one is being prepared for the period around the year of 2010.

In the preparation and conduction of these censuses, CBS proceeds in line with the recommendations and methods of the UN and the European Union Bureau of Statistics – Eurostat. This is consistent with the use of the recommended statistical classifications. In concurrence with the census of population, houses and apartments in 2001, a 2002 microcensus was conducted in 2003 and focused on gathering household income data for 2002. This statistical count was conducted on a selected sample of 0.25% households. All the extensive data files collected in the 2001 population census and the 2002 micro-census 2002 are available on the CBS website – www.czso.cz. (English version included).

In its conclusions of the preliminary report to the article 16, The Social Rights Committee requested answers to the following questions:

<u>The Committee requested detailed information on problems with domestic violence</u> (legall protection and practice – services dedicated to the prevention of ill treatment, the support and rehabilitation of victims) In the first half of 2004, an amendment to Act no. 140/1961 Coll., the Penal Code, as amended, was passed (act n.91/2004 Coll.), with effect from July 1st 2004. This act established the battering of an individual living in a shared flat or house a criminal offence (§ 215a).

The amendment responded to the necessity for the criminal prosecution of acts showing the characteristic features of domestic violence, which include: the acts carrying sings of battering, a commonly shared space, and the family, emotional or material ties between the aggressor and the victim.

The establishment of the new *res gestae* in § 215a was concurrently followed by the acceptance of the newly proposed aggravating circumstances (provisions of § 34d), which are formulated in such a way, that makes it possible to punish acts directed against individuals under 15 years of age, pregnant, seriously ill, elderly or infirm. Other forms of defenselessness, dependence or subservience are covered by aggravating circumstances pursuant to (§ 34c) of the Penal Code.

Battering involves (based on a decision of The Supreme Court) maltreatment, which is distinguished by a higher degree of coarseness, heartlessness and certain persistence, and which is perceived as a harsh suffering by the victim. The persistence of the offender's act is evaluated in relation to the intensity of maltreatment, therefore the act does not necessarily have to be systematic and lasting for a long period. The battered individual does not need to suffer a concrete damage to health, but it is assumed that the acts of the aggressor such as cruelty, inconsideration or painfulness are perceived as a harsh suffering by the victim.

The maltreatment may be caused through physical hardship or mental abuse.

Pursuant to the provisions of § 158 of the Criminal Procedure Code, the person informing about the suspicion of criminal act commitment showing some of the features of the *res gestae* summarized as domestic violence, can be anyone; thus, it does not need to be the victim of the act.

Public authorities are required by law to report the *actual statusi* indicating that a criminal act was committed.

The amendment of the Public Code implemented by Act no. 91/2004 Coll. theoretically allows for the sanction of the offender's act, which does not reach the intensity of individual partial criminal act merits, but in its summary, considering the duration of the offender's act, it fulfills the newly established criminal act merits pursuant to § 215a, with no need for the victim's approval for the commencement of criminal prosecution.

If the aggressor's violent acts do not reach the intensity of a criminal act, or if the degree of its dangerousness for the society is negligible, nevertheless if he/she committed an act violating or threatening the interests of the society, it is qualified as an administrative infraction, and as such it is punishable pursuant to Act no. 200/1999 Coll. on administrative infractions.

The rights and responsibilities of the police in dealings with the offender as well as the victim are laid out mainly in Act no. 283/1991 Coll. on the Police of the Czech Republic.

As far as the legitimate rights and responsibilities of police officers are concerned, it is possible to say that theoretically today they make it possible for police officers to perfectly document the incident, at least partially ensure the safety of the victim, to communicate with the victim, and proceed with the commencement of criminal prosecution against the aggressor.

Within the scope of their powers, the police are obliged to deal with the offender and the victim in a way avoiding any unnecessary detriments in connection with the police intervention, and implement all the necessary precautions if a justified suspicion exists that a criminal act or an administrative infraction was committed. If all the conditions as set out by the law are fulfilled, the police has the right to demand a fair explanation, detain the aggressor, restrict him/her in his movement, if he/she is aggressive, and to seize his/her gun. Further to that, the police is allowed to open an apartment, use a gun, coercive means, etc.

In practice, consulting for domestic violence victims is provided by some non-profit organizations supported within the scope of their applications for subsidies from the state budget.

During 2003 – 2004, an interdisciplinary project was realized with a focus on interdisciplinary cooperation in the prevention, detection and prosecution of domestic violence incidents, and on helping their victims.

Ministries of Interior, Justice, Labor and Social Affairs, Health, Education, Youth and Physical Training, and three nongovernmental non-profit organizations participated in the project. One of the outputs of this project was the acceptance of government decree no. 794 from 25 August 2004, in which the government approved the report on the realization of the above-mentioned project as well as other precautions. Subsequently, the government instructed individual departments to ensure the fulfillment of the accepted measures within their spheres of power.

Measures adopted by MLSA include, among others, training for social workers who get in touch with the victims of domestic violence. To achieve this, an operational plan for the education of specialized workers should be worked out by 31.12.2005. Furthermore, the MLSA has to make sure that the notion of secrecy will be incorporated into the Act on Legal and Social Protection of Children, namely the non-disclosure of residence in an asylum home of a parent with underage children who became a victim of domestic violence during their entire stay in an asylum home. In addition, the Ministry shall incorporate into the law the duty of authorities for the social protection of children to inform the police in the location of permanent residence about domestic violence in a family of an under-aged child, even in a situation in which the violent act shows no characteristics of a criminal act. The MLSA has to provide increased support and attention to nongovernmental organizations providing specialized care to victims of domestic violence, establish the conditions for their accreditation, thereby creating conditions for continuous psycho-social help. Within the framework of the subsidies policy, the MLSA has to support the activities of asylum homes for victims of domestic violence and take into account in the intended subject-matter of the law on social services the necessity to specify in the regulation implementing the law Shelters with secret address designed for the victims of domestic violence. Also, good quality research should be carried out, focused on domestic violence from the viewpoint of the extent of harm done - this concerns the social expenditures and quantification of economic impacts. The MLSA should pursue the decrease in the latency of domestic violence in CR through an extensive enlightenment and prevention.

The majority of the above-mentioned precautions should be realized by the end of 2005.

In December 2004, the Czech Parliament received a draft bill, which is supposed to change some acts in the area of protection against domestic violence. This proposal was written in cooperation with experts from non-profit organizations focusing on the domestic violence issues, and therefore reflects their insights from practice.

Probably the most significant concept which should be embedded by the aforesaid proposal is the institution of "expelling the violator", which formed the main obstacle to the effective solution for the situation of the domestic violence victims.

Following from the draft, violator expelling would be possible using the tool of preliminary ruling, with the possibility of the extension of its effectiveness up to one year. Besides violator expelling, the draft act also envisages the alternative to impose a "refraining" order regarding the protection of the victim's personality, imposing on the aggressor to refrain from a specific act harmful to the victim.

The above-mentioned preliminary rulings are followed up by the proposed amendments of the appropriate Civil Code provisions in the area of such concepts as a common household, joint tenancy of unmarried couples, and joint living in an apartment/house jointly owned by the married couple.

The above-mentioned proposed private law updating is also accompanied by an appropriate public law modification, namely the Act on the police. This amendment is supposed to provide the police officers with the necessary authority for a more effective intervention against domestic violence offenders (expellig, etc.)

The act amendment also anticipates the establishment of intervention centers, which would cooperate closely with the investigative, prosecuting and adjudicating bodies and provide global psychosocial and legal help to the victims of domestic violence.

The issue of domestic violence acts ranks among the most fundamental problems in equality rights for men and women and as part of the broader issue of violence against (mainly) women lies within the main object of interest of competent authorities, including the Ministry of Interior- which has lately accomplished the following:

The model interdepartmental project to create legal framework and methodical processes for the establishment of interdisciplinary teams joining healthcare, social services and police support during the detection and prosecution of domestic violence acts

During 2003, six round-tables meetings were held, inspired by endeavors to learn the opinions of experts and representatives of political and public life in an effort to find a common and constructive solution. The outputs of these meetings resulted in specific measures taken by the Czech government to prevent domestic violence, help victims and their families, ensure maximum protection for victims of domestic violence and in an official formulation of the government's attitude to domestic violence as an issue that is not to be considered as a private affair. The prime objective of the project was to initiate a discussion on interdepartmental approach between the state administration body, local authorities, non-government organizations and vocational chambers in a manner that would lead from random cooperation to a formulation of short-term and long-term strategy of responding to domestic violence. The output of the project was detailed in the Information on the Realization of Model Interdepartmental Project to create legal framework and methodical processes for the establishment of interdisciplinary teams joining healthcare, social services and police support during the detection and prosecution **No. 794 dated 25th August 2004**.

The task for The Czech Ministry of Interior that resulted from this government resolution was the elaboration of an operational police procedure on the scene of the crime and elaboration of a procedure on complaint accepting in the cases of domestic violence, including the responsibility of police officers to apply unbiased judgement on the severity or extent of the threat, and to include new measures developed for these cases in the training of police forces. Another precaution was the issuing of the **Methodical Directive of the** Director of the Criminal Police and Investigation Office of the Czech Police Presidium, which regulates the procedures of the Czech Police during notification, verification and investigation of domestic violence, on 10 September 2004. This directive provides relevant information to the police on the most important aspects of domestic violence and basic instructions on how to detect these specific situations and how to proceed thereafter.

The government has also taken cognizance of the **Government Council Recommendation on equal opportunities for men and women regarding the implementation of legal regulations providing effective protection against domestic violence.** (Government Resolution No. 667, dated 30 June 2004)

Informative and cultural campaign management

The personnel of the Ministry of Interior's Department for the Prevention of Crime, which is also responsible for assistance to victims of socio-pathological phenomena in the society, cooperates with nongovernmental organizations in the development of informative, cultural and professional materials. A major part of the materials can be found on the official website of the Ministry Of Interior. The website is not only designed to provide victims of domestic violence with concrete consultation, but also to provide information on social, psychological and legislative aspects of the problem to professional workers (such as physicians, social workers, police...). The Department for the Prevention of Crime, together with the Policeman magazine, prepared two informative bulletins "Behind closed doors", addressed to the general public and aimed at overcoming generally widespread myths on the causes of domestic violence. The bulletins contain not only pieces of knowledge from experts from non-profit organizations, but also perspectives and viewpoints of psychologists, marital counselors, investigators and other specialists on current events. The Press Service contributes by stories written by both Czech and foreign authors, materials from the "White Circle of Security" and other nongovernmental organizations and by mediating foreign experience with the addressing of the realized projects; in the long term, success has been achieved in approaching a wide range of national and regional media interested in the issues of domestic violence. The Department of Crime Prevention has cooperated with nongovernmental organisations on a campaign in the media against domestic abuse realized by the Office of Government Council for Human Rights, Ministry of Labour and Social Affairs and Ministry of Interior. The campaign was focused on young people between 15 and 25, and was conceived as preventive with a focus on dangerous models of conduct present in the cases of domestic violence.

Increase police officers' domestic violence recognition sensitivity support programs

The Ministry of Interior's Department of Security Policy has also been searching for methods of improving the situation of victims of domestic abuse in the current legal environment. Attention was paid mainly to the need of **standardized procedures for police officers** in contact with domestic abuse victims. The appropriate measures of police intervention in cases of domestic violence will significantly contribute to the more effective process and application of legal regulations (both the current and future ones). Precise documentation, central files and throrough information analysis are crucial and significant weapons in acquiring an integrated view in the combat against domestic violence - a developing, continuous phenomenon characterized by its gradual escalation. A significant advancement has been made in the adoption of the aforementioned **Methodical Directive of the Director of the Criminal Police and Investigation Office of the Czech Police** **Presidium** that regulates the practice of the Czech Police during the notification, verification and investigation of domestic violence.

The Ministry of Interiors' Department of Security Policy retains considerable influence on police work by bringing explanatory interpretation statements into general practice. The key idea pursued is the instant operative response by investigative, prosecuting and adjudicating bodies, in particular the Police of the Czech Republic. The main effort is to guide and educate police officers in responsible and constructive problem solving methods, while taking into account specific circumstances on the basis of sufficient information. Interpreting statements effect the general practice by the active use of the existing legal tools for the prosecution of individuals committing acts of domestic abuse (e.g. Ministry of Interior - Department of Security Policy's statement on the Czech Police procedures pursuant to Art. 14 of the Act no. 283/1991 Coll., on the Czech Police, as amended, dated November 2004 /the right of a police officer to detent persons suspected/ of domestic violence). Through the Presidium of the Czech Police, interpretation statements are provided for the implementation in police routines and compliance with them is monitored on ongoing basis.

In April 2003, the Ministry of Interior executed a pilot course "Dealing with victims of criminal offence" in cooperation with the nongovernmental organisation White Circle of Security aimed at the familiarization of the Czech Police with specific features of dealing with offenders and victims of domestic abuse and at the adoption of techniques that will guarantee security for the victims, thus preventing secondary victimization risks.

Crime rate prevention programs on the local level

One of the main priorities of the Republic Committee for Prevention of Criminality in the area of financial support for projects of social precaution are the projects of emergency and counselling facilities for victims of criminal offences, in particular for highly vulnerable groups, submitted mainly by nongovernmental organisations and recently by local authorities.

Interdisciplinary cooperation pilot program for cases of domestic violence implemented by Municipal Police Head Office in Ostrava and the nongovernmental organisation White Circle of Security- realized at the beginning of 2003

Besides the Czech Police, the network of collaborative institutions includes of the metropolitan police, municipal administrative infraction commissions, authorities for children's social and legal protection, crisis centres for children and families, premarital and marriage counselling services, teaching hospitals with health centres (social services), general practitioners (GPs), St. Zdislava's charitable asylum for mothers with children, DONA centre BKB (phone helpline). The objective of the project is to increase the awareness of victims and collaborative institutions concerning mutual competency and to coordinate services of separate institutions. Ideally, the project should be extended to other cities in the Czech Republic. At present, (January 2005) evaluation of the project is in progress.

The Committee asked to demonstrate that an inadequate sum of child allowance (the basic child allowance represents a reasonable addition to the income, if it provides a significant part of the average monthly standardized net salary. The share of the child allowance in the Czech Republic in the income in separate income categories is 3.4%,

2.8%, resp. 1.4% of the income) is compensated by other existing forms of family allowance, primarily for families with low income or with painful social relations.

In the area of child allowance Czech Republic conforms to the social security provisions of the European Code, as well as to the minimal standards of ILO Convention No. 102.

Below please find an example of family aid showing that the existing forms of family allowance in Czech Republic, as described in the reports submitted so far (including this report) always ensure family necessities in difficult social circumstances.

The example considers a complete family (father, mother, two children aged 2 years and four years). The mother receives parental allowance, the father is earning a minimum salary, the family can be considered as a low-income family.

| Monthly: Minimum salary - | 7 182 CZK gross 6 286 CZK net | |
|------------------------------|----------------------------------|--------------------------------|
| Income – gainful activity | CZK 6 286 CZK | % income from gainful activity |
| SSP benefits: | | |
| Parental allowance | 3 635 | 57,8 |
| Child allowance | 1 101 | 17,5 |
| Social care benefits | 1 290 | 20,5 |
| Housing benefits | 1 178 | 18,7 |
| SSP benefits- total | 7 204 | 114,6 |
| Family income incl. SSP | 13 490 | |
| Tax bonus | 826 | |
| Family income- total | 14 316 | |

The Committee requested for the inclusion of child care availability for children up to the age of 3 years in future reports. (approx. 270 000 children in 2001)

In 2003 60 daycare centers (preschool facilities for children up to 3 years of age) were fully operational, most frequently city nurseries, kindergarten and elementary school day-care centers and hospital nurseries. The founders of nurseries were municipalities (95%), private or legal individuals (5%). The number of children that visited nurseries is according to available data from 2004 1 912, but the capacity was only 1 678 places. The number of children that visited nurseries in 2003 represents approximately 1% of child population aged 1-2 years. Besides that, the number of children that visited kindergartens (preschool facilities for children aged 3-6 years) in the same year represents 25% of child population aged 2 years.

Results from empirical research "Housing for young people in 2003" performed by the Research Institute for Labour and Social Affairs show that 88% of parents declared to be content with the availability of centres located within the range of a 30min walk and with daily working hours in centres for children aged between 3 and 6 years. One quarter of parents of children that do not visit day care centres stated the main reason to be inaccessibility of centres or immoderate fees.

<u>The Committee inquired in which way family opinions are taken into account through</u> <u>consultations with nongovernmental organizations representing families when defining</u> <u>family policy</u>.

A coordinating group of persons and organizations engaged in family issues has been meeting on the grounds of MLSA Czech Republic since 2004. The objective of this coordinating group, formed on the occasion of the 10th anniversary of the International Family Year, is organizing professional discussions on various family topics, generating ideas and impulses for family policy activities, initiating pro-family precautions and projects and better coordination of these activities.

The coordination group consists of seven working teams specialized in specific areas of family issues (analytic team, alternate family care, domestic violence, media team, family counselling, and compatibility of family and career - equal opportunities, concept team). The output from the above activities was applied during the preparation of the National Family Report and will be taken into account in the development of the Czech family policy conception. The meetings between the profitable and nonprofit sector initiated this way should demonstrate the significance of the family in the society and inspire discussions on how the society takes care of these families, what it can offer to them, or the various ways of state care and nonprofit sector care. Twenty five nonprofit organizations have been involved in the activities of the coordinating group and the separate working teams.

In November 2004, the two-day international conference "Family policy perspectives in the Czech Republic" was held and resulted in an open discussion on family policy in the Czech Republic involving state and political representatives, local government representatives, representatives of the nonprofit sector and professional public. The conference was held by the Ministry of Labour and Social Affairs on the occasion of the 10th anniversary of the International Family Year and as a symbolic start of the Czech Family policy concept development.

On the issue of housing:

For the sake of correctness, we would like to point out that housing allowance is not property tested, as mentioned in Conclusions, but it is income tested.

ARTICLE 19: THE RIGHT OF MIGRANT WORKERS AND THEIR FAMILIES TO PROTECTION AND ASSISTANCE

Article 19, para 9

"With a view of ensuring the effective exercise of the right of migrant workers and their families to protection and assistance in the territory of any other Contracting Parties, the Contracting Parties undertake: to permit, within legal limits, the transfer of such parts of the earnings and savings of such workers as they may desire."

Update and additional facts:

We confirm the statements from the previous reports, ie. that in view of Foreign Exchange Act no. 219/1995 Coll., as amended, there are no restrictions or regulation concerning the transfer of income and savings of migrant workers and their families.

If these savings and income (hereinafter referred to as "financial means") were transferred in cash, then the person crossing borders shall, according to Art. 5, para 5, of Act no. 61/1996 Coll., on some provisions against the legalization of criminal activity proceeds and on changing and amending some other acts, as implemented by Decree of the Ministry of Finance no. 343/2004 Coll., dated 18 May 2004, specifying the sample form according to Art. 5 ppara 5 of Act no. 61/1996 Coll., on some provisions against the legalization of criminal activity proceeds and on changing and amending some other acts, report to the Customs Office the transport of any financial means exceeding in their total value the equivalent of EUR 15,000.

If the financial means are transferred by wire transfer, the individual initiating the transfer shall specify the purpose of the transfers. This is an absolutely standard provision without any restrictive features; it is only used for the preparation of the payment balance of the Czech Republic (Decree of the Ministry of Finance no. 514/2002 Coll., imposing conditions for the identification of money transfer purpose thast is necessary for the preparation of the payment balance of the Czech Republic.

In its Conclusions on the previous report, with respect to Article 19, the Social Rights Committee asked for an answer to the following questions:

<u>The Committee asked to specify in the next report whether the duty to inform and the duty to present a special permission and documents on the purpose of the payment or transfer in effect restrict the right of migrant workers to transfer their income and savings.</u>

In addition to the above update of information referring to Art. 19 para 9, we confirm that Art. 7 of the Foreign Exchange Act imposing the duty to present a special permission is related to the provisions of Art. 32 of the Foreign Exchange Act, dealing with emergency situations in foreign exchange administration, declared by the Czech government in case of a serious threat to the ability to make foreign payments and a serious threat to the currency balance of the Czech Republic. Therefore, this is just an emergency provision which is not used in standard situations.

In our opinion, this foreign exchange regulation for emergency situations is also fully compatible with ESCH.