



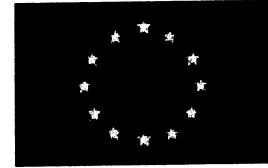
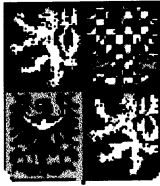
Brussels, 18 December 2003

JOINT MEMORANDUM ON SOCIAL INCLUSION OF CZECH REPUBLIC

In accordance with the provisions of the Accession Partnership, the Government of the Czech Republic has prepared, with the European Commission, Directorate-General for Employment and Social Affairs, a Joint Inclusion Memorandum, with the purpose of preparing the country for full participation in the open method of coordination on social inclusion upon accession. The Memorandum outlines the principal challenges in relation to tackling poverty and social exclusion, presents the major policy measures taken by the Czech Republic in the light of the agreement to start translating the EU's common objectives into national policies and identifies the key policy issues for future monitoring and policy review. Progress in implementing such policies will be assessed in the context of the EU social inclusion process, whose goal is to make a significant impact on the eradication of poverty in Europe by 2010.

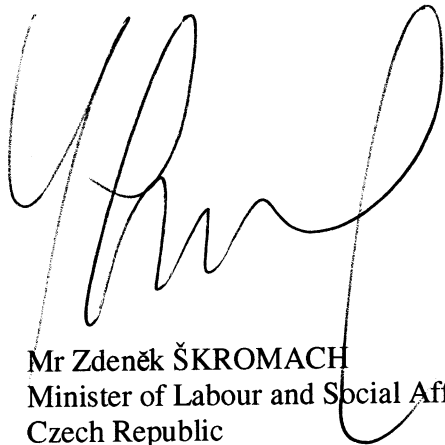
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1. ECONOMIC DEVELOPMENT AND LABOUR MARKET

1.1. Economic trends

In recent years, the *Czech economy* has seen a *revival*. The main factors contributing to its performance are the increase in domestic demand due to an increase in real wages, ongoing production restructuring and modernisation, and inflow of foreign investment. GDP grew by 3.1% in 2001 and in 2002 the growth slowed down slightly to 2%. In 2003, moderate GDP growth of approximately 2.2% is expected. Industrial production grew as a result of a productivity increase by 6.5% in 2001 and by 4.8% in 2002. The economic slowdown in the EU countries, where most of Czech exports go, has not been observed to any significant extent in the Czech Republic.

Czech per capita GDP in terms of *purchasing power parity* amounted to 14 370 PPS, i.e. 64% of the EU average in 2002. Among the candidate countries, only Cyprus (73%) and Slovenia (74%) scored better.

The inflation rate in the Czech Republic is lower than in many EU countries, with 4.7% in 2001 and a mere 1.8% in 2002. The main causes of the inflation rate drop were decreasing food prices and a significant revaluation of the Czech crown's exchange rate. Price levels in the Czech Republic remain significantly lower than in the EU, at approximately 47% thereof.

The strengthening of the Czech crown's real *exchange rate*, caused also by the inflow of direct foreign investment and the economic growth, had a negative impact on exports. The Czech National Bank was forced to intervene repeatedly on the foreign exchange market.

The GDP *current account deficit* gradually decreased, especially owing to the reduction of the trade deficit (from 5.7% of GDP in 2001 to 6.3% in 2002; source: Czech Statistical Office). The financial account of the payment balance achieved a margin of 7.9% of GDP in 2001 and 16.1% in 2002. The net direct foreign investment inflow in 2001 was EUR 6.296 billion and is estimated to reach EUR 8.96 billion in 2002. Most resources came from the EU countries (approximately 85%). In recent years, foreign capital has been flowing into the country as a result of the ongoing privatisation, the improved investment and business conditions, tax incentives and the approaching EU accession. Foreign debt amounted to EUR 25.43 billion in 2001 and EUR 25.1 billion in 2002.

The fiscal imbalance represents a serious problem for the Czech economy; public budgets are not on course to break even. In 2001, the public budget deficit amounted to 5,6% of GDP and rose to an estimated 6.7% of GDP in 2002. The development of public finances reveals the existence of structural problems; deficits are not of a cyclical nature. The main causes of the deficit increase are the costs of economic transformation and the growth of mandatory social expenditure, mainly pension and sickness insurance benefits and costs related to the approximation of infrastructure and environmental standards to the EU level.

The deficit of public budgets is reflected in the increase of public debt, the growth of which has accelerated in recent years. In addition to the factors referred to above, the Government indebtedness was also caused by costs of transformation related to restructuring of the enterprise sector and stabilisation of the banking sector. The growth of the Government indebtedness has been slowed down, so far, by income from privatisation, which was used to

finance fiscal deficits. Public debt reached 24.4% of GDP in 2001. There was a further increase in 2002 and the figure is estimated at 27.1% of GDP.

The Czech economy has gone through important *structural changes* in the course of the transformation. In the years 1989-2001, the share of agriculture (from 15% to 6%) and industry (from 47% to 37%) in GDP formation decreased, in favour of the services sector (from 38% to 59%). These changes were influenced especially by the decline of mining, metalworking and the chemical industry, the restructuring in heavy engineering and the significant decrease of the share of agriculture. A major part of State-owned property was privatised, and production was restructured in an effort to increase competitiveness. The system of investment incentives to attract foreign investment to the Czech Republic is one of the forms of public support for Czech industry and its competitiveness.

The restructuring process of the Czech economy is far from being completed. In particular, the restructuring of the Czech iron and steel industry will have a significant impact on the North-Moravian region and will influence the employment structure and labour market trends. The expected modernisation of the State administration and the Army of the Czech Republic will have an impact on practically all regions; the intensity of the impact of the envisaged changes will vary from region to region, depending on the numbers of military and civil personnel who will be made redundant.

1.2. Labour market development

A slight increase in labour force resources occurred in 2002 (by 23 600). The level of *economic activity* in the Czech Republic is high and despite the slight downward trend (especially due to population ageing) is among the highest in Europe. It was 70.9% (EU 69.7%) in 2002 (according to EU methodology), of which 78.9% among men (EU 78.4%) and 62.8% among women (EU 60.9%). *Employment* rates have been decreasing throughout the '90s from 69% in 1993 to 65.7% in 2002 (EU 64.3%). Compared to 2001, however, a slight increase occurred in 2002; the total employment rate was 74.2% for men (EU 72.8%) and 57.1% for women (EU 55.6%). The growth compared to 2001 was most significant among older people (55-64 years) - up by 3.7 percentage points to 40.8% (EU 40.1%).

Foreigners currently represent more than 3% of the labour force and their numbers should continue growing. Unlike in previous years, the Czech Republic is becoming a target country for migrants. Since, according to the analyses of the Ministry of Labour and Social Affairs, there will be a shortage of about 422 000 persons of productive age in 2030, regulated migration is expected to replace this deficit partially. Opening of the Czech frontiers was accompanied by an increase of *illegally employed foreigners* in the Czech territory. One of the main causes was substantial migration of labour from the countries of the former Soviet Union. Inspection units in Labour Offices made inspections in 11 078 enterprises in 2002, of which 1 382 took place in companies employing foreigners. Of the total of 5 145 foreigners checked (citizens of the Slovak Republic are not included), 1 488 were employed illegally. The total of illegally employed foreigners is practically impossible to estimate.

Economic transformation relating to privatisation, restructuring and labour force intersectoral mobility influenced the changes in *employment by sector*. Employment in industry and agriculture decreased. In comparison to EU-25, the proportion of industrial workers remains high. As structural changes in industry continue to occur, a further rise in unemployment and an increase in employment in services can be expected. In 1990-2002, employment fell from 12.4% to 4.8% in the primary sector, from 45.1% to 39.6% in the secondary sector, and

increased from 42.5% to 55.6% in the tertiary sector. Compared with 2001, employment in all sectors increased slightly. SMEs, which account for about 40.4% of GDP formation, account for a significant share of employment (59.5%).

The use of *flexible employment forms* (part-time work, fixed-term contracts in justified cases, teleworking) has not been very widespread as yet. The proportion of persons working *part-time* is actually falling. In 1993, part-time work accounted for 6%, in 2002 just 4.8% (EU 18.1%). Women make more use of this possibility – 8% (EU 33.5%). The reason why part-time work is not more widespread in the Czech Republic is low pay in general (income from full-time employment is of most importance for many citizens).

In the first half of the '90s, *unemployment* fluctuated between 3 and 4%, especially owing to the slow restructuring of the economy. Following the economic problems in 1997, and the acceleration of restructuring, unemployment grew and the number of jobs decreased. Unemployment currently features regional differentiation, high levels of long-term unemployment and a segment of the population living on social welfare in the long term (see Chapter 2). The unemployment rate¹ was 8.1% in 2001 (EU 7.4%) and 7.3% in 2002 (EU 7.7%).

In 2001, the average rate of registered unemployment² represented 8.5%, reaching 9.2% in 2002 and 10.2% at the beginning of 2003. The unemployment rates for men remain lower than for women (in 2002, 8.1% for men and 10.5% for women). Unemployment differs significantly *between regions*, and also within individual regions significant differences can be seen between their sub-regions (see Annex). The lowest rate continues to be in Prague (3.7% in 2002). The highest, on the contrary, is in Ústí (17.1%) and Moravia-Silesia (15.9%) regions, where it is structural on account of industry restructuring and the decline of mineral resources mining. The Government responded to the *social impact of restructuring* with special social programmes – in the Ostrava region (90% of the country's steelworks are concentrated in its three districts) they included financial contributions for redundant miners. However, the contributions provided perhaps little incentive for seeking a new job and contributed partly to an increase in long-term unemployment in this region. Later a special programme for the steel industry was introduced. The ongoing restructuring can be expected to have further impact on the levels and structure of employment and unemployment.

Women with small children, persons with low qualifications, including members of the Roma minority, (31.5% of overall unemployment), persons with disabilities (13%), those over 50 years of age (19.4%), school-leavers and young people (12.4%) are the main *disadvantaged groups* in the labour market. In 2002 the share of the youth unemployed (people under 24 years old) was 25%. Groups with multiple disadvantages are the most vulnerable. Unemployment is high among the Roma. However, its levels can be only estimated, as no special ethnic origin-based statistics are available. The estimated Roma unemployment rate in certain regions is over 50% and up to 80% in some especially afflicted regions. Among other vulnerable groups are persons who have completed their term of imprisonment, persons with drug addiction problems and homeless persons, who are excluded from the labour market.

In addition to structural unemployment, another main problem is *long-term unemployment* (more than 6 and 12 months respectively), which is closely related to educational attainment.

1 All persons aged 15+ who meet the criteria of the ILO definition are classified as unemployed.

2 The rate of registered unemployment is calculated from available data supplied by Labour Offices concerning the numbers of registered job-seekers and data available from the State statistics.

The risk is growing in older age groups and among citizens with altered work capacity. During 2002, the number of long-term unemployed decreased slightly, from 38% to 37%. However, the average period of registration at the Labour Offices is lengthening, from 9.5 months in 1998 to 16.1 months at the end of 2002. The proportion of women among the long-term unemployed is 52.2% (over 6 months) and 51.9% (over 12 months). Finding a job for the unemployed is virtually impossible as their period of registered unemployment increases. The long-term unemployed, especially those who are unskilled, form a group which is most vulnerable to poverty and social exclusion.

The labour market is negatively influenced by the unsuitable educational structure. (Most job applicants have vocational or general secondary education. However, the demand of the labour market is mostly focused, also due to the nature of investment incentives, on a qualified skilled workforce focused on technical professions and professions in the area of machine-building, precision mechanics and electrotechnics. These are associated with functional, computer, language and communication literacy.) There is insufficient connection between education and the labour market and there is a lack of ideas about the future nature of the workforce. Further, it is affected by the low level of *lifelong learning* and the low labour force mobility caused mainly by inaffordability of housing close to the workplace and the worsening accessibility of transport. The expenditure on further education is low, according to estimates only 25% of the levels prevalent in the EU, and just 28% of the population aged 16 to 65 take part, compared to the 30-50% in the EU. However, retraining focused on labour market needs is gaining significance.

An underdeveloped *information society* represents another drawback. Internet use is spreading gradually, with the whole State administration and about 90% of companies connected at present. Towards the end of 2002, about half of the 2.4 million Internet users were able to connect from home. Compared to the EU, however, there is only about a third of Internet users per 100 citizens. The process of bringing the Internet to schools and to the wider public remains relatively slow compared to other countries. This is caused primarily by the fact that the relative price of Internet connection is high compared to the EU.

1.3. Public spending

Whereas public spending measured as a percentage of GDP has increased steadily since 1998, the tax system shows a tendency towards an autonomous decrease in tax income. The difference between income and expenditure is thus increasing. High public-sector deficits and ever growing structural difficulties, which are apparent in spite of the economic growth, call for a reform of public finances.

Structural deficits have been caused by constantly growing compulsory expenditure and by expansive fiscal policies designed to promote economic growth. A rising trend can be observed in the cost of pensions and health care. The share of the Government sector in total expenditure was 49.1% in 2002 and thus grew by 1.6 percentage points compared with 2001. A substantial part of this increase is due to compulsory expenditure, which represented 51.1% of total expenditure side of the State budget in 2001 (of which 40.2% for social transfers) and the 2002 share is expected to be 51.5% (of which 41.4% for social transfers).

According to the OECD and Eurostat comparison, the Czech Republic's social expenditure to GDP ratio is among the lowest, but this expenditure is tending to grow. As regards old-age and survivors' pension expenditure, the Czech Republic is in the middle range among the countries surveyed. As for disability expenditure, the Czech Republic is in the lower half

among the countries surveyed. Its spending on sickness insurance and health care is high, however. Owing to population ageing, the Czech Republic is preparing a reform of the pension system. The Cabinet and the Parliament are currently dealing with a proposal for a reform of public finances, which should ensure a decrease in the deficit, with the target of medium-term sustainability of public finances.

Percentage of GDP (in 2001): Social protection³ (pensions, sickness, family benefits and social care) 12.5%, Education 4.28%, Health care 6.79%, Active Employment Policy 0.19%.

2. SOCIAL SITUATION

2.1. Demographic development, population and the Czech Republic territory

As at 31 December 2002, the population of the Czech Republic totalled 10 203 300, with 129 persons per km². 71% of the population live in conurbations (as at 31 December 2000). The *demographic development* is not favourable. The population continues to decline and should fluctuate around 10 million in 2015. In 2002, the overall drop amounted to 3167 persons. A significant decline in the workforce can therefore be expected in the next 20 years. The death rate is falling as well, however. Between 1991 and 2002, life expectancy increased from 68.2 years to 72.07 years for men, and from 75.7 to 78.54 years for women. Average life expectancy in the same year was 75.3 years. In comparison, the average life expectancy in the EU in the same year was 78 years. In 1990, there were 1 302 000 persons in the 65+ age group and 1 418 000 in 2002. The proportion of the population in post-productive age will grow in the coming years, as in the other EU countries.

The birth rate in the Czech Republic is one of the world's lowest, with an aggregate figure of 1.1 in 2001. In 2002, only 92 800 children were born, compared to 131 000 in 1990. The increase in the average age of women at first childbirth and the decrease in fertility between 20 and 24 years of age compared to previous generations are typical of the birth rate and fertility development. *Family composition* has been gradually changing as well. The numbers of single children as well as single-parent families have been rising. The number of marriages has been decreasing: 52 700 marriages were concluded in 2002, compared to 90 900 in 1990. The decrease in the marriage rate of single persons, the related rise in unmarried co-habitation and the delay of first marriage until an older age are typical trends for the marriage rate. The increase in the numbers of children born out of wedlock is another important demographic trend. 11 000 children were born outside marriage in 1990 (i.e. 8.6% of the total of children born alive). In 2002, the figure was 23 500 (25.2%). The continuing high number of divorces is unfavourable - 31 700 in 2002. In 1990, the ratio of divorced marriages with children was 72.1% of the divorce total, whereas it was 64.2% in 2002.

According to the last census (1 March 2001), 94% of persons living in the Czech Republic claimed either Czech, Moravian or Silesian nationality. Slovaks are the biggest *minority*

3 The concept of social protection is used here in a more narrow sense and includes the system of pensions and sickness insurance, family benefits and social care benefits. In a broader sense it is possible to link the social protection to the EU methodology (ESSPROS system). In its scope the agendas including pensions, sickness benefits, State social support and social allowances, passive and active employment policy benefits and measures, and also health care focused on persons in social risks, social advantages (e.g. subsidised transportation, benefits in kind), as well as all these benefits provided in the non-civilian sector are statistically measured.

(about 2%), followed by Poles, Germans and Roma. *The Roma nationality* was claimed by a mere 12 000 people (0.1%). However, as with many other countries, the real figure is much higher. The officially estimated number of Roma is 160 to 200 000⁴. At present, lower birth rates can be observed also in Roma communities. The reason might be the housing situation. Certain Roma emigrate to Western countries and, after a certain time, they tend to return on a voluntary basis. Roma from Slovakia come to the Czech Republic for economic reasons. Most of the Roma live in cities, as opposed to other countries, a number of them under difficult social conditions marked by unemployment, social benefit dependency and social frustration. As opposed to other nationalities, the cohabitation of the Roma population with the majority community is fraught with serious problems.

The number of *foreigners* in the Czech Republic in percentage terms is not important considering the size of the population. Nevertheless, it has gradually increased after 1989.. In 1992, there were 50 000 living in the Czech Republic, while towards the end of 2002 almost 232 000 persons were in possession of a residence permit or the 90-day stay permit (approximately 2.3% of the Czech Republic's population). Most persons come to the country from the post-communist countries. Out of all foreigners, 26% are Slovaks, 25% Ukrainians, and there are also Vietnamese, Poles and Russians. Migration is concentrated primarily in Prague and in other big cities. The number of *illegal migrants* in the Czech Republic territory is unknown and even a qualified estimate of foreigners staying in the Czech Republic contrary to law is missing. In 2002 the police reported 19 573 cases of illegal stay of foreigners, or 6.9% more than the year before. Most of them were citizens of Ukraine (78%). Most illegal migrants were found in the regions Hradec Králové, Moravia-Silesia and in Prague.

Since 1 January 2000, the Czech Republic's *territory* has been divided into 14 regions, corresponding to the NUTS III statistical territorial units. The original division into 77 districts was abolished and the local administration reform transferring the decision-making powers to regions and municipalities is continuing in 2003. At the beginning of the '90s, there were no significant differences among the regions, except for Prague, to significantly determine the possibilities for their future development. Later, factors such as location of settlement, development of industry and agricultural enterprise began to emerge and contributed to the growing differentiation of economic performance in the regions. Prague shows the best economic performance and has the lowest unemployment rates. On the other hand, the North-West and Moravia-Silesia regions are the most problematic, especially on account of structural unemployment. Since the beginning of the '90s, a slight decline in the urban population has been occurring, a small proportion of which is moving to the countryside, mainly in the vicinity of big cities. This trend of a population increase in the vicinity of big cities can be expected to continue in the future, especially in the 'satellite' municipalities around Prague, as can the fall in the population in disadvantaged industrial areas and the increased concentration in industrial areas where foreign investment is directed.

4 This number is derived from statistical information collected between 1972 and 1989. The numbers of Roma were measured by three statistical series (social, health and education). Accordingly, it is possible to observe not only numbers, but also age structure, regional distribution, migration and population growth, and these data show long-term trends. Thus a qualified estimate is possible of probable further developments (see report of the Ministry of Labour and Social Affairs research project ZVZ 57 - "An analysis of the economic situation of the Roma population in the Czech Republic"). Roma organisations report even greater numbers (250 to 500 thousand).

2.2. The poverty rate

The Czech Republic is permanently among the countries with low levels of *poverty*. The following data and findings come from the analysis of the results of the “Social situation of households” survey, carried out by the Czech Statistical Office in accordance with the Eurostat rules. Household and individual incomes in 2000 were surveyed. *The line measuring the number of people at risk of poverty is*, according to the EU methodology, 60% of national equalised median income. This amounted to CZK 64 600 per annum in the Czech Republic in the year 2000. The income of 8% of persons (787 800) was below this line. In comparison with both EU-15 (15%) and the acceding countries (13%) in 2000, this was by far the lowest proportion.

On a gender basis women are more vulnerable to poverty than men. In 2000, 8% of the total number of women (433 400) and 7% of men (354 400) lived below the poverty line in the Czech Republic. The difference between the sexes widens with the increasing age of women. In the 65+ category, the number of women below the poverty line was about three times higher than the number of men.

Poverty is significantly influenced by *employment*. Among persons over 16 years of age, 3% of employees (112 100) and 5% of self-employed persons (26 500) are at risk of poverty. On the contrary, high numbers of the unemployed - 31% (150 800) - and other economically inactive persons (except for pensioners) – 11% - were poor. A relatively low number of pensioners (5%) are poor, owing to the regular indexation of pensions, which are usually above the relative poverty line according to the EU methodology.

As for *household types*, there are more poor households among families with children than among childless households. 12% of all children under 15 years of age lived in poor households. The so-called “*child poverty*” is most significant in single-parent families with at least one dependent child. In 2000, 27% (132 200) persons from these households were among the poor, mostly divorced or single women living on their own with children. Households with three or more children are another group with a higher percentage of the poor (18% and 99 300 persons), as are families from a vulnerable social and cultural environment. A total of 207 100 children under 15 were living in all poor families. Among single person households the overall rate was 14%; the highest rate being for those in the 30-64 age group (16%) and the lowest in the 65+ age group (12%).

9% of the rural population were below the *poverty line*, while in urban areas the percentage of the poor amounted to 7%. As to the regional distribution, the highest numbers of the poor can be found in Northern Moravia (major districts Olomouc – 12%, Ostrava – 10%) and in Northern Bohemia (Ústí – 12%). There are few poor people in Prague (less than 3%). According to the 2000 data, poverty in the Czech Republic increased slightly (the relative median low income gap indicator amounting to 16%), but it was still below the EU Member State average (21%) and that for the acceding countries (20%). Compared to other Member States and acceding countries, the concentration of people just above the poverty line was high in the Czech Republic. 8% of persons were found between 60% and 70% of the national equalised median income, representing the group of potential future poor.

Income differentiation remains fairly low. The total volume of income for the group of 20% richest persons was 3.4 times higher than the volume of income of the group of the 20% poorest persons. It was 4.4 times more in the EU Member States and 4.2 times more in the acceding countries. The richest accounted for 35.8% of the total income volume, with an

average (yearly)⁵ income of CZK 150 100. The group of the poorest accounted for 10.5% of the total income volume, with average income amounting to CZK 44 600. (The low level of income inequality was reflected in the Gini coefficient value – 25, which was the third lowest among the acceding countries after Slovenia and Hungary. The EU Member State average was 29 and it was 28 for the acceding countries).

Social transfers had a marked impact on the poverty rate. When considering the situation excluding pensions and other social transfers, 36% of all persons living in the Czech Republic face the risk of poverty. Pensions reduced this rate to 18% and the remaining transfers to the final figure of 8%. All these rates are lower than those in the EU and the other acceding and candidate countries. **Social welfare benefits** reduced the poverty rate by 28 percentage points. The bulk of these benefits was used for pensions (68%). Other benefits paid under the Act on Government Social Support, sickness insurance benefits, unemployment benefits, etc., reduce poverty by a further 11%. Sickness insurance benefits played an important role.

As regards **subjective perception of poverty**, 16% of persons over 16 years of age considered themselves to be poor. The feeling of poverty, as a sign of responsibility for a decent family existence, was more intensive in married persons in families with dependent children. About 16% of households reported difficulties in managing on their income.

The trends indicated by the **main EU poverty indicators** are confirmed by other characteristics of income division and differentiation level. The data from the family social situation survey showed that 14.4% of the Czech Republic population lived in the group of the 10% poorest households. They were mainly families with dependent children (54.4%) and incomplete families (23.7%). Individuals had the lowest representation here. Compared to the 1996 microcensus data, there were fewer complete families and more incomplete families and households of individuals here. Different rates of growth, although not significant, are evidenced by the income ratio of the ninth and first deciles. According to the results of the family social situation survey, this ratio has increased from 2.81 to 3.04, compared to the 1996 microcensus data. The overall income distribution has moved towards higher incomes. In 1996, 28% of households had a net income below CZK 4 000 per person per month. In 2000 it was just 12.1% of households. On the contrary, in 1996, 12.6% of households reported income of over CZK 8 000 per person, compared to 27.1% in 2000.

The share of poor households in the Czech Republic using EU methodology is higher than the share of poor households falling below the **minimum subsistence amount**, which represents the official poverty line. The results obtained from the statistical inquiry “Social situation of households” have shown that 3.4% of households (or 134 500) and 4.3% of persons (or 432 600) had income below the minimum subsistence amount in 2000.

In the near future, the low **poverty rate** may be jeopardised if unemployment continues to grow, unless measures to create a sufficient number of new jobs are taken in time. It is not currently possible to predict the impact of measures prepared as part of the public finances reform (including measures concerned with compulsory social expenditure). The slowdown in income growth in the government-financed sectors may have a negative impact on poverty development. Young families with children, usually relying on one income, families of single parents and families with more children can be expected to be even more vulnerable to

5 This is the so-called median of equivalised income, or income of the household, divided by household units.

poverty. As pensions are regularly reviewed, the poverty rate of persons in post-productive age is unlikely to increase dramatically.

2.3. The social protection system

The social protection system has successfully protected large groups of the population from falling below the poverty line. It is composed of three parts - social insurance, State social support and social care (assistance). The minimum subsistence amount is very important and represents a criterion for provision of allowances within the social care and the State social support systems. The Government social support benefits apply to approximately 1.6 million families.

As a result of the economic transformation, not only has unemployment - especially long-term unemployment - increased, but also a new category of the population has begun to live on social welfare. The basic circumstance leading to *dependence on social protection* is unemployment, especially long-term unemployment, because when the period of material support of job-seekers expires the clients move to the social welfare system. Having no other possibility of acquiring the means of subsistence, they are entitled to assistance (see the Charter of Fundamental Rights and Freedoms, European Social Charter).

In 1995 approximately 180 000 one-person households living in a *situation of social need* and approximately 149 000 families with dependent children were granted social assistance benefit. Up to 2002, the number of individuals had been significantly rising, while the number of families with children remained more or less the same (147 000). In 2002 the total amount of social care allowances paid out was CZK 13.3 billion, or 3.24 times more than in 1995.

Preliminary results of the poverty monitoring research show that the *recipients of social assistance benefits* due to social neediness (i.e. poverty) are primarily young people. More than half of the recipients are under 35 years old and only about 7% of the social neediness benefit recipients are over 55. The majority of recipients of these benefits are childless individuals. The average period of continuous benefit receipt is relatively high, 18 months on average, and is increasing. Preliminary results show that one-third of persons receive benefits for up to 6 months, over a half receive benefits for over 1 year, 30% for over 2 years, and approximately 15% for between 6 months and 1 year.

The pension system in the Czech Republic is universal and covers practically all economically active persons. Currently, no major group of the elderly is at immediate risk of poverty. Older women are more vulnerable to poverty than men. They live longer and have lower pensions because the pension amount is calculated on the basis of lifelong income, which tends to be lower in the case of women. The minimum standards stemming from international obligations are fulfilled. Although the review system guarantees protection from falling into poverty for larger groups of pensioners, it is necessary to closely watch the structure of pensioners' spending. For example, housing costs might become a problem in the future if an unclear legal instrument is adopted as regards rental housing.

Social services are part of the social assistance system, the aim of which is to assist people who are socially excluded to return to mainstream society and to keep people vulnerable to social exclusion in mainstream society. As a result of the public administration reform, most facilities have been transferred to regional and municipal administrations and only a few come under the Government administration. At present, it is not possible to determine exact numbers of persons to whom social services are provided because data on social services are

collected only in institutions registered under the existing law. These are, firstly, social care institutions, the number of which was 998 in 2001 with a total capacity of 75 291 beds and a total of 72 562 residents. The second category is the help service, which was provided to 114 203 citizens in the same year (of whom 19 454 were persons in residential institutions). There are no statistics that would chart the patterns and differences in the provision of services in various regions. Certain groups of persons face difficulties in access to social services, such as old persons living in remote places, homeless persons (there is no specialised system for this group) and drug addicts. There is no easy access to early care in remote areas and there seems to be a lack of centres where children could spend their leisure time. For mentally handicapped persons the capacity of sheltered housing is insufficient and services for this group are available only in big cities.

The Government is only responsible for a very limited number of facilities. *Non-profit non-governmental organisations* (NGOs) play an important role in the provision of social services. They provide modern types of community services and respond more flexibly to the needs of society, such as addiction to narcotic substances, homelessness, social exclusion of persons from vulnerable socio-cultural backgrounds, etc. The activities of NGOs are more and more significant in the area of social inclusion. At the beginning of 2003, 55 718 entities were registered in the Czech Republic. Civic associations form 87.4% of this figure, church legal entities 8.5%, foundations 3.2% and generally beneficial associations 0.9%. The scope of services provided by the non-profit non-governmental organisations is fairly wide. Their main area of activities is in the social field, where their basic goal is to help excluded groups in returning to society. There are NGOs in all regions of the Czech Republic but most of them are concentrated in Prague, Central Bohemia, South Moravia and Moravia-Silesia regions and in big cities. About a third act at local level, a third at regional and a third at national and international levels. Apart from the tasks in the area of legislation concerning NGOs, the Government and self-administrations provide financial support to NGO activities, or purchase services from them.

2.4. Education, health care, housing, socially pathological phenomena, transport

The education system in the Czech Republic guarantees equal access to education for all citizens. The situation in education is good, illiteracy is practically non-existent in the country, and the percentage of persons failing to complete basic education is low as well (approx. 4%). According to the Laeken indicator (18-24 years of age), the proportion of early school-leavers was 7.24% in 2000. Czech students score very well in international comparisons concerning the amount of knowledge, but their scores in the field of usage of the acquired knowledge are somewhat lower⁶. The average period of school attendance was 16 years in 2001 and is estimated to have been 16.4 years in 2002 (EU 17.3). A major part of the population acquires secondary education (68.2%), whereas the number of tertiary education graduates remains low (9.5%)⁷. In comparison to men, a much higher percentage of women have only basic education and the percentage of female tertiary education graduates is lower. This disproportion pertains mainly to older age groups. The differences are not so pronounced among the young. Foreigners enjoy the same opportunities in access to education as citizens

6 According to PISA research concerning 15-year-olds, results of Czech pupils are above the OECD average in natural science literacy, are more or less average as regards mathematics literacy but score slightly below average in reading literacy. The results can to a certain extent be explained by differences in the volume and structure of curricula in schools, as in comparison with other countries Czech students have more natural science classes and fewer mathematics and mother-tongue classes.

7 Data for population 15+ in 2002.

of the Czech Republic. Persons granted asylum are provided with free lessons in the Czech language and children have the possibility to attend school.

As for access to education in the Czech Republic, two disadvantaged groups at risk of social exclusion can be distinguished: children/pupils/students with disabilities and from socio-culturally disadvantaged backgrounds. In 2002, there were 143 982 *pupils with disabilities*. Of this total, 43 075 children were mentally handicapped (of whom 17 084 were girls) and had at their disposal 4 829 classes. 3 380 children were physically handicapped (of whom 1 330 were girls) and had at their disposal 144 classes. Individually integrated were 62 009 children, of whom 650 were mentally handicapped (of whom 172 girls) and 1 771 physically handicapped (of whom 660 girls). The numbers of integrated pupils are continually rising. In 2001, 60 975 children were individually integrated. Difficulties concerning integration into mainstream education consist mainly of the specific training of teachers, creation of a barrier-free environment, a certain inertia when deciding about organisational forms of education, adverse previous experiences and reliance on the fully developed system of special schools for handicapped pupils.

The unsatisfactory situation in educating children of the Roma community, who represent the majority of *pupils from socio-culturally disadvantaged backgrounds*, remains the permanent target of criticism from the inspection bodies of international human rights agreements, regular European Commission reports and local and international non-governmental organisations monitoring human rights compliance. They criticise especially the fact that a large proportion of them attend special schools, which de facto - although no longer de jure - limits their chances of attaining higher education levels and limits the possibility of achieving social integration. In vocational training these pupils are primarily directed towards obtaining qualifications for manual occupations. The percentage of Roma pupils attending special schools cannot be determined precisely and the existing qualified estimates cannot be generalised for the whole of the country. The main limitation disadvantaging Roma pupils in the education process in relation to the majority population is often the low social level of the Roma community, which undervalues the importance of education.

The use of *information and communication technologies* facilitates access to information. A disadvantage at present is, however, the price of Internet connection, which represents a barrier in utilisation possibilities not only for socially excluded groups. So far, there are no specific analyses available on social exclusion and access to use of these technologies.

Health care in the Czech Republic is provided on the basis of equal treatment of patients and general health insurance. For almost all persons without their own income, the insurance is paid by the Government. Since the beginning of the 1990s the number of beds in hospitals has been declining. In 2001, there were 6.5 beds and 4.2 doctors for every 1 000 citizens, while, on average, there was one doctor for every 238 persons. In the EU, by comparison, there were 3.8 doctors and 5.9 beds for every 1 000 persons in 2000. The Czech Republic is one of the countries where the population enjoys a good state of health. The mortality rate has been steadily declining in the last few decades (for further details, see demographic developments). On the other hand, the incidence of long-term and chronic, especially tumorous, diseases has been rising. According to selective research on the state of health of the Czech population (HIS CR 2002), in 1999 47.9% of men and 51.7% of women suffered from some long-term or chronic disease and in 2002 it was 53% of men and 63.8% of

women⁸. Infant care provided in the Czech Republic is one of the best in the world. Social exclusion endangers not only citizens with disabilities but also drug and alcohol users, and other risk groups, whose negative features or the consequences of their social situation are more or less related to the impairment of their mental or physical health, and to the weakening of their labour potential. According to HIS CR 2002 – Quality of Life, 76.1% of men and 74.6% of women assessed their quality of life as positive. Health in general was judged positive by 71.6% of men and 67.3% of women.

The housing in the Czech Republic is not significantly different from that in the EU Member States. According to the 1 March 2001 census, there were 3 828 000 permanently inhabited flats, i.e. 374 flats per 1 000 people. On average, there is no housing deficit. Attractive locations, particularly Prague, do, however, suffer from a shortage of flats. The vast majority of flats have central heating, bathrooms and flush toilets. The housing facility ownership structure corresponds roughly to that in the EU Member States: 47% of flats are privately owned, 17% are managed by housing cooperatives and 29% are rented.

There are, however, some serious problems in the housing sector, such as the **inaffordability of housing** for those without a home (especially young families), the uneven territorial distribution of flats as regards job availability, and the overall poor condition of the flats. The continuing price and legal distortions, especially in rent prices, and the insufficient development of affordable housing is a barrier to the creation of a functioning housing market. In nearly 90% of flats in the rental housing sector rents are below the maximum level, which itself is distorted. The share of housing in the final consumption of all households was 21% in 2001. Expenditure on housing is a growing problem for old persons and for low-income households. This is the result of uneven deregulation of rents, energy prices and prices for community services. A contributory factor is the declining average number of household members. A significant item in total housing expenditure is the amount paid for heating, electricity and gas. For example, this constitutes nearly half of the cost of total housing expenditure for those in rented flats.

There is no **social housing** sector and the function of flats in municipality ownership is not clear. Moreover, low-income households, disadvantaged for health or social reasons, are forced to seek low-quality housing or housing that is risky from the point of view of user rights. This consequently pushes them to the fringes of society.

Extreme cases of housing problems are signs of the **process of vulnerable groups' marginalisation**. Gradually, a system of “displacing” mechanisms has developed, which enables the municipalities to push “inconvenient” persons out of their spheres of competence (people in unfavourable social situations caused by conflicting lifestyles or by the risky environment in which they live). The result is “pushing” the disadvantaged groups outside the reach of support instruments and the deepening of their social and spatial segregation. Linked to this is the increased incidence of socially pathological phenomena.

As a result of the political and economic changes after 1989, a new social problem emerged - **homeless persons**. They are concentrated in big cities where resources are available for living

8 This may not be caused by worsening of the state of health of the population but, for example, by rising interest of the respondents in their health, and improvement in medical care and equipment able to diagnose diseases previously undetectable may also have had an effect. The most common diseases in both sexes have been hypertension, arthrosis or arthritis and chronic spine disease. Migraine has also been quite frequent in women.

on the edge of society. Characteristics of this group include frequent migration and the predominance of men. In 2001, there were 214 asylum houses (of which 140 were administered by NGOs). These houses also provide accommodation to mothers with children in emergency situations. The number of homeless persons is not available and no reliable estimate exists.

Socially pathological phenomena are most pronounced in large conurbations, areas with a high population density and with a concentration of potential criminal behaviour, in areas with declining industries, in Roma communities and in the environment of socially disintegrated population groups. Street and violent crimes represent the biggest danger for citizens along with anti-social behaviour, which deeply affects an individual's integrity and has a negative impact on his/her wider social environment. This includes, for example, domestic violence, drug abuse, juvenile delinquency, vice crimes, etc.

Since the beginning of the 1990s, a significant increase in car ***transport*** at the expense of public transport has occurred. Owing to the reduction or cancellation of many unprofitable transport lines after 1990, the accessibility of public transport decreased. Small communities and marginal areas suffer the hardest from this. This phenomenon influences the accessibility of public administration services, health care and social services, job and education opportunities in the regions. It also has a negative impact on employment, especially in rural areas. The formerly habitual commuting has become too expensive, as citizens have often been forced to use individual transport. For low-income households, the price of the fare can represent a factor contributing to higher unemployment. For certain citizens, it is more profitable to receive unemployment benefit or social welfare benefits than to sacrifice a fairly high proportion of their wage for travel expenses.

Significant improvement has been made with regard to the accessibility of public transport for persons with disabilities and senior citizens in recent years. Architectural, directional, transport and communication barriers are being gradually removed. New buildings or means of public transport have to be adjusted to the needs of persons with disabilities. To help pedestrians and travellers find their way around, tactile and acoustic facilities are being introduced.

3. KEY CHALLENGES

On the basis of the analyses shown in Chapters 1 and 2, the Czech Republic is facing the following challenges in respect of poverty and social exclusion:

To establish and develop an inclusive labour market in accordance with the State economic policy, to support employment and employability and to react to ongoing structural changes

- to support the motivation and active involvement of the unemployed and those under threat of unemployment to seek and accept employment and their participation in counselling and retraining programmes;
- to make work pay so as to minimise the passive receipt of social welfare benefits;
- to increase the business sector's motivation to create new jobs, including the provision of incentives to companies, and to fill these jobs especially with job-seekers who are difficult to place, particularly in the regions facing high unemployment levels;

- to modernise the education system in collaboration with employers and to launch the principle of lifelong learning in order to match education with labour market requirements and individuals' needs;
- to support the improvement of educational structure by means of retraining (educational) activities aimed at obtaining or keeping a suitable job;
- to increase employment and employability of disadvantaged groups, such as persons with disabilities, persons from a disadvantaged social and cultural environment, older persons, migrants, etc.
- to create conditions for entry in the labour market by means of social services' counselling activities

To secure minimum income and resources for maintaining a dignified life and for protection from social exclusion

- to ensure that minimum income ensures sufficient and equivalent protection from material distress in all types of households and, together with the minimum wage, that it provides higher motivation for persons with lower qualifications to take and keep a job; it is necessary to achieve a more positive relation between the minimum wage and the minimum income not only for individuals but for more numerous families and thus to strengthen the weight of work-related income in relation to social support income;
- to approximate the relation between the minimum wage and average wage to those in the EU countries;
- to prevent the consequences of the pension reform from causing pensioners to fall below the poverty line, for instance by introducing the category of minimum pension (income).

To eliminate disadvantages in access to education

- to gradually improve the conditions for integration of pupils with serious disabilities, pupils with disabilities and pupils from socio-culturally disadvantaged environment into normal schools (with special attention to the Roma ethnic group), to ensure adaptability and flexibility of schools not only through the development of preparation classes but also through support of transfers to higher levels of study, primarily secondary but also tertiary;
- to support further training of teachers working with disadvantaged children;
- to provide conditions for access to lifelong learning for all groups of the population;
- to develop the information society, especially to introduce information technologies into school curricula and life, including access to the internet.

To secure housing for all

- to eliminate economic and legal obstacles preventing the establishment of a functional housing market and gradually to make arrangements for the social housing sector;
- to ensure access to good-quality housing and to increase its overall and financial accessibility;

- to support more strongly vulnerable groups which have found themselves outside the scope of the housing policy support instruments, such as persons with disabilities and impaired self-sufficiency, young people leaving institutions or persons who lost housing owing to an unfavourable life situation, and members of ethnic minorities, especially Roma;
- to motivate municipalities to cope better with the problems of people vulnerable to social exclusion and spatial segregation, and to deal with them effectively and efficiently from the economic point of view.

To maintain family solidarity, to protect the rights of children and to prevent socially pathological phenomena

- to support families at risk of poverty, particularly single-parent families and families with more children, especially by extending the current “passive” family policy to include more measures to support their activation;
- to change the tax system so that it is even more advantageous for families with children;
- to assist families in reconciling their professional and parental obligations by supporting flexible forms of employment and the option for both partners to take parental leave and by providing access to pre-school establishments;
- to increase the protection of families (including children and older persons) from socially pathological phenomena, especially from the phenomenon of domestic violence and child abuse, through public promotion, legislative changes (amendment to the Penal Code) and further improvement and widening of the network of organisations and institutions dealing with assistance to the victims of domestic violence and therapy for perpetrators;
- to support crime prevention among children and adolescents, especially in socio-culturally disadvantaged and excluded communities/areas.

To secure equal access to high-quality social services

- to complete the decentralisation and transformation of social services, including the funding system of social services and their legal basis;
- to widen the range of social services provided, with the emphasis on provision of services in the user’s home environment;
- to introduce independent quality audit for social services, based on the social services quality standards defined in legislation, which will be targeted at services’ users;
- to create and develop partnership and planning at the level of regions, municipalities, NGOs and social service users in the framing of regional social policy;
- to create and put into practice a system of human resources development in social services.

To ensure equal access to high-quality health services

- to ensure provision of a financially sustainable health care system;

- to complete and introduce standards, including the system of certification which would ensure a minimum level of care in terms of both quantity and quality;
- to create integrated community care, i.e. to interconnect health and social care, particularly taking account of specific target groups such as persons with disabilities, elderly living alone, Roma, alcoholics and drug addicts;
- to support the comprehensive rehabilitation system for people with disabilities.

To increase transport accessibility

- to improve transport accessibility, especially in disadvantaged regions in order to stabilise the population in remote and rural areas and to achieve its better integration into the labour market;
- to eliminate technical obstacles to the use of and access to public transport by persons with disabilities and senior citizens, and to continue with the development of accessible means of transport.

To promote the revival of disadvantaged regions in line with the principle of sustainable development

- to alleviate interregional differences, especially to gradually regenerate the affected regions, above all the cohesion regions of the North-West and Moravia-Silesia;
- to give attention to special development programmes in these regions;
- to develop social and societal infrastructures in these regions;
- to use other instruments of active employment policy, such as investment incentives and support for industrial zones, in order to regenerate the economic and social level of disadvantaged areas.

To promote coordination and monitoring of social inclusion strategies

- to strengthen ongoing coordination and mainstreaming of policies and programmes on the elimination of poverty and social exclusion;
- to extend cooperation at national and regional levels and mobilise all relevant players;
- to promote involvement of social partners at all levels;
- to establish a system for monitoring poverty and social exclusion;
- to develop an appropriate institutional structure for coordination, monitoring and evaluation of policies and activities in the field of social inclusion.

4. POLICY ISSUES

4.1. Facilitating participation in employment

The national employment policy is administered by the Employment Services Administration of the Ministry of Labour and Social Affairs and by 77 Labour Offices. 14 Labour Offices ensure coordination at regional level. The competencies of the public employment services are defined by current legislation. The Employment Services implement the measures included in National Action Plans for Employment. Instruments that are used within the State employment policy can be divided into two groups: passive and active instruments. Material security benefits are one of the passive instruments. Pro-active employment policy (PEP) includes a set of measures aimed at ensuring balance in the labour market, i.e. counselling, retraining, socially driven jobs, professional practice for graduates and the young, sheltered workshops and workplaces, and public works. The PEP is a priority approach for achieving the goal of increasing the accessibility of the labour market and maintaining employment for disadvantaged groups. However, it is limited by the financial funds available (of the total of employment policy budget 60 - 70% is assigned to passive employment policy measures). 677 400 new job-applicants were registered in 2002. Of these, 446 517 found a job, with 39 704, or 8,9%, being placed by means of active labour market policies.

The key tasks of the pro-active employment policy are:

4.1.1. Promotion of preventive and counselling activities

This target is included in Pillar One of the National Action Plan for Employment, which aims at providing employment and increasing employability as a means of preventing long-term unemployment. This creates the necessary preconditions for the integration of disadvantaged groups in the labour market. The area of counselling, which focuses mainly on the choice and change of occupation, implementation of targeted retraining and advisory programmes, plays a key role in the area of prevention. Information and Counselling Centres for Occupational Choice and Change operate within Labour Offices to implement these measures. Two pilot projects are currently under way at 15 Labour Offices – namely “The First Opportunity”, a programme for people under 25 and up to 6 months of being registered as unemployed, and “The New Start”, a programme for people over 25 and up to 12 months of registration. These programmes are being implemented through individual action plans (IAP), which are designed by the Labour Office counsellor in cooperation with the individual job-seeker. Labour Offices provided a subsidy for the creation of 8 131 practical training jobs for young people and 7945 school-leavers were placed in these jobs. 36 015 job-seekers participated in retraining programmes.

Assessment: The counselling system acts as an efficient instrument of prevention. The new style of work with the unemployed (designing IAP) has brought about the first positive outcomes. However, the work demand factor is an issue that needs to be addressed, as it significantly increases requirements for professional skills of counsellors working with clients and for an increase in their numbers. Based on a questionnaire survey in pilot Labour Offices, it has been shown that new approaches of employment services towards their clients are being gradually introduced (e.g. by strengthening and using a more individual approach, improving the quality of communication with clients, more accurate stratification of clients for their enrolling to different counselling programmes, increase in importance of information/counselling activities, higher level of cooperation between various sections of the employment services, etc.). New approaches in selected Labour Offices have affected 9 798

people altogether, of whom 3 647 were young people. Out of this total, approx. 45% entered employment or school before IAP was offered to them, approx. 40% concluded IAP (48% of this number found employment through counselling programmes, 15% entered one of the PEP instruments, 23% still cooperate after completing IAP and 14% do not cooperate).

What needs to be done:

- to stress the targeting of activities of Labour Offices on the implementation of preventive measures and at promoting the provision of active financial subsidies;
- to increase and to widen the utilisation of counselling, information and educational (retraining) activities leading to an individual approach towards a permanent mobilisation and to make wider use of individual action plans;
- to continue with the long-term unemployment prevention programmes, such as “First Opportunity” and “New Start” and to extend them gradually to all Labour Offices;
- to evaluate the ongoing survey conducted by selected Labour Offices;
- to strengthen the cooperation of the Employment Services with the social partners;
- to promote co-operation with providers contributing towards improvement of the labour force skills, in particular co-operation with educational and social establishments and with the NGO's in the area of the so-called socio-economic sector.

4.1.2. To make work pay (strengthening the incentive function of the minimum wage)

At the time when the minimum wage was being introduced, its level was higher than the minimum subsistence amount for an individual and its ratio to the average wage was higher than 50%. Owing to insufficient modifications and inappropriate use, the minimum wage gradually ceased to be able to fulfil its main functions and its ratio to the average income and to the minimum subsistence amount worsened. To prevent further deterioration of the minimum wage rate, the inappropriate and budget-wise very demanding link between the minimum wage rate and health insurance was abolished, and the principle of regular adjustment of the minimum wage rate became a part of legislation. Thanks to a significant increase in the minimum wage (by 134% on aggregate during the period between 1999 and 2003), the minimum wage rate is currently higher than the minimum subsistence amount by 24.1% and its ratio to the average wage is 39.7%.

Assessment: Following the increase in the minimum wage in the last few years, its motivating function has been revived and strengthened. This still does not apply, however, to persons with families who earn the minimum wage rate (his/her social situation is for the purposes of entitlement to social care benefits assessed together with that of the other family members and a minimum subsistence amount for a family is thus higher). As a result of the generally low prices of labour in the Czech Republic, the difference between the minimum subsistence amount for families with more than four members and the average income is not sufficient either. Differences between the income of persons who are economically inactive and persons working (without professional qualifications or with very low qualifications) are still not a sufficient stimulus for people to move from receiving benefits to working. The increase in the minimum wage rate in the last two years improved this state of affairs for persons with the lowest income rates.

What needs to be done:

- to continue with regular increases in the minimum wage rate so that its ratio to the minimum subsistence amount and to the average income will rise;
- to take into consideration that employability and its relation to the minimum wage rate needs to be understood and approached not only from the point of view of the unemployed but also from the perspective of employers and of economic efficiency.

4.1.3. Increasing the motivation of the business sector

There are a number of investment incentives in place to support employment and increase motivation of employers (e.g. material support for creating new jobs, employees retraining support, etc.). The investments are primarily channelled to disadvantaged regions with a high unemployment rate. Further measures are being implemented to help reduce unemployment within industry support programmes and programmes supporting small and medium-sized businesses. Consulting and educational services are provided, including special loans, to small entrepreneurs who are just starting their businesses. The new draft Employment Act will introduce, among other things, new active employment policy tools and measures, for example a non-recurrent contribution for starting businesses, a contribution towards employees' transport, a contribution towards on-the-job training, a contribution towards change of the production programme, etc.

Assessment: The existence and creation of jobs depend on competitiveness and success of business undertakings. In practice, a system of investment incentives and of Industrial Zones and Strategic Services Development Support Programmes proved its worth. From the perspective of employment policy, support for new desirable employment in regions with an above-average unemployment rate, which is needed to replace the loss of jobs in businesses and production branches undergoing restructuring, has to be included. Programmes supporting small and medium-sized businesses represent a positive contribution to creating new jobs for citizens from disadvantaged population groups too.

What needs to be done:

- to provide investment stimuli, including pilot projects also to investors who will implement projects encompassing so-called strategic services;
- to continue with Industrial Zones Development Support programmes, support for small and medium-sized businesses, and programmes for revitalisation of strategic businesses;
- to keep investors even after provision of the investment stimuli has finished;
- to stimulate employers to organise vocational training and work experience for school-leavers, run retraining courses and provide qualifications for young people;
- to reduce the high level of taxation on labour.

4.1.4. Modernisation of the education system

Owing to the fact that the principal handicap of a number of unemployed persons is their education and skills, which do not meet the current requirements of the labour market, it is very important to modernise the education system and to develop opportunities for lifelong

learning. Priorities in this area are being implemented on the basis of educational development strategies, employment development strategies and strategies for human resources development. Adjusting the contents of comprehensive education to the labour market is reflected primarily in the National Educational Development Programme of the Czech Republic, which calls for the creation of framework educational programmes in various fields of study and their implementation into the school curriculum. Specific occupational profiles are gradually developed to link education and training with the labour market.

Assessment: Based on the labour market's needs, a significant restructuring of the contents and structure of fields of study has been launched. Vocational training is currently aimed at fields of study designed in broader terms, especially secondary education fields of study completed by a leaving examination, which provide better opportunities in the current labour market. However, the current needs of the labour market are not reflected in the structure and numbers of graduates in individual regions. This state of affairs is, nevertheless, influenced by the fact that the business sector has not provided a relevant breakdown of its workforce needs in the medium term. The structure of vocational training is also influenced by a lack of interest in some of the fields of study which are needed in the labour market but which are at the same time usually associated with a lower income and with a lower social status.

What needs to be done:

- to modernise the contents of education with respect to the needs of general personal development (with special emphasis on functional literacy) and to the needs of the labour market, and at the same time it is necessary to stress harmonisation of relations between the structure of the studies, the number of students and employers' requirements with regard to the labour market opportunities;
- to introduce a module-based system of framework educational programmes for various fields of study, which would define the required professional qualifications of graduates and the relevant contents of education;
- to apply new European trends in the area of lifelong learning, especially in vocational training, by recognising both nonformal and informal qualifications and by formalisation of professional experience;
- to launch the system of sectoral forecasting of labour market needs as a starting point for optimising the educational system;
- to ensure training for active involvement in the labour market and promotion of independent way of life and prevention of social dependence and adverse conduct by members of the vulnerable category of pupils with incomplete basic education (at elementary and/or special school levels);
- to co-ordinate the patterns of educational supply provided by individual training centres taking account of the regions' needs, including preparation of programmes and special training of trainers.

4.1.5. Support for development of lifelong learning

Further specialised (or professional) education and training aims primarily at retraining courses, short-term attachment as a form of training, on-the-job training for school-leavers. A

comprehensive system was introduced with a view to promoting employment of young people and school-leavers by means of special types of retraining programmes. It usually includes modules aimed at computer and language literacy and at development of key skills. Apart from this, there are also special programmes for people unemployed for a long time, such as “The Chance” and “The Bridge”. Diplomas issued by schools are recognised at national level. Other training establishments are usually authorised to provide citizens with certificates or diplomas on completion of training, which are also valid for the whole territory. Promotion of lifelong learning is a key priority in the National Strategy for Human Resources Development and a goal promoted by the Government Council for Human Resources Development.

Assessment: Lifelong learning has not developed enough yet to be able to serve as one of the efficient instruments of prevention of unemployment. However, the framework is currently being prepared. A system of certification of institutions, the Act on Further Education and the definition of indicators for statistical research are in the pipeline. In 2003 a pilot project on retraining courses with an examination concluded by a certificate for unemployed people was implemented and its results so far are positive.

What needs to be done:

- to prepare and implement a module-based education system to widen the further education offered in schools for adults;
- to broaden functional computer literacy, language skills and informational technology application in training programmes;
- to increase the number of job-seekers attending retraining courses;
- to analyse the current situation in the area of lifelong learning and to complete work on the Act on Further Education, including roles and responsibilities of individual public authorities;
- to create a system for recognition of non-formal and informal learning enabling in this way the acquisition of further education levels by the adult population;
- to develop, in co-operation with social partners, a system of recognition of work experience in individual economic sectors;
- to support, in co-operation with Labour Offices, access to first jobs for school leavers, especially those from special schools and training centres, in order to prevent development of passive ways of life and dependency on unemployment benefits in the group of young school leavers;
- to provide access to lifelong learning for disadvantaged groups;
- to bring tertiary education closer to the labour market's needs.

4.1.6. Increasing the employment rate and the employability of disadvantaged groups

PERSONS WITH DISABILITIES

For the purposes of employment the term “citizen with altered working capacity” is used. A citizen with altered working capacity means a person who was recognised as being partially

handicapped, or as a fully handicapped retired person, who is able to consistently perform a working activity only under specially adapted working conditions. The term also includes a person who has his ability to engage in gainful activity substantially reduced through his handicap. There are no statistical data on different categories of disabilities for the area of employment. The tools aimed to integrate persons with disabilities into the labour market consist of a group of relatively isolated systems, without mutual links. They are the following: creating suitable job opportunities and a system of legal protection; intensified care during mediation of work; system of material motivation of employees and employers. Occupational rehabilitation is regulated by legislation as a form of continuous care aimed at enabling citizens with disabilities to keep their current or find another suitable occupation. Occupational rehabilitation includes counselling, preparation for work, support to inclusion into employment and creating appropriate conditions for the performance of work.

Assessment: Employment of people with disabilities remains a big problem, despite all the above-mentioned modifications in legal provisions and despite the measures adopted. With the aim of increasing their motivation to employ such persons, subsidy systems for employers with over 50% of employees with disabilities was implemented in 1993. Significant modifications have been made in legislation. Employers were given an obligation to employ people with disabilities (quotas specified by a proportional share). Conditions have been defined for providing contributions to employers with at least 50% of disabled people on their staff, i.e. an automatic entitlement to such a contribution was recognized for employers. To increase motivation to employ these people, further tax advantages have been implemented. In spite of these provisions the situation of these persons on the labour market has not improved and the numbers of newly created jobs continue to decline.

What needs to be done:

- to support a change in thinking and in the approach of society in general, of employers but also of the people with disabilities themselves, so that participation of disabled persons in the open labour market is considered natural;
- to support the elimination of barriers to participation of disabled persons in the labour market for people with disabilities and also for employers;
- to support comprehensive approaches to solutions;
- to promote individual approach to persons with disabilities by means of innovation procedures and techniques directed at specialised counselling;
- to support training of the Labour Offices' professionals for dealing with special needs' groups (for example persons with a hearing handicap);
- to adopt and to implement a system of comprehensive rehabilitation, an integral part of which is occupational rehabilitation;
- to use incentives to encourage the employment of disabled persons.

JOB-SEEKERS EXTREMELY HARD TO PLACE ON THE LABOUR MARKET

From quite a large group of people hard to place on the labour market, a group gradually emerged consisting of persons with extreme difficulties in finding a job, whose opportunities in the labour market are steadily decreasing. This group consists of persons lacking

qualifications and suffering from long-term unemployment, especially those from socio-culturally disadvantaged environments, those who have completed jail sentences, drug addicts, etc. Members of Roma communities represent a significant proportion of this group. The key characteristics of this group are a) long-term unemployment or the risk of long-term unemployment, b) low or no professional qualifications, usually connected with physical disabilities, c) low social status often resulting from a socio-culturally disadvantaged environment. To assist these unemployed persons, the Commission of the Minister of Labour and Social Affairs for Solving Issues Related to Citizens with Difficulties in the Labour Market with Special Regard to the Roma Community was set up in 2001.

Assessment: Comprehensive strategies aimed at solving the problems encountered by these disadvantaged groups are not available at the moment; employment services are only implementing special retraining programmes (e.g. “MOST” and “ŠANCE”) and provide them with preferential treatment when creating public works and socially useful job opportunities. Furthermore, the above-mentioned Commission composed of experts operates as an advisory body in this area. However, there are no institutionalised executive structures in place, apart from Labour Offices, which could transfer its outputs into practice.

What needs to be done:

- to test and develop anti-discriminatory measures in the national employment policy;
- to ensure counselling/advisory services not only for the Roma community but also for Labour Offices, the non-profit sector, employers, public administration bodies, etc. so that there is integrated and coordinated support in place involving different agencies and players;
- to work on the prevention and alleviation of tensions between local Roma communities and local authorities;
- gradually to expand and widen social and training programmes such as the “MOST” and “ŠANCE” programmes.

OLDER PERSONS

Owing to the ageing of the population, support for active ageing and greater participation of older people in the labour market are considered essential. Such support is also included in the National Preparation Programme for Ageing of the Population for 2003-2007. It focuses primarily on the principle of non-discrimination in the labour market based on age. To increase the proportion of older people in the labour market, partial reforms of the pension system have also been gradually implemented. Of particular significance is the retirement age, which is gradually being increased. At present the average real retirement age is 58 (the statutory retirement age is 62 for men and 60 for women). Until 2000 the option of early retirement used to be very popular, which resulted in 2001 in the adoption of a legislative modification partially disadvantaging this form of retirement. Already in 2002, the proportion of early pensions in all newly granted pensions decreased to 33% (from 58.2% in 2001).

Assessment: Measures aimed at increasing the motivation of older persons to stay longer in the labour market have not yet been followed up by relevant measures increasing their employability. The problem of access to education and qualification courses is the same for this population group as for other groups. However, this particular group has to face a

generally negative attitude towards investing in enhancing and increasing their qualifications. Compared with the European Union, in the Czech Republic there are also fewer opportunities to work part-time, which could provide older persons at least with a limited opportunity to stay economically active even after they have reached retirement age. The proposed measures in the area of pensions and employment policy will provide a possibility to continue working after reaching retirement age.

What needs to be done:

- to prepare special measures for the particular needs of older employees which would improve their knowledge and skills, and teach them new techniques when looking for a job; to increase their participation in active employment policy programmes and to adapt educational programmes for them;
- when adopting new social programmes accompanying industrial restructuring, it is necessary to adopt measures (including retraining activities) which would support keeping older people (especially women) employed and which would enable them to retire only after fulfilment of conditions specified by law or would prolong the period of their work activity;
- to support flexible forms of employment.

4.2. Promoting access to resources, rights, goods and services

4.2.1. Social protection

The social protection system comprises social insurance, State social support and social care (assistance). The social insurance system is designed to deal with situations which can be foreseen and where adequate provision can be made in advance, for example by means of savings concerning future social situations. This system includes unemployment insurance, sickness insurance and pension insurance. Social insurance is financed by means of employer, employee and State contributions. The system is further supplemented by health and accident insurance. Through the State social support the Government primarily supports families with dependent children in cases of particular social situations which the families cannot manage to resolve themselves from their own resources. When assessing entitlement to State social support allowances (non-contributory benefits), income is examined (but only in the case of certain allowances) and property is not taken into account. The actual basis on which the system is constructed is the minimum subsistence amount (minimum standard). The system further applies the solidarity principle between high- and low-income families and between families without and with children. Through social care the Government provides assistance to citizens whose basic needs are not sufficiently covered by their income from working activities, pension benefits, sickness benefits or other income. Social care allowances are also provided to citizens who are in need owing to their state of health or to their age, and to those who are not able to overcome a difficult situation in life or unfavourable living conditions without help from society. Social care (assistance) is primarily implemented through social care allowances and social services.

Assessment: The State social support benefits scheme significantly increases the distance above the poverty line of a large proportion of families with children. An area of the system of benefits for citizens with disabilities (or their families) can be identified as a somehow weak point of the current social care benefits system. Instead of pressure for creating jobs and

an accessible environment in the broadest sense, the system of benefits in the Czech Republic provides a flat-rate “compensation” for disabilities without responding to the individual social consequences faced by people with disabilities. This system will have to be restructured, including differentiation of assistance (its scale, nature, etc.) during periods of working and for citizens of post-working age. Another weakness of the social care benefits system for people in need is its administration (inadequate personnel and material capacity of the authorities concerned) and the relatively low motivation of some groups of beneficiaries to find a job. When accepting a low-paid job the citizen often has, on account of expenses connected with this job (e.g. transport, meals, etc.), a lower or the same total disposable income in comparison to the social benefits he/she would be entitled to. New legislation on material need and social exclusion will try to remove all of these imperfections.

What needs to be done:

- to create a new system for providing financial assistance (social care allowances) in situations of material need, with a view of eliminating long-term dependence on social allowances and linking the receipt of benefits more closely to activation measures to assist people in obtaining employment;
- to transform the system of social care benefits for people with disabilities; to respond to the actual unfavourable social aspects of disabilities and not to compensate the disabilities as such;
- to separate the (personal) compensation for long-term impact of handicap from the compensation for reduced (restricted) economic activity (compensation for lost income from employment or income from a self-employment activity);
- special attention should be paid to supporting families with disabled children with the aim of doing the maximum possible to reduce future or lifelong dependency on the social system;
- to provide incentives for the unemployed to accept even lower-paid work;
- to strengthen human resource and technical capacity of authorities granting social care allowances, including provision of unified SW and HW equipment.

Minimum income

Protection against poverty and the guarantee of a decent life for citizens are provided for through two minimum income categories specified by the law: the minimum subsistence amount and the minimum wage. Both categories were introduced in 1991; they have a social protection function and they are increased on a regular basis. The minimum subsistence amount is a minimum rate of income acknowledged by society and specified by law, which defines the state of material need. It represents the amount of financial means necessary for a household to provide temporary basic living needs to its members on a very modest level. It is a criterion used in the social protection network for deciding on the provision of social benefits and for determining their level. It is increased in accordance with changes in consumer prices. The minimum wage is the lowest rate of earnings which the employer is obliged to pay to the employee for work done (see 4.1.2).

Assessment: At present, the minimum subsistence amount fulfils its purpose. It is not to be confused, however, with the minimum guaranteed income, which is used in current EU Member States. The minimum subsistence rate is currently not applied in the Czech Republic.

What needs to be done:

- to examine by means of research the accuracy of the construction, contents and amount of the minimum subsistence amount and, if necessary, to propose changes;
- to ensure the regular increase of the minimum subsistence amount in line with the actual increase in consumer prices;
- to keep the balance between the minimum subsistence amount and the minimum wage.

Pension system

The pension system forms an integral part of the social insurance system. Pensions are provided in three different social situations. These are the retirement age (old-age pensions), long-term disability (full and partial invalidity pensions) and the decease of a breadwinner (survivors' benefits – widow's, widower's and orphan's pensions). The pension system consists of two core parts: the basic system of pension insurance, which is mandatory, and the system of supplementary pension insurance with a State contribution, which operates on a voluntary basis (just like the other form of income security in old age - life insurance). Within the mandatory system, the principle of solidarity between generations applies (operating as the pay-as-you-go principle) and solidarity between groups with high and low income rates. Within the voluntary systems, which operate on the fund-financing principle, solidarity is extremely limited.

Assessment: The basic pension insurance system is currently not ready for the prospective rapid ageing of the Czech population. The process of ageing will manifest itself particularly in the worsening of the ratio between the numbers of pensioners and insurance payers (increase in this index from about 55% in 2002 up to more than 81% in 2030). Without a significant modification of the current system, pension expenditure would rise from the current 9% of GDP (2002) to 15% of GDP in 2030. According to the current demographic trends, particularly the development of the birth rate, it is obvious that this situation will continue to worsen significantly even after 2030 (the culmination of this trend may be expected around 2050).

What needs to be done:

- to consider, within the medium term, a transition from the current benefit-defined pension system to a financially more viable contribution-defined system, together with keeping the pay-as-you-go principle so as to ensure a sufficient level of solidarity in the pension system;
- to strengthen the overall security of the supplementary pension insurance systems with a State financial contribution;
- to allow current pension funds to offer comprehensive pension plans, to enable employers to design plans for their own employees or to set up other “operators” on the supplementary pension insurance market with a view to promoting the widest possible access to supplementary pension provision.

Social services

At the moment, social services are provided by the central government, regions, municipalities (voluntary associations of municipalities), non-profit non-governmental organisations and individuals. The scope and types of existing social services in the Czech Republic do not fully meet the needs that emerged in connection with the transformation of the social and economic system after 1989. According to the legislation in force, the beneficiaries can only be one of the following: family and children, people with severe disabilities, senior citizens, people in need of special care, so-called “socially non-adapted” people, people placed in hospital facilities. The main comprehensive piece of legislation on social services, which is currently being prepared, ensures that other target groups who are currently being worked with will also be covered by the system. The Government took note of the consultation document White Paper on Social Services, which presents the key principles of transformation of the system of social services that are in accordance with the European social model.

Assessment: The quality standards of social services have been developed together with the methodology of their implementation, the system for their independent evaluation and the methodology of planning accessibility of social services at local and regional levels. At the same time, training programmes have been proposed for all individual institutions. A concept of lifelong learning for social workers has been adopted, but it has not been implemented yet. The decentralisation of social service financing from the national budget towards regional and local budgets is in progress. A weakness of the current system is the legislative framework for social services. This is not line with current trends and practices. Quality assurance systems have not been widely used in the area of provision of social services. The present method of financing does not allow equal access for all social service providers, with regional and State-run institutions being given an advantage over other providers, which discourages municipalities and non-profit non-governmental organisations from providing social services. There is no integrated information system for social services.

What needs to be done:

- to develop a medium-term strategy for implementing the main tools for regulating social services and to finalise the preparatory process for introducing new legislation on social services;
- to support the transformation of residential services and the development of services provided in clients’ home environment;
- to foster the creation of regional partnership structures to enhance planning and quality in social services;
- to complete preparation of and to introduce educational programmes and to develop a system of accreditation and recognition of acquired qualifications;
- to introduce an obligatory system of independent audit and of social services quality evaluation;
- to develop a unified information system for social services.

4.2.2. Education

To promote further development of education, two significant documents have been adopted. One of them is the National Programme for Education Development in the Czech Republic, which is based on a thorough situation analysis and formulates strategies for educational policy as well as key measures. The second document is a Long-term Plan for Education and Educational Scheme Development in the Czech Republic, which translates adopted conclusions into concrete measures and financial estimates of their implementation. Along with this, the Long-term Plans for Education and Educational Scheme Development for individual regions and for the City of Prague have been developed. The new Act on Education, which should create suitable legal conditions, is currently being finalised.

Integration of children and pupils with **special educational needs** represents a significant trend, which is being implemented in pre-school education, at the primary school and secondary school levels, together with maintaining alternative options of organisational forms of education for this category of children and pupils. It shows that for a certain group of children and pupils special education is an optimal form of education. The range of educational programmes meeting educational needs of this category of pupils at primary and secondary school levels is widening. Special attention is paid to equipping schools with compensatory and didactical tools, eliminating barriers in access to education and to further training of teachers in the area of special pedagogy.

In eliminating disadvantages in the education of **children from a socio-culturally disadvantaged environment**, i.e. mainly Roma children, pre-school education in nursery schools is important. The reasons for this are usually a language handicap when entering the primary school, different dynamics of personality development, different scale of values and other specific features. Preparatory classes in nursery schools, primary and special schools are an important balancing measure. In special schools, usually attended by a majority of Roma pupils, an Alternative Educational Programme is applied for these pupils. At the same time, arrangements for transferring them into ordinary schools have been set up. However, children from special schools too can continue their studies at secondary level. A successful balancing measure has been the introduction of tutors – assistants to teachers in schools and other educational facilities. The assistants are usually recruited from the Roma community and they help to prevent adaptation and communication difficulties and other educational problems experienced by Roma pupils. Also several projects enabling Roma students to attend secondary-school educational programmes usually specialised in social work and counselling in the Roma community have been implemented. There is currently no support system that would help Roma students to prepare for university education.

The Act on Education provides an opportunity for **persons who have not completed primary education** to complete this level of education through courses organised by primary schools, special schools, schools for mentally handicapped children and secondary schools.

Assessment: Children with disabilities are gradually being integrated into mainstream education and thus their chances of obtaining further education at all educational levels, including universities, are increasing. However, a weakness is that a number of ordinary schools are not well prepared for work with these children.

The Roma children often do not attend pre-school education in nursery schools. However, the number of preparatory classes for children from a socio-culturally disadvantaged environment and the number of pupils attending them is rising. It is also positive that their overall number

in special schools is declining. One of the weak points is that it is not a mandatory legal requirement that preparatory classes are set up at all places where they are needed. This is because their establishment lies solely within the powers of headmasters, municipalities and regions. The transfer of children from special to ordinary schools is done on the recommendation of pedagogical-psychological counsellors or special-pedagogical centres and with the consent of their parents. It is also a problem that a majority of parents of these children also attended special schools and they are not always interested in transferring their children to ordinary schools. Another problem in relation to tackling educational disadvantage is that teachers are not sufficiently trained for work with children coming from adverse social and cultural environments. A preparation support system for university education for Roma students has not yet been implemented.

Courses for people who have not completed primary education that aim to enable them to obtain this education are finished by less than 50% of students. This is primarily caused by their faulty attendance and insufficient motivation. Roma students feature particularly among those dropping out. Furthermore, lifelong learning has not yet been fully developed (see 4.1.5).

What needs to be done:

- to continue to support and establish preparatory classes for children from a socio-culturally disadvantaged environment (and thus to reduce their numbers in special schools), vocational schools for children with disabilities and courses for obtaining primary school education;
- to support an individualised approach towards children from socio-culturally disadvantaged environment;
- to create conditions in educational programmes for transition from primary schools (including special schools) to secondary schools;
- to support further training of teachers who work with children with disabilities and with children from socio-culturally disadvantaged environment;
- to improve equipment of schools with special teaching aids and thus enable integration of greater numbers of pupils with disabilities into mainstream education.

4.2.3. Health care

Health care provision in the Czech Republic is strictly based on the principle of equity, i.e. a fair provision of care regardless of the social, ethnic, religious or other status of the patients. Implementation of this principle has a statutory basis and is in practice carried out through the general health insurance scheme, which covers all persons with permanent residence in the Czech Republic as well as persons without permanent residence if they are employed by undertakings with a registered office in the Czech Republic. Accessibility of care for these persons is mainly guaranteed by the obligation of all medical facilities to provide urgent and life-saving care to all people. Accessibility of medication for poor and socially vulnerable groups is guaranteed by the fact that within every type of medication and health-care appliances there are preparations designated as fully funded by health insurance. The Czech Republic joined the Health for All in the 21st Century Programme of the World Health

Organisation and is currently in the process of approving the implementation of this document at national level.

Assessment: The solution of issues concerning socially weak, vulnerable and other disadvantaged groups is made possible by comprehensive prevention and, where necessary, by medical and rehabilitation care provided most of all by specific socio-medical and socio-psychological measures. The current strategy to achieve the best possible interconnection of health and social care services, mainly at community level, by creating integrated community care is one of the ways efforts are being made to provide care to socially weak and vulnerable groups. At present standards are being prepared taking into account provision of quality health care for socially weak, vulnerable and disadvantaged population groups, especially stressing specific conditions in various regions. This should ensure guaranteed minimum care from both a qualitative and quantitative point of view. A certain risk in relation to access to health care, in particular for the poor and for socially excluded groups, could arise from the transfer of hospitals from State ownership to ownership by the regions (kraje). Certain hospitals are highly in debt and the risk of their closure is real. In the medium term, the health care system will have to cope with ever increasing demands on financing.

What needs to be done:

- to interconnect health and social care mainly at community level by creating so-called integrated community care;
- to complete and introduce standards which will ensure guaranteed minimum care from a qualitative and quantitative point of view;
- to support medical rehabilitation within the system of comprehensive rehabilitation for people with disabilities (see 4.4);
- to establish a framework for issues related to short-term rehabilitation centres for disorderly alcoholics and drug addicts and for detoxification consulting rooms, including their financing;
- to ensure long-term financial viability of the health care system and, at the same time, take measures to ensure full access for members of disadvantaged groups.

4.2.4. Housing

Based on the housing policy concept, which aims at increasing the overall and financial accessibility of housing to citizens, special instruments have been adopted which focus on supporting the construction of flats for rent. The support provided by the State will consist of targeted investment subsidies towards construction or reconstruction of housing. Beneficiaries of the subsidy will be a municipality or group of municipalities. Subsidies will be granted within the Flats-for-Rent Construction Programme for persons with specified income and the Supported Flats Construction Programme, which focuses on persons disadvantaged in access to housing. This disadvantage can be due to their income situation but also for other reasons, e.g. state of health, age or unfavourable circumstances in life. The target group of the Programme also includes those who find themselves in an unfavourable social situation owing to their conflict behaviour or to the dangerous environment they live in. This includes young adults leaving institutional care, people released from prison, homeless people, people without housing living in communities, people incapable of fulfilling duties connected with occupying

a flat, clients of drug-prevention and crisis centres, etc. Furthermore, the Programme focuses on members of national and ethnic minorities. A special type of social services is provided by asylum houses. Their services are designed to support homeless people and/or mothers with children in emergency situations. Essentially the service consists of providing transient accommodation coupled with an incentive to engage in gainful activities and support for obtaining housing facilities for the beneficiaries.

Assessment: The above-mentioned support instruments of the national housing policy have started to motivate municipalities to pay due attention to people in danger of social exclusion. In a well-performing market environment provision of special-purpose investment subsidies and setting of conditions for their provision should lead to efficient and economically effective solution of the housing situation of vulnerable persons in the medium term. At present, there are neither complex strategies available for prevention and combating of homelessness nor any relevant information available about this problem or about the number of homeless people.

What needs to be done:

- to eliminate the economic and legislative obstacles preventing the creation of a properly functioning housing market;
- to introduce a specialised sector of social housing;
- to provide financial and methodological assistance to municipalities, assuming that in future support will be targeted at other entities (non-profit organisations) as well;
- to ensure a sufficient amount of quality statistical data on the availability of housing dedicated to vulnerable groups of persons in various localities;
- to create conditions for preventing the spatial segregation in housing of vulnerable groups of the population;
- to develop a better understanding of the extent and nature of homelessness and to develop an integrated and comprehensive strategy to prevent and tackle the phenomenon.

4.2.5. Transport

At present a new transport policy is being prepared, within which public transport will be supported. The improvement of transport accessibility will be achieved through cooperation with regional governments. With regard to the fact that free and safe movement is one of the basic preconditions for the integration of people who are socially excluded from the labour market and from society in general, since 2003 the National Mobility-For-All Development Programme is being implemented. This focuses primarily on supporting groups of people with limited capabilities of mobility and finding their way around (elderly citizens, people with disabilities, people with temporary mobility limitations, pre-school children and pregnant women). Its purpose is to improve the quality of the infrastructure and the development of occupational mobility of the workforce.

Assessment: Thanks to the active cooperation of civic associations of people with disabilities, a number of positive measures and improvements have been adopted to enhance the accessibility of public transport to people with impaired mobility, e.g. a number of legal provisions were approved setting technical requirements securing the use of and access to

public facilities also for people with disabilities. Transportation by low-floor buses and trams is becoming more and more significant. Acoustic signals and touch controls are being installed. Fare discounts are also being offered to these citizens. However, the development of transport accessibility in outlying parts of regions is still insufficient.

What needs to be done:

- to solve the issue of safe transport to work;
- to contribute to human resources development and increasing competitiveness of the workforce by increased mobility for all population groups;
- to create conditions for re-integration of socially excluded population groups into society, through supporting their mobility (for people with disabilities in particular);
- to develop transport accessibility in outlying parts of regions.

4.3. Preventing the risk of social exclusion

4.3.1. Prevention of socially pathological phenomena

In the 1990s, a system of national financial support for comprehensive Crime Prevention Programmes at local level in the bigger towns was developed. The system is designed to respond to situations in towns of more than 10 000 inhabitants with a high incidence of crime and other phenomena contributing to crime expansion (unemployment, poverty, social exclusion of the Roma community, etc.). The programme is based on close cooperation with and participation of local government and central government bodies in developing social prevention programmes. These primarily consist of projects developing civic responsibilities within Roma communities, the prevention of negative phenomena among endangered children and young people, the prevention of drug abuse, the development of asylum housing and the provision of social and crisis counselling, etc. Attention is also being paid to programmes supporting leisure-time activities for children from a disadvantaged environment. These activities are important mainly in disadvantaged areas, where the danger of crime and socially pathological phenomena is greater. Strategies for Crime Prevention (for the periods 2001-2003) and for the Prevention of Socially Pathological Phenomena among Children and Young People (for the period 2001-2004), as well as a Minimum Prevention Programme of the Ministry of Education, have been developed.

Assessment: Places that have participated in comprehensive crime prevention programmes from the earliest years of the whole system are showing a decrease in the occurrence of street crime, which can be proved by statistics. Social prevention programmes financed under this system, especially those focused on endangered young people and adults, are successfully progressing and play an important role in community planning in individual regions.

What needs to be done:

- to further develop the system so as to include localities smaller in size but suffering from specific problems;
- to further develop the system of preventive programmes in educational institutions;
- to strengthen the role of municipalities in crime prevention;

- to promote cooperation of all relevant partners, especially at local level, when collectively solving problems and to increase their learning potential.

Domestic violence

In 2002 an Interdepartmental Working Group was set up to promote the creation of interdisciplinary teams combining medical, social, legal and police assistance in exposing domestic violence. The Group also cooperates with non-profit non-governmental organisations. The team's work is aimed at setting the conditions necessary to create a comprehensive legal provision in the area of domestic violence, i.e. not only the modification of penal law and of legislative practice but in particular of social legislation and of further relevant areas in civil and family law.

Assessment: The absence of systematic solutions to the situation of victims of domestic violence often leads to a worsening of their social situation. In the current police practice, a tendency to focus on the violent criminal is still prevalent. A pilot phase of an educational project organised by the Ministry of the Interior was therefore launched at the beginning of 2003 aimed at the way the victims of crime are treated by the police. The awareness of the general public about these issues is still insufficient and the attitude of society towards interventions made by State bodies in situations of domestic violence is still rather reticent. At present, a governmental media campaign against domestic violence is under way, which is targeted at young people.

What needs to be done:

- to create proposals for new legal standards and methodological recommendations making the procedures of governmental bodies more efficient and to strengthen their cooperation with the non-profit sector;
- to continue with the information and media campaign against domestic violence (explaining the impact and implications of domestic violence and undermining the general view that domestic violence is a private matter);
- to ensure better help and support for victims of domestic violence and crime (further develop and support a network of consulting centres, asylum houses with secret addresses, programmes of therapeutic work with victims and their families);
- to pursue focused research charting domestic violence in the Czech Republic in general and also within individual endangered groups, taking special account of the situation of women, senior citizens and children.

4.3.2. E-inclusion

The ability of citizens to make use of modern information and communication technologies can represent a significant aspect determining their level of participation in today's knowledge society. In 1999 a strategic document called the National Information Policy was adopted. At present, a subsequent document, State Information and Telecommunication Policy, which will also take account of the Czech Republic's accession to the EU, is under preparation. In 2001, the Czech Republic subscribed to the goals for e-inclusion as defined at EU level by adopting the so-called Action Plan eEurope+. Furthermore, to support implementation of information technologies a new Ministry of Informatics was established. Another Government priority is to equip all schools with information and communication

technologies, this being also part of the Government education policy. Appropriate use of modern technologies in education will lead to improvement of learning capacity. Pupils will obtain skills relevant for their further studies and subsequent employment.

Assessment: The ability of people to make use of information and communication technologies has a significant impact on their inclusion in the information society. A National Computer Literacy Programme was therefore launched at the beginning of 2003, through which individuals are given an opportunity to become familiar with the basic knowledge and skills necessary for making use of information and communication technologies and for work with computers in a user-friendly way. The “Internet for Schools” project has started the process of introduction of information and communication technologies in schools. Considering the existing needs, efforts in this direction must continue. Needs experienced by disadvantaged groups are taken into account when implementing projects concerned with electronic services provided by the public administration and the Government Portal Site. Also in place is an alternative access to the Internet, for example in public libraries and public administration contact places (the network of the postal service). Around 1 700 libraries will be connected to the Internet by end of 2003. This means that approximately 76% of all inhabitants will live in places where a library can offer free access to the Internet.

What needs to be done:

- to extend international coordination in the field of e-inclusion and to join the WAI European initiative - Web Accessibility Initiative (standards for access to electronic information and services);
- to pay attention to and stress the needs of disadvantaged groups of citizens when implementing projects for the provision of governmental electronic services and when preparing the Government Portal Site;
- to support access to information and communication technologies for the general public, in particular taking account of the needs of disadvantaged groups and persons with disabilities;
- to continue supporting and extending the Internet in Schools programme;
- to continue the training of teachers in computer literacy.

4.3.3. Family solidarity

At present, the number of single-parent families in the Czech Republic is rising and mostly are headed by a woman. Another group at risk of poverty and social exclusion are families with many children. Families looking after disabled relatives or relatives with long-term incapacity as well as families otherwise disadvantaged also need special attention and care from the State. Family policy can be broken down into measures supporting well-functioning families, especially families with children, assistance for disadvantaged families and families in acutely unfavourable life situations (see also 4.2.1) and also protection of families against socially pathological phenomena, especially domestic violence. The area of family policy is within the competence of the Ministry of Labour and Social Affairs but other ministries are also involved in the implementation of various measures. In respect of decision-making responsibilities a significant role is played by regions, which are especially in charge of the provision of care which replaces family care. In this respect, foster care and substitute family

care is preferred to bringing up children in institutions. Cases of child poverty are dealt with as part of the assessment of persons living in a common household. Individual risks are treated individually by providing specific assistance. For example, in the area of social care allowances the objective is to minimise child poverty.

Assessment: So far, there is no comprehensive blueprint for family policy available. This area draws on the activities of several ministries. It concerns primarily accessibility of quality housing for young families, the planned transition from a passive system of government social support and social care to emphasis on activation and support for the independence of families. It also involves increasing tax advantages for families with children, especially families with several children. It is also necessary to introduce further measures enabling families to reconcile professional and parental obligations, which, besides other things, involves the opportunity to utilise various flexible forms of employment so far not very common in the Czech Republic. At present, an amendment to the Act on Social and Legal Protection of Children is in preparation.

What needs to be done:

- to develop a comprehensive family policy blueprint for the Czech Republic;
- to adopt measures which will create conditions for the improved functioning and stronger stability of marriages and families, which will have a pro-population growth dimension and support families with more children through tax incentives;
- to change the traditional stereotyped view of family roles and to support the possibility of partners' sharing the care for a small child (parental leave); in particular to set up a system which would support and not disadvantage fathers in making use of parental leave;
- to implement more efficient measures for the provision and recovery of alimony for under-age children.

4.4. Helping the most vulnerable

The groups of persons who are most vulnerable to social exclusion can be classified according to four basic risk factors: age (young, old); state of health (disabled); loss or lack of work habits (long-term unemployed, release from jail or from institutional care); and social situation (single parents, victims of crime and domestic violence, commercially abused persons, homeless persons, drug addicts, migrants, members of ethnic minorities). Across-the-board monitoring takes place in the case of national minorities, particularly the Roma population. The problems of individual groups are dealt with across individual programmes, or coordinated with the ministries concerned and with participation of other associations. This is the case of persons with disabilities, foreigners' integration, national minorities, human rights, domestic violence, etc.

People with disabilities

To ensure effective interdepartmental cooperation, the Governmental Committee for People with Disabilities (the Committee) was set up in 1991 as an advisory and coordinating body. The Committee assesses all new legislative proposals from the angle of their impact on this target group. Specific attention is paid to women with disabilities, who frequently face multiple discrimination on the grounds of disability, age, sex and economic situation. The National Plan for Adjusting Opportunities of People with Disabilities is monitored and

evaluated on an annual basis. Comprehensive rehabilitation is one of the key preconditions for the successful integration of people with disabilities. The core problem at present is the absence of legal regulations as such and, in some cases, the lack of necessary communication and interconnections between its individual components. Within the group of people with disabilities it is necessary to mention also the group of citizens with severe disabilities, for whom, with regard to the nature of their disability, their job and work will not form the purpose and the main activity in their lives. To ensure a quality life for these fellow-citizens, there are activation centres being set up which aim at therapeutic activities. (see also 4.1.6, 4.2 and 4.3.2.). As in the EU, the Czech Republic supports the “Year of the Disabled 2003”. Many activities will take place in the Czech Republic, not only during the current year. They will focus on enhancing awareness of the rights of disabled persons, promoting discussion on measures contributing to equal opportunities, promoting exchange of information and strengthening cooperation among all involved parties in order to put the emphasis on the positive contribution made by disabled people to society. Supporting the integration of people with intellectual disabilities into society in areas such as education, employment, social, recreational and cultural life and developing enhanced supports and living facilities, promoting greater public awareness and countering prejudice and discrimination will be important.

The Roma community

The Roma community is one of the groups at greatest risk of social exclusion. The coordination body for Roma-related issues is the Governmental Board for Roma Community Affairs. The main strategic document formulating national policy in this area is the Concept for Roma Integration. From the ethnic point of view, Roma affairs are dealt with by the Governmental Board for Ethnic Minorities. Their rights, like those of all other minorities, are protected by the Act on Rights of Members of Ethnic Minorities. Roma are protected against discrimination on the labour market by the Labour Code. Discrimination against them in trade and services is dealt with by the Act on Consumer Protection. At present, a bill is before the Government concerning equal treatment and protection against discrimination, which also covers the remaining discrimination areas not covered by other acts. (See also 4.1.6, 4.2, 4.3.1).

Assessment: Considering the fact that it is not possible to keep records of members of ethnic minorities, we use the term “Roma community”, which is not entirely identical to the term “Roma ethnic minority” and which defines this population group as a socio-cultural group. Apart from framework strategies, several special balancing measures have been implemented, which have had a positive impact on the improvement of their status. At present, Roma coordinators work in the regional offices. Owing to the lack of statistics no objective data are available on specific problems of Roma women. Their situation in Czech society is similar to that of Roma men. Roma families abide by the patriarchal principle and thus women are in a weak position. This is particularly true for traditional families, whereas the traditions are gradually dying out among the young.

What needs to be done:

- to continue with the integration of Roma people into society, starting from the municipal level;
- to eliminate internal barriers in the Roma community, i.e. primarily to change their attitudes towards education and development of skills;

- in order to promote the integration of Roma people into society, to establish an agency the objective of which will be to implement integration programmes for members of the Roma community and to prevent social exclusion in Roma communities, including removing its impact with support of the EU structural funds;
- to fully implement European Community legislation which prohibits racial discrimination in employment, education, social security, health care, housing and access to goods and services. Discrimination on grounds of religion or belief, age, disability and sexual orientation are also covered in the areas of employment and training (see Directives 2000/43/EC and 2000/78/EC). To fully transpose and effectively implement these Directives should be part of the overall strategy promoting the integration of ethnic minorities and other disadvantaged groups.

Other ethnic minorities are not currently at risk of social exclusion. **Migrants** (asylum seekers, foreigners who have been granted long-term or residence permit in the Czech Republic) do not represent a serious problem in terms of their present numbers. However, with regard to the forthcoming accession of the Czech Republic to the EU their numbers and some present integration problems are expected to grow. Owing to the fact that, starting from the first half of the nineties, the Czech Republic ceased to be an emigration country and turned to be a target for immigration, a need has arisen to develop a comprehensive strategy for the integration of migrants. The main document in this area, approved in 2000, is entitled Strategy for foreigners' integration in the territory of the Czech Republic. Its main objective is to bring the status of foreigners legally residing in the Czech Republic more than one year closer to the legal status of the citizens of the Czech Republic. Almost all ministries, social partners, local government bodies and non-governmental organisations participate in the implementation of this strategy.

Disadvantaged regions

As a result of the transformation of the Czech society, pronounced differences occurred during the 1990s among individual regions. As a result of industrial restructuring in some of them, the unemployment rate has risen steeply and the social situation of their inhabitants has worsened. One of the current priorities is therefore the gradual regeneration of disadvantaged regions, especially the North-West Region and the Moravian-Silesian Region, and the gradual attenuation of these differences.

Assessment: To mitigate interregional inequalities, national programmes for economically weak and structurally damaged regions are being implemented. Their purpose is primarily to diversify economic structures, to increase their efficiency and competitiveness in infrastructure development, bringing about new job opportunities. These mainly include the Regional Programme for Development Support in the North-west Bohemian and Moravian-Silesian Regions, Regional Programme for Development Support in Economically Weak and Structurally Damaged Regions, Global Revitalisation Plan for North-west Bohemia, etc. Disadvantaged regions also receive priority treatment in the allocation of funds for pro-active employment policy. These programmes should be primarily beneficial to disadvantaged local communities.

What needs to be done:

- to continue with the implementation of domestic regional policy;

- to continue supporting rural development;
- to concentrate on specifically defined areas (industrially weak, structurally disadvantaged and other regions etc.);
- to make full use of the opportunities offered by the EU Structural Funds;
- to prioritise disadvantaged regions when allocating funds for pro-active employment policy.

4.5. Mobilising all relevant bodies

A successful social inclusion strategy is based on two basic pillars: first, the mainstreaming concept, i.e. mainstreaming social inclusion into all relevant policies and the integration of these policies at national and local levels; and, secondly, close cooperation of all parties involved in these problems (including the opportunity to participate of representatives of the respective disadvantaged groups) at national and local levels and their active involvement.

Mobilising all relevant bodies

From the start of the preparation of the Joint Inclusion Memorandum, emphasis was placed on the involvement of all relevant players. Relevant ministries, Government bodies, social partners, local administration, non-governmental non-profit organisations and experts, whose number has gradually increased, were approached. Gradually, it became evident that the social inclusion strategy is a comprehensive and multidimensional process which calls for an integrated approach and the combination of many different policies. Works have shown that an essential precondition of any present or future activity in this area is the full support of the highest political players and the active participation of responsible partners. Bearing this in mind, drawing on experiences obtained in EU Member States and having regard to the advice of the European Commission, the Government constituted a special Committee on Social Inclusion. The main objective to be achieved by this Committee is the coordination of activities on the National Action Plan on Social Inclusion as part of the EU's social inclusion process. The Committee's members are the most relevant partners, who will play a major role not only in the development of the plan but also in its subsequent implementation.

Significant support when creating an institutional structure for the social inclusion strategy will be provided by a twinning project under the PHARE Programme implemented in collaboration with the UK and Germany. Among significant partners in terms of social inclusion are various Government Councils and Committees. At present the ongoing decentralisation of public administration is in its final stages, whereby competencies are devolved from the central to lower administration levels. Newly constituted NUTS 3 regions (kraje) constitute working groups and committees dealing with long-term problems and tasks and with the provision of public services to citizens. These activities are supported by participation of the social partners, NGOs and in appropriate instances also the representatives of disadvantaged groups. The supreme negotiating body between the Government and the social partners is the Council of Economic and Social Agreement, which established working groups dealing with specific subjects, including a social committee.

Assessment: Setting up a coordination body - the Committee on Social Inclusion - is a key factor in the development of the social inclusion strategy in the Czech Republic and a NAP/inclusion. Also the involvement of international experts will make a positive

contribution. On the negative side, the non-participation of the Ministry of Justice and the Ministry of Finance might have an unfavourable impact on the volume and effectiveness of proposed measures.

In 2003, the Ministry of Interior developed a summary analysis of public services. Contributions supplied by various ministries to this analysis have revealed that information is lacking on many subjects relating to this area. Most public services are within the competence of major districts and municipalities and information and financial flows are not sufficiently developed. The level of social involvement of the enterprises is very low at present and activities mostly depend on the amount of financial support provided from public budgets.

What needs to be done:

- to promote mobilisation and involvement of all relevant players, based on the partnership principle and enhanced social responsibilities of enterprises;
- to actively participate in the Community's action programme against social exclusion;
- to set up clear criteria for determining quality and accessibility of public services at the level of municipalities, associations of municipalities and regions;
- to adapt the services to local and regional specificities;
- to identify key problems in financing public services and to translate the solution of these problems into legal provisions which will set down the ways these activities are to be financed.

Non-profit non-governmental organisations, voluntary service

Non-profit non-governmental organisations represent a significant partner for the Czech Government in tackling poverty and social exclusion and in particular in the introduction of new services. Another of their specific characteristic features is their primary motivation to seek solutions for problems they identify which yield the maximum benefit, not sustained provision. Among their strengths is the fact that they make full use of voluntary activities. At the beginning of 2003, a new Act on Voluntary Service came into force, which set up conditions under which voluntary service performed without entitlement to remuneration is supported by the Government. The main areas of voluntary work include, for example, assistance to the unemployed, socially weak persons, disabled people, members of ethnic minorities, immigrants, persons shortly after being freed from prison sentences, drug addicts, or persons suffering from domestic violence. Voluntary service is also important in respect of the supervision of children during leisure activities.

Assessment: Non-governmental non-profit organisations are some of the most significant providers of assistance to vulnerable groups. They offer targeted activities, even to small groups of persons, and contribute towards greater variety in the supply of services. People from disadvantaged groups often need qualified advice for the solution of their problems. Such advice is frequently readily available from NGOs, but without systematic support provided by the State. A special category of NGOs is self-help organisations of vulnerable groups (for example, associations of disabled persons, associations of Roma communities, organisations of national minorities, etc.). With regard to the volume and range of activities performed by NGOs, there are great differences among regions. Financing of these activities also still needs to be clarified. They mostly depend on allocations from the State budget and

on grants towards individual activities. A possibility of tax relief is not available. The existence of the Act on Voluntary Service itself is definitely a positive sign, but trying out the Act in practice is only beginning. Accredited organisations can ask for a government subsidy for a part of their expenses related to the preparation and management of voluntary service. Setting up conditions for making use of voluntary service to improve the status of socially excluded persons will also be financially supported from the State budget in this way.

What needs to be done:

- to strengthen cooperation with non-profit non-governmental organisations;
- to support their long-term and sustainable financing, including tax relief;
- to extend the system of universal social counselling;
- to put into practice an accreditation system of voluntary organisations;
- to support a system of allocation of government grants for accredited organisations.

5. PROMOTING GENDER EQUALITY IN ALL ACTIONS TAKEN TO COMBAT POVERTY AND SOCIAL EXCLUSION

During the preparatory work on the Joint Inclusion Memorandum, differences between women and men became evident in a number of selected areas. In general, it can be said that in the context of poverty and social exclusion, women are more vulnerable than men. Women live longer but owing to the fact that their earnings are 25% lower than those of men (in particular because of lower wages in predominantly female industries, lower participation in management positions and because care of children and other dependent family members is provided almost exclusively by women), their pensions are accordingly lower. Women are more frequently dependent on social welfare allowances. Statistical data have shown that single-parent families with children (whose numbers continue to rise), mainly families headed by a woman, are highly represented among the most vulnerable groups in respect of poverty and social exclusion. Women with small children, low-skilled women and older women of productive age are also among those more likely to become unemployed. Roma women face a particularly high risk of poverty despite the fact that they often live in supportive Roma communities, as these communities themselves are often at risk of poverty.

Compared to EU-15, women's employment levels are high. Czech society regards it as normal that both husband and wife participate in gainful activities and in providing financial support for the family. On the other hand, the unsatisfactory conditions for combining employment with family responsibilities are problematic and flexible forms of employment are rare. There are practically no differences between women and men in the areas of access to education, health care and services. Participation of women and men at various levels of education is comparable. Certain differences can be observed in technical subjects, where men predominate, and in humanities subjects, where the opposite is true. Women very rarely participate in criminal activities but are frequently victims of domestic violence.

The Government of the Czech Republic has responded to the existing situation in various walks of life with a view of attaining full equality between women and men. This was the reason why a programme document entitled "Government priorities and action for promoting equality of men and women" was adopted in 1998. This document includes active measures

contributing to the elimination of existing factual and formal barriers. The proposed measures are designed to promote equal status of both sexes. Monitoring and updating of these measures by the Government takes place once a year. In 2001, the Government Council for Equal Opportunities of Women and Men was constituted and acts as a government advisory body with the right to submit proposals to the Government on promotion of equal opportunity policies.

While legislation fully ensures equality of women and men, in practice it is not fully implemented. In spite of the fact that marked progress has been achieved, really significant changes in the public's and legal awareness of gender equality problems are slow to materialise. All ministries were invited in 1999 to implement the gender mainstreaming method, but analysis of selected material has shown that implementation of this task appears to be rather formal. Starting from 2002, gender focal points were constituted in all ministries with a view to promoting gender mainstreaming and equality of women and men.

When preparing the Joint Inclusion Memorandum, emphasis was placed on the assessment of individual areas with respect to the status of women and men. In areas where gender differences were found, relevant statistics were produced and proposals take account of these findings. When processing statistical data, gender statistical methods will be used more and more. In future, attention will be paid to the problems related to equality of women and men when preparing action plans and strategies in many areas, such as the Family Policy Strategy, the National Action Plan for Employment and, especially, the National Action Plan on Social Inclusion. All central administration bodies are obliged to implement gender mainstreaming principles in all sector policies. The Ministry of Finance has launched the preparation of an informative methodology for gender budgeting which is to be used by public administration (central, regional and local) when preparing annual budgets. The Vice-Chairman of the Committee on Social Inclusion is at the same time a member of the Governmental Council for Equal Opportunities of Women and Men. The team which prepares the Joint Inclusion Memorandum and the National Action Plan on Social Inclusion cooperates closely with the Gender Equality Unit of the Ministry of Labour and Social Affairs. A special manual has been drawn up as part of the PHARE 2001 twinning project for incorporating gender aspects into future projects to be financed from the EU Structural Funds, particularly the European Social Fund.

6. STATISTICAL SYSTEMS AND INDICATORS

The Czech information database in the area of social statistics draws on the Ministry of Labour and Social Affairs (MOLSA) statistics and official statistics prepared by the Czech Statistical Office (CSO). Of special importance is the ESSPROS system implemented by MOLSA on the basis of methods developed by Eurostat.

MOLSA statistics

Unemployment statistics include statistical information based on reports made by Labour Offices (employment services) on registered job-seekers, vacancies and active employment policies. These figures contain information on the number of unemployed, their structure, reported vacancies, unemployment rates, and migration of job-seekers. Statistical results are published on a monthly, quarterly and yearly basis and can be used for the purposes of labour market regulation and implementation of both passive and active employment policies.

Pension statistics show, in detail, all types of paid pensions - number of pensions paid, average pension amount, pensioners' average age - both concerning all pensions paid at year end and the average number of newly awarded pensions in individual years.

Sickness insurance statistics concern only two of the three sickness insurance systems: sickness insurance of employees and self-employed persons. Data on the third system, that of sickness insurance of members of the armed forces, are supplied by the Ministry of Defence. Four benefits are monitored within the sickness insurance system: sickness benefit, benefit concerning care for a family member, maternity benefit, and income support during pregnancy and maternity.

Statistics on State social support relate to child allowance, parental allowance, maintenance allowance, foster care allowances, maternity grant, funeral grant, social allowance, housing allowance and transport allowance. Monitoring by means of statistics takes place by region and on a monthly basis.

Gender statistics is a relatively new subject, which shows the totals and the distribution by sex. Gender statistics provide information on the present status of women and men from the social perspective and are instrumental for the development of relevant measures and as a background for decisions made by the Government or by the Parliament. They also provide information on how successful the implementation of the equal opportunity principle is in practice.

Departmental statistics compile information on various segments of labour and social affairs, such as data relating to social services and allowances (both in cash and in kind) provided to older citizens, severely disabled citizens, citizens in need of specific assistance, socially maladjusted citizens, and members of marginal groups. Also collected are data on social care institutions, employees and wages in the social security and family sectors. Statistical data are published by means of quarterly, half-yearly and yearly reports.

The report on incapacity for work due to sickness and injury shows the development of sick leave and leave due to injuries, with special regard to occupational accidents. This is important for making available the amounts necessary for payment of sickness insurance benefits. The indicators concern incapacity for work due to sickness or injury with the corresponding breakdown, accident rates of women and young persons, paid-out compensation, preventive care and hazardous occupations and average numbers of insured persons. Indicators are published every six months with a breakdown by major district. The report in question monitors all economic units.

ESSPROS (The European System of Social Protection Statistics) is developed in the Czech Republic with a view to ensuring compatibility of national data concerning social protection and their breakdown with the corresponding data in EU Member States. Methodological guidance has been provided by Eurostat. Background information for this system is contained in the databases referred to above and also in social protection statistics available in other ministries, or supplied by pension funds. This database represents the most comprehensive overview of social protection and the levels attained can be compared with those reported by other States using ESSPROS. Data in line with this methodology are compiled once a year. At present a comprehensive database is created with the intention of having ten-year time series available by the time of EU accession.

Czech Statistical Office State statistics

The census provides information on the population and is taken every ten years. This is an exhaustive inquiry on the whole Czech Republic territory. By means of questionnaires, information is compiled in accordance with defined criteria on population, housing, etc. on one single date. This provides detailed information and a great amount of data on housing levels and problems, individual types of households, detailed data on local situations, or data based on information supplied by citizens (concerning education, nationality, etc.), data on economic activity, on commuting to employment, etc. In addition to this, combination of the various sets of data on the population and households with other characteristics provides an opportunity to assess the quality and structure of housing, households and families.

The microcensus is a statistical inquiry designed to obtain information on the income patterns of households, related to household members' age, education, social or other status. The objective of such an inquiry is to obtain the most recent representative figures on the distribution of income among households, on income levels of individual social and economic types of households and on the volume of income differentials. The inquiry is based on a representative sample of households (less than 1% of the total) and is taken every four years.

Statistics of family accounts contain information on the development of households' living standards in various groups of the population, such as employees' households, agricultural households, households with different numbers of dependent children, households with different income levels, etc. Data from these statistics make it possible to analyse particularly expenditure and consumption patterns of households based on a restricted sample. In addition, households' income is analysed. The data are published quarterly and also once a year in greater detail.

The labour force sample survey provides regular information on the labour market situation and enables analysis according to the chosen perspective (economic, social, demographic, etc.). The results obtained contribute to improved information on the nature of economic activity and employment patterns, on unemployment and other related factors. The results are published on a quarterly basis.

Other ministerial statistics

In considering the social inclusion problems, statistics compiled by the Ministry of Education, Youth and Sports, the Ministry of Health and the Ministry of Interior are also important. Education statistics provide information on numbers of pupils and students at different levels of the school system, number of classes, courses and teachers. Statistics concerning health provide information on the health status of the population, the network and activities of health institutions, workers in the health sector, etc. The Ministry of Interior compiles data on asylum seekers and on types and numbers of criminal offences.

Shortcomings in statistical systems

One major problem consists in legal restrictions concerning statistics on **members of national minorities**. This is a substantial obstacle when trying to devise methods to effectively support the integration of the Roma population. Another serious problem is the lack of statistical information on the numbers and structure of **persons with disabilities**. Partial data are collected by the ministries involved (MOLSA, Ministries of Education, Youth and Sports and Health), but they do not provide a comprehensive picture. At present negotiations are taking place with the CSO with a view to organising the collection of valid data on the basis of sample inquiries and information that is already available at ministerial

level. Comprehensive statistical data are indispensable for making analyses of financial resources needed for support of persons with disabilities, for example for planning various types of social and training services, construction of barrier-free housing in individual regions, search of optimal strategies for employment promotion for persons with disabilities, etc. Statistical data on **homeless persons** and other **clients of the social services system**, and those on **foreigners in the Czech Republic territory** are also not readily available. Statistics charting the regional distribution and structure of delivered social services on the basis of which population groups with difficult access to social services could be identified are also non-existent.

7. SUPPORT TO JOINT SOCIAL INCLUSION POLICIES THROUGH THE STRUCTURAL FUNDS

In the process of preparing the Joint Inclusion Memorandum a number of activities have been identified that are relevant with regard to criteria of the Structural Funds and eligibility for financial assistance. These priorities are reflected in programming documents prepared for the short programming period of 2004 – 2006.

Among the EU Structural Funds it is primarily the European Social Fund that provides finance for the social inclusion area. In the short programming period of 2004 – 2006 the Fund will support the following forms of assistance: Human Resources Development Operational Programme (HRDOP), Joint Regional Operational Programme (JROP), Single Programme Document for the Objective 3 (SPD 3), and Community Initiative EQUAL. In line with the frame of reference, apart from the priority to enhance the competitiveness of businesses and increase the employment level as well as qualifications and flexibility of the workforce, integration of socially excluded population groups was also defined as the global priority with respect to assistance provided by the Structural Funds in the area of human resources development. Activities are described under the said programming documents and financial assistance from the Structural Funds has to be considered in a broader context of national policies and strategic priorities.

The main priorities identified in respect of social inclusion are the following:

- active employment policy;
- social integration of specific population groups which are at risk of social exclusion;
- equal opportunities for men and women;
- development of education, including lifelong learning.

The following are the relevant priorities and measures in particular programming documents that are concerned with promoting social inclusion:

Human Resources Development Operational Programme

Priority 1: Active Employment Policy

1.1 Strengthening the Active Employment Policy for Job-Seekers and Job Applicants

1.2 Public Employment Services Modernisation

Priority 2: Social Integration and Equal Opportunities

2.1 Integration of Specific Population Groups at Risk of Social Exclusion

2.2 Equal Opportunities for Women and Men in the Labour Market

2.3 Strengthening the Capacity of Social Services Providers

Priority 3: Lifelong Learning Development

3.1 Enhancing the Quality of Education at Schools and School Facilities and Developing Support Systems for Education

3.2 Promoting Tertiary Education, Research and Development

3.3 Further Vocational Training Development

Priority 4: Adaptability and Entrepreneurship

4.1 Increasing Adaptability of Employers and Employees to Economic and Technological Changes; Promoting Competitiveness

4.2 Specific Training

Joint Regional Operational Programme

Priority 2: Regional Development of the Infrastructure

2.1 Development of Transport in Regions

2.2 Development of Information and Communication Technologies in Regions

Priority 3: Development of Human Resources in Regions

3.1 Infrastructure for Human Resources Development in Regions

3.2 Support to Social Integration in Regions

Single Programming Document for Objective 3

Priority 1: Active Employment Policy

1.1 Development of the Active Employment Policy and Enhancing its Targeting

Priority 2: Social Integration and Equal Opportunities

2.1 Integration of Specific Groups at Risk of Social Exclusion

2.2 Reconciling Family and Working Life

2.3 Strengthening the Capacity of Social Services Providers

Priority 3: Development of Lifelong Learning

3.1 Development of Initial Education as a Basis for Lifelong Learning, with Regard to the Needs of the Labour Market and Knowledge-based Economy

3.2 Development of Further Education and Training

Priority 4: Adaptability and Entrepreneurship

4.1 Improving Adaptability of Employers and Employees to the Changing Economic and Technological Environment and thus Enhancing their Competitiveness

Community Initiative EQUAL

Priority 1: Employability:

- Facilitating Access and Return to the Labour Market for those Who Have Difficulty in Being Integrated or Re-integrated into a Labour Market which Must Be Open to All
- Combating Racism and Xenophobia in Relation to the Labour Market

Priority 2: Entrepreneurship:

- Opening up the Business-creation Process to All by Providing the Tools Required for Setting Up in Business and for the Identification and Exploitation of New Possibilities for Creating Employment in Urban and Rural Areas
- Strengthening the Social Economy (the Third Sector), in Particular Services of Interest to the Community, with a Focus on Improving the Quality of Jobs

Priority 3: Adaptability:

- Promoting Lifelong Learning and Inclusive Work Practices Which Encourage the Recruitment and Retention of those Suffering Discrimination and Inequality in Connection with the Labour Market
- Supporting the Adaptability of Firms and Employees to Structural Economic Change and the Use of Information Technology and Other New Technologies

Priority 4: Equal Opportunities:

- Reconciling Family and Working Life, as Well as the Re-integration of Men and Women Who Have Left the Labour Market, by Developing More Flexible and Effective Forms of Work Organisation and Support Services
- Reducing Gender Gaps and Supporting Job Desegregation

Priority 5: Assisting Asylum Seekers in their Integration

Many of the priorities and measures in the programming documents respond to the key challenges identified in Chapter 3 of the Joint Inclusion Memorandum. The measures that are relevant to each challenge are detailed below:

To establish and develop an inclusive labour market in accordance with the State economic policy, to support employment and employability and to respond to ongoing structural changes

HRDOP measures 1.1, 1.2, 2.1, 2.2, 2.3, 3.1, 3.2, 3.3, 4.1, 4.2

JROP measures 3.1, 3.2

SPD 3 measures 1.1, 2.1, 2.3, 3.1, 3.2

CIP EQUAL measures 1.1, 1.2, 1.3, 1.4, 2.3, 2.4, 3.3, 3.4, 5.1, 5.2

To eliminate disadvantages in access to education

HRDOP measures 3.1, 3.2, 3.3,

JROP measure 3.1

SPD 3 measures 3.1, 3.2

CIP EQUAL measures 1.3, 1.4, 3.1, 3.2, 5.1, 5.2

To maintain family solidarity, to protect the rights of children and to prevent socially pathological phenomena

HRDOP measure 2.1, 2.3

JROP measure 3.2

SPD 3 measures 2.1, 2.2, 2.3

CIP EQUAL measures 2.3, 2.4, 3.3, 3.4, 4.1, 4.2, 4.3, 4.4

To secure equal access to high-quality social and health services

HRDOP measure 2.1, 2.3

JROP measures 3.1, 3.2

SPD 3 measures 2.1, 2.2, 2.3

CIP EQUAL measures 3.3, 3.4

To increase transport accessibility

JROP measures 2.1, 2.2

Cohesion Fund

To promote the revival of disadvantaged regions in line with the principle of sustainable development

This challenge is covered by the JROP, Cohesion Fund and Interreg III.

8. CONCLUSIONS

Involvement in the EU's social inclusion process, the open method of coordination on poverty and social exclusion, is an important priority for the Government of the Czech Republic after accession. The preparation of this Joint Inclusion Memorandum has been an important means for preparing for full participation in the process. It has contributed to a better understanding of the concept of social exclusion and has been an opportunity to identify the main trends and key challenges, to review the effectiveness of existing policies and programmes and to identify key policy priorities for the future in terms of preventing and eradicating poverty and social exclusion.

Ensuring a society with high levels of social inclusion has long been an important priority for the Czech Republic. Compared with other accession and candidate countries, and also with the EU average, it has a low rate of poverty. Present systems of social protection, education, health care and services were designed to prevent the occurrence of social exclusion and have proved largely successful in this regard and do not require major changes. However, the Joint Inclusion Memorandum process has also reinforced the need for existing systems to be adapted to new phenomena, the emergence of which has come about with the development of modern society (population ageing, changes in family composition, ongoing structural changes and the emergence of the knowledge-based society). Also specific needs of disadvantaged groups such as persons with disabilities or persons living in disadvantaged social and cultural environments, particularly the Roma community, have to be taken into account. A weakness of the existing systems is that they fail to provide incentives to beneficiaries (especially families with several children where the parents lack qualifications) to seek employment. At the same time it is clear that employment is the main means of achieving social inclusion.

The process of preparing the JIM has, in line with the common objectives that underpin the EU's social inclusion process, served to emphasise the multidimensional nature of poverty and social exclusion. Social exclusion means, in addition to insufficient income for leading a dignified life in keeping with the existing social standard, reduced opportunities for participation in social life and obstacles to accessing mainstream society. The reasons lie in restricted access to resources and opportunities, including the development of people's abilities to access employment, education and training, health care and housing. Thus the continued prevention and eradication of poverty and social exclusion requires a coordinated and integrated approach that mainstreams a concern with poverty and social exclusion across all relevant policy domains and ensures mutually reinforcing links between economic, employment and social policies.

The Government of the Czech Republic and the European Commission have identified the following as the most urgent challenges in relation to tackling poverty and social exclusion:

- to respond to ongoing structural changes which are bringing about changes in the labour market and leading to increased unemployment, especially long-term unemployment, by promoting the creation of new and sustainable jobs;
- to support and encourage the long-term unemployed back into employment and reduce dependence on social protection;
- to support the elimination of conditions leading to disadvantage in education of groups at risk of social exclusion, to define the system of life-long learning by law, and to create conditions ensuring links between the educational system and labour market needs;
- to adapt social protection and health-care systems to respond better to social changes, in particular to an ageing population;
- to increase access to affordable and good-quality housing.

In the light of the analysis undertaken in this report, the Government of the Czech Republic and the European Commission have agreed that the most immediate policy priorities in relation to tackling poverty and social exclusion are:

- to create a new system for providing financial assistance in situations of material need with a view to eliminating long-term dependence on social allowances and linking the receipt of benefits more closely to activation measures to assist people in obtaining employment;
- to further expand preventive and support measures so as to enhance employability as a means of preventing long-term unemployment and to expand and enlarge social and training programmes for those from especially disadvantaged social and cultural environments;
- to modernise the contents of education with respect to the needs of general personal development (with special emphasis on functional literacy) and to the needs of the labour market and to put in place a comprehensive system of lifelong learning;
- to interconnect health and social care mainly at community level by creating so-called integrated community care and to complete and introduce standards which will ensure guaranteed minimum care from a qualitative and quantitative point of view;
- to enhance a properly functioning housing market and to introduce a specialised sector of social housing;
- to improve transport accessibility especially in disadvantaged regions.

In implementing the above measures the Government recognises that it will be important to take into account regional differences in the levels of poverty and social exclusion, especially in remote regions and regions affected by structural change. Individual policies will also need to take fully into account equality of opportunity for men and women. Furthermore, for the successful achievement of the tasks identified in the JIM, the Government recognises the need for a broad coordinated approach and the cooperation of all necessary partners. The Committee on Social Inclusion, which has been established by the Government, will be the instrument for ensuring this. The Government also recognises that an effective solution of many of the envisaged actions will in practice require devolving individual measures to lower

regional and local levels and ensuring that they have the resources and capacity to develop coordinated and integrated policy responses at local level.

The Government considers that its participation in the EU's open method of coordination has been significantly advanced as a result of the work undertaken in preparing the Joint Inclusion Memorandum. The areas identified in the JIM constitute a clear framework for the drafting of the Czech Republic's first National Action Plan on Social Inclusion, which is due to be submitted to the Commission in 2004.

STATISTICAL ANNEX

<i>Regional Gross Domestic Product in million EURO</i>									
	1993	1994	1995	1996	1997	1998	1999	2000	2001
Region/Regio									
NUTS 2									
NUTS 3									
Praha	5 863	7 089	8 575	9 529	10 338	11 908	12 596	13 840	15 783
Středočeský kraj	2 559	2 915	3 318	3 787	3 926	4 414	4 615	5 049	5 799
Jihozápad	3 283	3 774	4 328	5 020	5 093	5 436	5 481	5 958	6 706
<i>Jihočeský kraj</i>	<i>1 686</i>	<i>1 940</i>	<i>2 198</i>	<i>2 540</i>	<i>2 602</i>	<i>2 817</i>	<i>2 832</i>	<i>3 054</i>	<i>3 403</i>
<i>Plzeňský kraj</i>	<i>1 596</i>	<i>1 834</i>	<i>2 129</i>	<i>2 480</i>	<i>2 491</i>	<i>2 619</i>	<i>2 649</i>	<i>2 904</i>	<i>3 303</i>
Severozápad	3 125	3 438	4 080	4 660	4 517	4 742	4 743	5 005	5 515
<i>Karlovarský kraj</i>	<i>857</i>	<i>961</i>	<i>1 080</i>	<i>1 204</i>	<i>1 177</i>	<i>1 234</i>	<i>1 245</i>	<i>1 357</i>	<i>1 477</i>
<i>Ústecký kraj</i>	<i>2 268</i>	<i>2 477</i>	<i>3 000</i>	<i>3 457</i>	<i>3 340</i>	<i>3 508</i>	<i>3 497</i>	<i>3 648</i>	<i>4 038</i>
Severovýchod	3 837	4 438	5 007	5 672	5 917	6 283	6 357	6 916	7 810
<i>Liberecký kraj</i>	<i>1 098</i>	<i>1 239</i>	<i>1 409</i>	<i>1 597</i>	<i>1 648</i>	<i>1 715</i>	<i>1 779</i>	<i>1 946</i>	<i>2 216</i>
<i>Královéhradecký kr.</i>	<i>1 421</i>	<i>1 678</i>	<i>1 863</i>	<i>2 132</i>	<i>2 247</i>	<i>2 377</i>	<i>2 411</i>	<i>2 641</i>	<i>2 962</i>
<i>Pardubický kraj</i>	<i>1 318</i>	<i>1 521</i>	<i>1 735</i>	<i>1 942</i>	<i>2 022</i>	<i>2 191</i>	<i>2 166</i>	<i>2 329</i>	<i>2 631</i>
Jihovýchod	4 481	5 186	5 715	6 588	6 669	7 201	7 246	7 836	9 031
<i>Vysočina</i>	<i>1 252</i>	<i>1 444</i>	<i>1 634</i>	<i>1 895</i>	<i>1 883</i>	<i>2 021</i>	<i>2 074</i>	<i>2 276</i>	<i>2 693</i>
<i>Jihomoravský kraj</i>	<i>3 229</i>	<i>3 742</i>	<i>4 081</i>	<i>4 694</i>	<i>4 786</i>	<i>5 180</i>	<i>5 172</i>	<i>5 560</i>	<i>6 338</i>
Střední Morava	3 114	3 591	4 073	4 642	4 812	5 028	5 024	5 385	6 127
<i>Olomoucký kraj</i>	<i>1 564</i>	<i>1 765</i>	<i>2 050</i>	<i>2 393</i>	<i>2 414</i>	<i>2 489</i>	<i>2 524</i>	<i>2 712</i>	<i>3 060</i>
<i>Zlínský kraj</i>	<i>1 550</i>	<i>1 826</i>	<i>2 023</i>	<i>2 249</i>	<i>2 397</i>	<i>2 539</i>	<i>2 499</i>	<i>2 673</i>	<i>3 066</i>
Moravskoslezsko	3 598	4 203	4 709	5 577	5 484	5 624	5 513	5 765	6 568
Extra - regio	0	0	0	0	0	0	0	0	0
CZECH REPUBLIC	29 860	34 634	39 804	45 476	46 755	50 636	51 575	55 755	63 338

Source: Czech Statistical Office

**Unemployment rates and number of registered job-seekers in the regions
of the Czech Republic**

Region	Number of registered job-seekers			Unemployment rate (in %)		
	31.12.2000	31.12.2001	31.12.2002	31.12.2000	31.12.2001	31.12.2002
1. Ústecký	66 572	67 720	74 135	16.1	15.8	17.1
2. Moravskoslezský	94 609	94 226	101 214	15.1	15.1	15.9
3. Olomoucký	38 092	37 215	39 395	11.9	11.8	12.2
4. Jihomoravský	54 003	55 139	63 777	9.3	9.7	11.2
5. Zlínský	23 935	24 841	29 759	8.1	8.5	10.2
6. Karlovarský	13 174	14 062	16 115	8.0	8.7	10.1
7. Liberecký	14 016	15 987	19 334	6.4	7.4	8.7
8. Pardubický	19 896	19 911	21 865	7.9	7.9	8.7
9. Vysočina	19 402	18 196	21 548	7.5	7.0	8.3
10. Královéhradecký	16 644	17 433	20 497	5.9	6.3	7.3
11. Středočeský	38 160	37 819	41 761	6.8	6.8	7.2
12. Plzeňský	18 535	18 580	20 226	6.5	6.5	7.1
13. Jihočeský	18 499	19 162	21 118	5.8	6.0	6.7
14. Praha	21 832	21 632	23 691	3.4	3.4	3.7

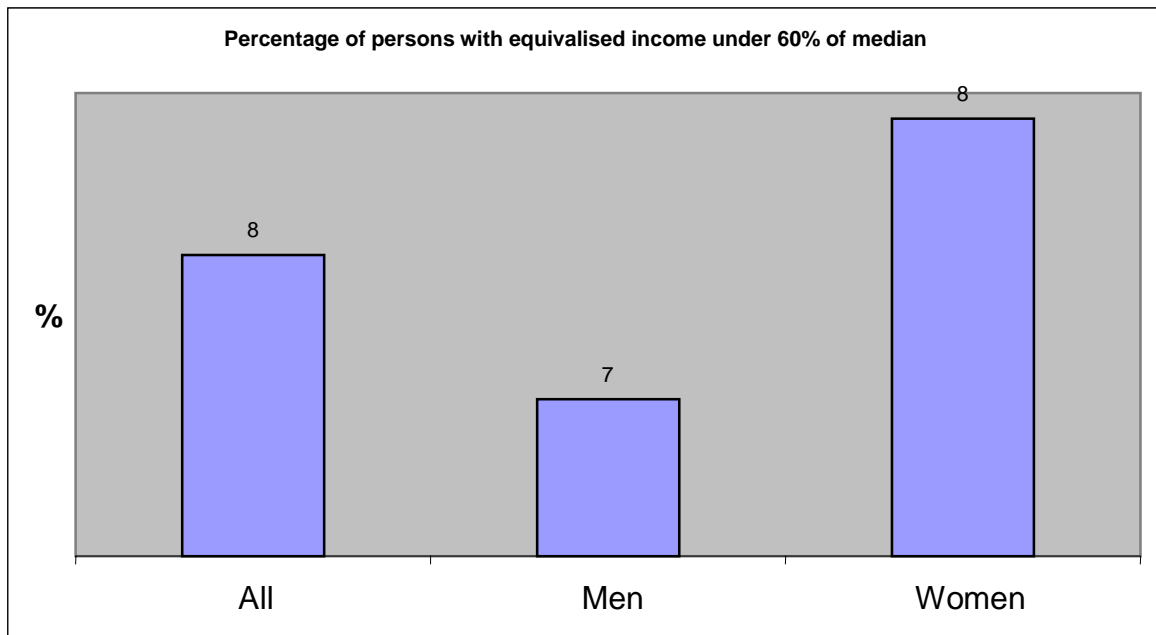
Districts with the highest unemployment rate as of December 31, 2002

District	Number of registered job-seekers			Unemployment rate (in %)		
	31.12.2000	31.12.2001	31.12.2002	31.12.2000	31.12.2001	31.12.2002
1. Most	12 485	13 204	14 401	21.5	21.3	21.7
2. Karviná	25 183	25 225	26 507	18.0	18.0	19.6
3. Louny	7 523	7 521	8 050	17.1	17.2	18.6
4. Teplice	10 123	10 581	11 854	17.0	16.6	18.2
5. Chomutov	10 892	10 901	12 144	16.9	16.4	17.7
6. Ostrava	26 402	25 588	27 807	16.6	16.2	17.2

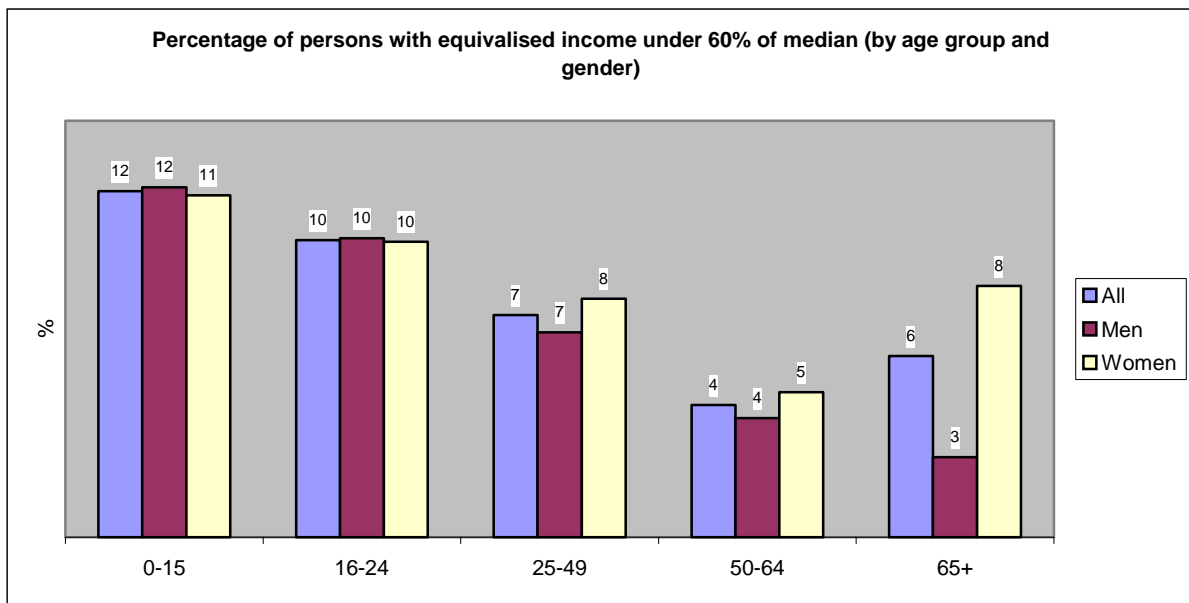
Source: Ministry of Labour and Social Affairs

GRAPHS:

Graph 1

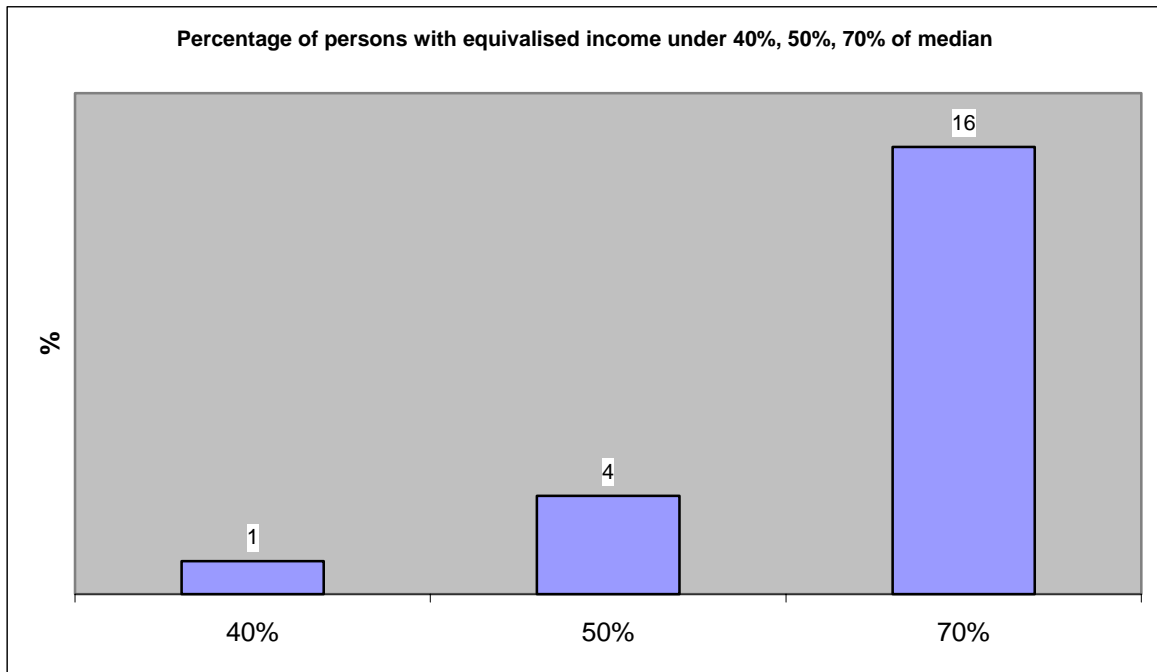


Graph 2

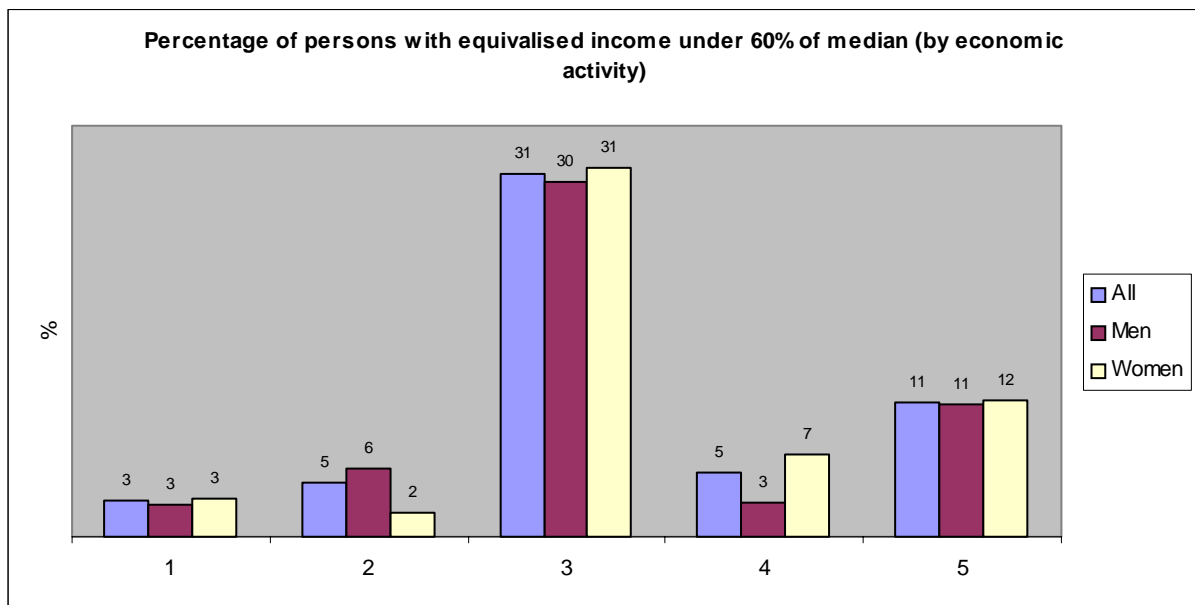


Source: Czech Statistical Office

Graph 3



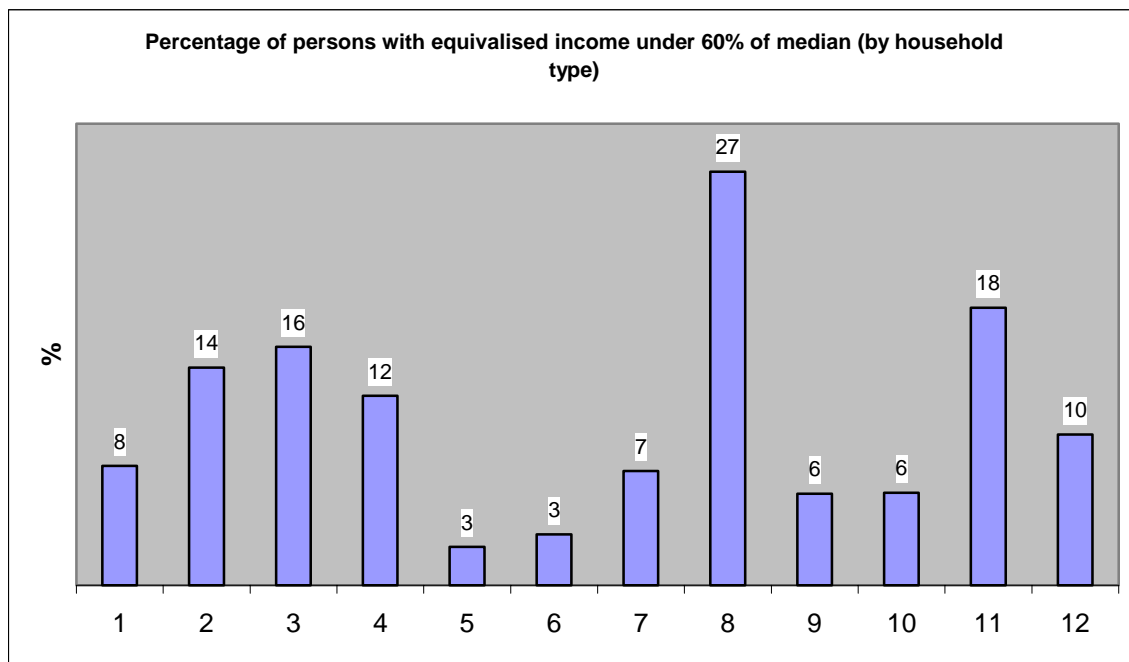
Graph 4



1 – Employed, 2 – Self-employed, 3 – Unemployed, 4 – Retired, 5 – Other inactive

Source: Czech Statistical Office

Graph 5



Source: Czech Statistical Office

Note: 1 - Low income rate (60%) after transfers, all

2 - Low income rate (60%) a.t., 1 pers. -29

3 - Low income rate (60%) a.t., 1 pers. 30-64

4 - Low income rate (60%) a.t., 1 pers. 65+

5 - Low income rate (60%) a.t., 2 pers., 0 child., min. 1 pers. 65+

6 - Low income rate (60%) a.t., 2 pers., 0 child., both -64

7 - Low income rate (60%) a.t., other hh 0 child.

8 - Low income rate (60%) a.t., 1 parent, 1+ child.

9 - Low income rate (60%) a.t., 2 adults, 1 child

10 - Low income rate (60%) a.t., 2 adults, 2 child.

11 - Low income rate (60%) a.t., 2 adults, 3+ child.

12 - Low income rate (60%) a.t., other hh 1+ child.

Comparison with the EU (EU 15)

Percentage of persons with equivalised income under 60% of median

		2000 EU15	2000 ČR
All age groups		15	8
0-15		19	12
16-24	All	20	10
	Men	19	10
	Women	21	10
25-49	All	13	7
	Men	12	7
	Women	14	8
50-64	All	12	4
	Men	12	4
	Women	13	5
65+	All	17	6
	Men	15	3
	Women	19	8

Percentage of persons with equivalised income under 60% of median (by economic activity)

		2000 EU15	2000 ČR
Employed	All	7	3
	Men	8	3
	Women	6	3
Self-employed	All	15	5
	Men	16	6
	Women	14	2
Unemployed	All	39	31
	Men	44	30
	Women	33	31
Retired	All	16	5
	Men	15	3
	Women	16	7
Other inactive	All	24	11
	Men	24	11
	Women	24	12

Source: Czech Statistical Office, Eurostat

**Percentage of persons with equivalised income under 60% of median
(by household type)**

	2000 EU15	2000 ČR
Low income rate (60%) a.t., 1 pers. -29	33	14
Low income rate (60%) a.t., 1 pers. 30-64	15	16
Low income rate (60%) a.t., 1 pers. 65+	26	12
Low income rate (60%) a.t., 2 pers., 0 child., min. 1 pers. 65+	14	3
Low income rate (60%) a.t., 2 pers., 0 child., both -64	10	3
Low income rate (60%) a.t., 2 adults, 1 child	10	6
Low income rate (60%) a.t., 2 adults, 2 child.	13	6
Low income rate (60%) a.t., 2 adults, 3+ child.	26	18

Source: Czech Statistical Office, Eurostat

**Indicators of poverty and social exclusion counted from data of the Social situation of
households survey 2001 (incomes after transfers)**

Code	Title	Value	Description of indicator	Number of persons at risk of poverty	All persons
MEDI	MEDICPPE	107 720	Median of equivalised income a.t.		
1a	M60	7,77	Low income rate (60%) after transfers, all	787808	10138939
1am	M60MU	7,21	Low income rate (60%) after transfers, males	354419	4916712
1af	M60ŽE	8,30	Low income rate (60%) after transfers, females	433389	5222227
1a1	M60_15	11,63	Low income rate (60%) after transfers, all -15	207095	1780706
1a1m	M60_15MU	11,76	Low income rate (60%) after transfers, males -15	108831	925668
1a1f	M60_15ŽE	11,49	Low income rate (60%) after transfers, females -15	98263	855038
1a2	M60_1624	9,99	Low income rate (60%) after transfers, all 16-24	135064	657045
1a2m	M601624M	10,05	Low income rate (60%) after transfers, males 16-24	69806	694757
1a2f	M601624Ž	9,93	Low income rate (60%) after transfers, females 16-24	65259	657045
1a3	M60_2549	7,47	Low income rate (60%) after transfers, all 25-49	273841	3665433
1a3m	M602549M	6,89	Low income rate (60%) after transfers, males 25-49	122862	1782810
1a3f	M602549Ž	8,02	Low income rate (60%) after transfers, females 25-49	150979	1882624
1a4	M60_5064	4,44	Low income rate (60%) after transfers, all 50-64	85559	1925085
1a4m	M605064M	4,00	Low income rate (60%) after transfers, males 50-64	37288	933335
1a4f	M605064Ž	4,87	Low income rate (60%) after transfers, females 50-64	48271	991751
1a5	M60_65_	6,09	Low income rate (60%) after transfers, all 65+	86250	1415912
1a5m	M6065_M	2,69	Low income rate (60%) after transfers, males 65+	15632	580142
1a5f	M6065_Ž	8,45	Low income rate (60%) after transfers, females 65+	70617	835770
1b1	M60_ZAM	3,00	Low income rate (60%) after transfers, all employed	116589	3887164
1b1m	M60_ZAMM	2,73	Low income rate (60%) after transfers, employed males	55953	2049981
1b1f	M60_ZAMŽ	3,30	Low income rate (60%) after transfers, employed females	60635	1837183
1b2	M60_PDN	4,58	Low income rate (60%) after transfers, all self-employed	27626	602931
1b2m	M60_PDNM	5,73	Low income rate (60%) after transfers, self-employed males	23921	417750
1b2f	M60_PDNŽ	2,00	Low income rate (60%) after transfers, self-employed females	3705	185181
1b3	M60_NEZ	30,82	Low income rate (60%) after transfers, all unemployed	156825	508811
1b3m	M60_NEZM	30,22	Low income rate (60%) after transfers, unemployed males	76478	253094
1b3f	M60_NEZŽ	31,42	Low income rate (60%) after transfers, unemployed females	80347	255717
1b4	M60_DUCH	5,49	Low income rate (60%) after transfers, all retired	107838	1963298
1b4m	M60DUCHM	2,93	Low income rate (60%) after transfers, retired males	21423	732365
1b4f	M60DUCHŽ	7,02	Low income rate (60%) after transfers, retired females	86416	1230933
1b5	M60_JNEA	11,45	Low income rate (60%) after transfers, all other inactives	193894	1692968

1b5m	M60_JNEA	11,29	Low income rate (60%) after transfers, other inactive males	80438	712481
1b5f	M60_JNEA	11,57	Low income rate (60%) after transfers, other inactive females	113457	980487
1c	M60	7,77	Low income rate (60%) after transfers, all	787808	10138939
1c1	M60_1O29	14,14	Low income rate (60%) a.t., 1 pers. -29	13432	95012
1c2	M60_1O64	15,50	Low income rate (60%) a.t., 1 pers. 30-64	58201	375558
1c3	M60_1O65	12,31	Low income rate (60%) a.t., 1 pers. 65+	59544	483838
1c4	M602O0D1	2,50	Low income rate (60%) a.t., 2 pers., 0 child., min. 1 pers. 65+	23226	930097
1c5	M602O0D2	3,31	Low income rate (60%) a.t., 2 pers., 0 child., both -64	41046	1240756
1c6	M60JIN0D	7,43	Low income rate (60%) a.t., other hh 0 child.	170741	2297555
1c7	M60NEUPR	26,87	Low income rate (60%) a.t., 1 parent, 1+ child.	132197	491976
1c8	M602O1D	5,94	Low income rate (60%) a.t., 2 adults, 1 child	78685	1324081
1c9	M602O2D	6,02	Low income rate (60%) a.t., 2 adults, 2 child.	128896	2142843
1c10	M602O3+D	18,04	Low income rate (60%) a.t., 2 adults, 3+ child.	99290	550362
1c11	M60JIN1D	9,79	Low income rate (60%) a.t., other hh 1+ child.	113727	1161269
1d	M60	7,77	Low income rate (60%) after transfers, all	787808	10138939
1d1	M60_ONAJ	7,15	Low income rate (60%) after transfers, rent-free	309970	4336543
1d2	M60_NAJ	8,24	Low income rate (60%) after transfers, tenants	477838	5802396
1e1	PCH_1O	64632	Low income threshold (60%) a.t., 1 pers.		
1e2	PCH_2O2D	135727	Low income threshold (60%) a.t., 2 adults, 2 child.		
2	S80/S20	3,42	Distribution of income - S80/S20 share ratio	10138939	10138939
4	PROPADP	15,57	Relative median low income gap, all	394120	0
4m	PROPADPM	16,75	Relative median low income gap, males	177996	0
4f	PROPADPŽ	14,46	Relative median low income gap, females	217457	0
111	M40	1,19	Low income rate (40%) after transfers, all	121097	10138939
112	M50	3,53	Low income rate (50%) after transfers, all	358229	10138939
113	M70	16,07	Low income rate (70%) after transfers, all	1629215	10138939
131	M60BT	35,77	Low income rate (60%) b.t., all transfers excl.	3627089	10138939
131m	M60BTM	32,56	Low income rate (60%) b.t., all transf. excl., males	1600991	4916712
131f	M60BTŽ	38,80	Low income rate (60%) b.t., all transf. excl., females	2026097	5222227
132	M60BT+P	18,48	Low income rate (60%) b.t., old-age, survivor's pens. incl.	1873462	10138939
132m	M60BT+PM	17,67	Low income rate (60%) b.t., old-age, surv. pens. incl., males	868962	4916712
132f	M60BT+PŽ	19,24	Low income rate (60%) b.t., old-age, surv. pens. incl., females	1004500	5222227
133	M60	7,77	Low income rate (60%) after transfers, all	787808	10138939
133m	M60MU	7,21	Low income rate (60%) after transfers, males	354419	4916712
133f	M60ŽE	8,30	Low income rate (60%) after transfers, females	433389	5222227
14	GINI	25,14	Gini coefficient		

Source: Czech Statistical Office